Prepared by Douglas L. Tindal, 305 W. Main St.-Suite A. Washington, Iowa 52353 319-653-2159

RESTRICTIVE COVENANTS FOR WATERS EDGE SUBDIVISION

THIS DECLARATION, made by Kenneth M. Goodwin and Constance S. Goodwin, Husband and Wife, and Robert E. Robbins and Susan K. Robbins, Husband and Wife, on behalf of **Waters Edge, LLC:**

WITNESSETH:

That for the mutual benefit of the undersigned present owners and all of the future owners of all of the lots in **Waters Edge Subdivision** and of future owners of any of said lots, the undersigned do hereby declare and bind themselves, their heirs, assigns, guarantees, transferees, executors, and legal representatives in the ownership of all of the lots in **Waters Edge Subdivision** described as:

> The Southeast Quarter of the Southeast Quarter of Section 33, Township 76 North, Range 7 West of the 5th P.M., Washington County, Iowa and more particularly described as follows:
> Beginning at the Southeast corner of said Section 33, thence N90°00'00"W 1338.46 feet along the Section line to the Southwest corner of said SE¼SE¼, thence N2°04'07"E 1324.44 feet to the Northwest corner of said SE¼SE¼, thence S89°58'23"E 1321.47 feet to the NE corner of said SE¼SE¼, thence S1°20'04"W 1323.31 feet to the point of beginning and containing 40.402 Acres of which 2.986 Acre is existing road right of way and being subject to all easements and restrictions of record,
> ALL AS SHOWN ON THE ATTACHED PLAT,

to the following protective covenants, and further state that they shall run with the land and shall be binding upon all owners thereof so long as said covenants remain in force and effect, to-wit:

1. Each lot as shown on the recorded Plat of this Subdivision constitutes "one building site". No more than one dwelling unit shall be constructed upon one building site in this Subdivision. All lots shall be used exclusively for human residential purposes, conventional guest houses, child's houses, attached residential garages, or similar structures; and no other uses shall be permitted without permission of the Board of Directors of Waters Edge Homeowners Association, Inc.

All Subdivision facilities are to be for the exclusive use of lot owners in the Subdivision, and their families and guests (who shall be accompanied by at least one owner of a Subdivision lot).

2. No trailer, mobile home, vehicle, basement, tent, garage, or other similar structure shall be used as a temporary or permanent residence, nor shall any residence of a temporary nature be permitted. Likewise no more than one residence per lot shall be permitted. No structure shall be moved onto any lot within the addition.

3. No lot within the addition may be further subdivided, except that a lot may be divided and sold to or with adjoining lots to increase their size.

4. No noxious or offensive activity shall be carried on any lot which activity is a nuisance to the neighborhood. There shall be no motorcycles or snowmobiles operated within the subdivision.

5. No debris, junk or unsightly accumulation of materials shall be allowed to remain on the premises of any lot. Trash and garbage containers, and any waste materials shall be kept in a safe and sanitary condition, concealed from public view.

6. All sewage disposal systems including, but not limited to, septic disposal units, shall be constructed, installed, operated and maintained in strict accordance with the current regulations and specifications promulgated by the Iowa Code. Any sump discharges shall be limited to the respective owner's lot(s).

7. Each lot owner will use reasonable diligence in controlling erosion on his or her respective lot(s). Yards shall be reasonably sodded or seeded with grass.

8. All water supply sources, systems and methods of distribution shall be constructed, installed, operated and maintained in strict accordance with the current regulations and specification promulgated by the Iowa Code. No one is permitted to obstruct any water mains, water ways, or culverts.

9. All electrical wiring shall be such that it will meet the minimum State of Iowa and Washington County Requirements and the National Board of Fire Underwriters' requirements.

10. No hunting or discharge of firearms shall be permitted in any lot.

11. No home business shall be operated in the subdivision, unless by the written consent of the Board of Directors of Waters Edge Homeowners Association, Inc.

12. No vehicle greater than a three-quarter ton truck shall be parked on any lot or any subdivision road for any extended period. Vehicles greater than three-quarter ton, campers, trailers, boats or similar items shall be stored in permanent, enclosed structures.

13. No animals, livestock or poultry shall be permitted on any lot or part thereof except for household pets, (dogs and cats). Pets shall be managed in such manner that they do not run free or interfere with the quiet enjoyment of all lot owners. Animals found running free, even if they have collars, may be turned in to the authorities.

14. No road shall be permitted through any lot connecting the platted addition's street with any outlying area not a part of the subdivision, unless specifically approved by the Board of Directors of **Waters Edge Homeowners Association, Inc.**

15. No line or other fence shall be erected anywhere on or around any of the lots, which exceed 54 inches from the ground level.

16. Once natural gas is available to a lot in the Subdivision, no tank for storing any fuel shall be maintained.

17. No billboards, signboards, or other advertising structures shall be erected except for a lot owner's "house for sale" or "for rent" sign.

18. Each lot owner shall keep mowed and trimmed the property on which a residence has been built. Lake side lot(s) owners shall mow to the shore line. No lot or portion thereof shall be used for cultivation of farm crops.

19. Perpetual utility easements along lot lines of the subdivision, 7½ feet in width and 15 feet in width, as the case may be, as shown on the attached plat, are reserved for the purpose of conveying to a governmental body or utility company for sewer, natural gas, electric service, telephone, or other utility installation or maintenance thereof. No fences, structures, trees or shrubs shall be placed within said easement right-of-way which interfere in any manner with the installation or maintenance of the utilities within the easement right-of-way.

20. A perpetual easement is reserved over any existing water, sewer, gas, or fuel lines, and over any electrical and telephone cables, and any drainage tiles or pipes that presently exist, for the purpose of maintaining and servicing said facilities, with necessary ingress and egress to carry out said maintenance activities.

21. In order that each dwelling and structure built within the addition be in harmony and compatible with other dwellings and structures therein, and with the location, terrain, and quality objectives of and for the subdivision, the following architectural requirements shall be followed:

[A] Minimum floor areas for dwelling shall be:

(1) Dwellings of one (1) story only shall be built to a size of at least 1,500 square feet of floor area, all of which must be at or above grade level.

(2) Dwellings with two (2) or more stories all beginning at or above finished grade level shall have at least 1,200 square feet on the ground level.

(NOTE: All floor areas refer to the levels provided as living accommodations, exclusive of garages, decks, porches, breezeways, attics, or utility basements. Measurements shall be taken to the outside of the finished walls. A utility basement shall be defined as an area not used for living purposes but solely for furnace, laundry equipment, storage, or related utility uses.)

[B] Exterior walls shall be of stone, brick, stained or painted wood, textured aluminum, textured steel, textured vinyl, or combinations of the same. The concrete or concrete block walls of basements and footings shall be exposed as little as possible and such exposed areas shall be colored or painted to match the structures' exterior walls.

[C] An attached garage not less than 20 x 20 and enclosed on all four (4) sides shall be constructed at the same time as the dwelling on each lot.

[D] Motor vehicles used by residents shall be parked in areas constructed specifically as parking areas. There shall be provided on each lot sufficient off-street parking area, including driveway for the parking of at least two (2) automobiles, which area shall be surfaced with at least 4 inches of concrete. No motor vehicle shall be parked at any time or in any manner which would interfere with the flow of vehicular traffic on the Subdivision streets or common areas. All campers, trailers, boats, recreational vehicles, or snowmobiles that are permanently stored on a lot shall be within a garage or in such other place where such items are not visible from the street.

[E] Unless approved by the Board of Directors of Waters Edge Homeowners Association, Inc., no lot shall contain an above-ground swimming pool.

[F] No building shall be erected, placed or altered on any building site until the constructed plans and specifications and a plot plan showing the locations of the structure, well and sewer system if applicable, and of the driveway have been approved in writing by Waters Edge, LLC, the City of Washington, and the Washington County Sanitarian. As to the quality of workmanship and materials, harmony of external design

finished grade elevation and building line. All wells and sewer systems to meet Iowa Code.

The above language also applies to remodeling or alterations.

[G] No building shall be located on any building site nearer to the front line of said building site than the minimum set-back line of twenty-five (25) feet.

[H] Unless specifically permitted by the Board of Directors (which may allow locations of structures as would be permitted by the City of Washington, Iowa), no dwelling, including attached porches, breezeways, garages shall straddle a lot line or be located nearer than twenty-five (25) feet to the rear or side lot lines. The total building site width displacement of a building shall not exceed eighty (80) percent of the building site width as measured across the dwelling at its front or rear foundation.

[I] Grade lines for each building shall be in conformity with the adjacent building sites and shall not interfere with the drainage from adjoining sites.

[J] All compressors and cooling towers (used in conjunction with central air conditioning) and satellite dishes, shall be installed in such a manner as to contribute to the exterior beauty and planning of the dwelling and not to become an annoyance and nuisance to the neighborhood or adjacent property owners.

22. The operation and maintenance of the Subdivision streets, and other common features shall be as herein provided:

[A] Streets in the subdivision will be for the use and benefit of the owners of all said lots. If this subdivision is annexed into the City of Washington, Iowa, the streets will be surveyed for purposes of providing a separate real estate description. After said street(s) is (are) built, then and thereafter the owner of said respective lot(s) shall be responsible for all repair and maintenance costs as follows:

[B] Each respective lot owner shall participate in his or her share of establishing the program agreements and reasonable rules, regulations and maintenance for the street as soon as he or she acquires equitable or legal title to a lot. At such time he or she shall be entitled to one vote for each lot he or she owns in matters pertaining to the street. The owner of each said lot shall bear an equal share of the costs of constructing, operating, or maintaining the streets adjacent to the Subdivision lots until such time as the maintenance of the street may be accepted by a governmental body.

[C] During the course of construction, all building contractors shall keep mud, dirt, debris and building materials off of all subdivision roads and other building lots. Prior to the commencement of construction of any dwelling on any lot in the subdivision, the building contractor shall deposit with the subdivider the sum of $150.00 which will be held by the subdivider until all construction is completed. The funds thus escrowed

and lots which are in violation of this provision. Any unused balance of the escrow funds will be refunded to the contractor upon completion of the dwelling.

[D] At such time as this Subdivision is annexed into the City of Washington, Iowa, any paving or appurtenances required by the City shall be assessed to the then owner(s) of the respective lots in the Subdivision in proportion to the respective lot's length of contact with the street. The Owners agree that the streets shown on the survey plat may be dedicated to the City of Washington or the County of Washington for public street purposes, as said City or County require. This provision is not subject to future amendment.

[E] Each respective lot owner shall at his or her expense install and maintain all necessary water systems on his or her lot. Lot owners may share well water providing there is an adequate supply. Lots numbered 16 through 21 and 23 through 26 will be on the public sewer system (due to size). Any maintenance of the system will be at the lot owners expense, with the sum of $50.00 per year per lot being placed in escrow to cover this expense.

[F] In order to provide for a reasonable and appropriate operation and maintenance program, with assessments, rules and regulations, a homeowners' association is established.

(1) For the purpose of these covenants, the terms "construction, operating and maintenance costs" shall include all those normal costs, including capital improvements, made to the systems and structures, and including but not limited to complete replacement providing the same are reasonable and necessary.

(2) Every person owning property in this Subdivision, has the mandatory obligation (for as long as he or she is an owner of the property in any part of the Subdivision) to become and remain a member of WATERS EDGE HOMEOWNERS ASSOCIATION, INC., an Iowa not for profit corporation. And all subsequent persons upon becoming a property owner in this Subdivision agree to accept the benefits and the burdens of membership in that association and the bylaws and rules and regulations adopted by the Board of Directors of the association, as from time to time amended.

(3) No person who is not an owner of property in this Subdivision shall be a member of said Association.

(4) Waters Edge Homeowners Association, Inc., hereinafter called "Association," has been, or will be incorporated as a not for profit corporation and for the purpose of owning, operating, maintaining, improving and controlling the water bodies, park areas, streets, and other common real and personal property of the association.

(5) Said Association and its Board of Directors is separate from Waters Edge, LLC, which shall have no duties or responsibilities in connection with said common areas, which are under the supervision and control of Waters Edge Homeowners Association, Inc.

(6) The Association shall be governed by a Board of Directors, which Board shall be elected by members of the association and which Board shall exercise all the rights, powers and duties on behalf of the Association in accordance with the bylaws adopted by the Association.

(7) The Board shall formulate rules and regulations for the administration, management and operation of this Subdivision's common areas, provide for publishing of those rules and regulations and shall provide for the maintenance, repair and alteration and improvement of the common areas and shall pay all costs in connection with the association affairs. The Board shall have the authority to employ any person, firm or corporation to act as manager or managing agent for same.

(8) The Board shall have authority to obtain and pay for insurance for the common areas in this Subdivision and other real and personal property of the Association, insuring said property of the Association against loss or damage by fire or other hazard and the Board shall obtain and pay for comprehensive liability insurance in connection therewith.

(9) All funds collected by the Board shall be held, administered and expended in accordance with and for the purpose designated in this Declaration and the Association's by-laws.

(10) The Association shall not exercise its power to mortgage, encumber, lease, convey or otherwise alienate or dispose of any water body or park areas, or other common areas (identified as Lot Number 37), unless such action has been approved by the vote of at least 3/4ths of the membership of the Association.

(11) Each Lot owner in this Subdivision shall have one vote. For this purpose multiple owners of any one lot shall together have only one vote.

(12) Each member who owns a lot (multiple owners of a single lot count as one owner) in this Subdivision agrees to be responsible for and pay one-time membership dues in the Association of $100.00 for each such lot.

(13) If the owner(s) of any lot is in default for a period of thirty (30) days either in payment of dues or in the payment of his or her proportionate share of any assessment levied pursuant to the provisions of subparagraph (12), the Board may bring suit to enforce collection thereof or to foreclose the lien and there shall be added to the amount due all costs of suit, including reasonable attorney fees.

Any delinquent and unpaid annual dues or assessments, together with interest, costs and fees, shall be and become a lien against the lot(s) of the owner(s) involved.

(14) Each member of the Association and the guests, invitees, and tenants of each member of the Association, shall be subject to and bound by the published laws of the Association.

(15) All construction, maintenance and use of boat docks, bulkheads, piers, wharves or other water structures shall be controlled by the Board of Directors of the Association. And prior written approval must be obtained from the Board of Directors before such docks, bulkheads, piers or wharves or other water structures are constructed or installed.

(16) The laws, bylaws, covenants, and restrictions controlling the maintenance and use of the common areas in this Subdivision adopted by the Board of Directors may be altered and amended by the Board of Directors of the Association and such laws, covenants, restrictions, rules or regulations as stated or promulgated shall be effective and binding upon the members of the Association, their guests, invitees, servants, and tenants, unless such covenants, restrictions or regulations as so promulgated by the Board from time to time are rejected by the affirmative vote of at least 3/4ths of the members of the Association, within thirty (30) days after the proposed effective date of the law, covenants, restrictions, rules or regulations of the Board.

23. Except as otherwise provided, the use and occupancy of this Subdivision shall be governed by the laws and regulations of the legal jurisdiction in which it lies. Any lot owner shall be entitled to enforce these Covenants.

24. Lot Numbers 35 and 36 are to be "conditional R-2" Zoning under the jurisdiction of City of Washington Planning & Zoning Board at the discretion of the City of Washington. As such said lots may have hobby animals up to ten (10) in number.

25. All conveyances of subdivision lots shall be made subject to these restrictions, and all deeds shall so specify by incorporating these restrictions by reference.

26. Invalidation of any one of these covenants by judgment or court order shall in no manner affect any of the other provisions which shall remain in full force and effect.

27. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for twenty (20) years, at which time said covenants shall be automatically extended for successive periods of ten (10) years, unless within

six (6) months prior to the termination of the twenty-year period and/or any ten-year period referred to above, a change in whole or in part, is approved by a majority of the then-owners of the subdivision lots; with appropriate documentation filed of record.

28. Amendment to these covenants will require the approval of a majority of the then-owners of the subdivision lots, with appropriate documentation filed of record.

Executed and declared this 5th day of February, 1998.

Waters Edge, LLC

By _____
Kenneth M. Goodwin, director

By _____
Constance S. Goodwin, director

By _____
Robert E. Robbins, director

By _____
Susan K. Robbins, director

Subscribed and sworn to before the undersigned Notary Public by Kenneth M. Goodwin and Constance S. Goodwin, husband and wife, on this 5 day of February, 1998, as two of the four directors of Waters Edge, LLC, and state that the above is made with their free consent and that of said Limited Liability Company.

DOUGLAS TINDAL
MY COMMISSION EXPIRES
December 9, 19 99

_____
Notary Public in and for the State of Iowa

Subscribed and sworn to before the undersigned Notary Public by Robert E. Robbins and Susan K. Robbins, husband and wife, on this 5 day of February, 1998, as two of the four directors of Waters Edge, LLC, and state that the above is made with their free consent and that of said Limited Liability Company.

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Notary Public in and for the State of Iowa

Prepared by Douglas L. Tindal, 305 W. Main Street, Suite A, Washington, IA 52353, 319-653-2159

BYLAWS
OF
WATERS EDGE HOMEOWNERS ASSOCIATION, INC.

DEFINITIONS

Certain words and terms used in these bylaws are defined as follows:

1. WATERS EDGE SUBDIVISION: The subdivision legally described as follows:

> The Southeast Quarter of the Southeast Quarter of Section 33, Township 76 North, Range 7 West of the 5th P.M., Washington County, Iowa and more particularly described as follows:
> Beginning at the Southeast corner of said Section 33, thence N90°00'00"W 1338.46 feet along the Section line to the Southwest corner of said SE¼SE¼, thence N2°04'07"E 1324.44 feet to the Northwest corner of said SE¼SE¼, thence S89°58'23"E 1321.47 feet to the NE corner of said SE¼SE¼, thence S1°20'04"W 1323.31 feet to the point of beginning and containing 40.402 Acres of which 2.986 Acre is existing road right of way and being subject to all easements and restrictions of record,
> ALL AS SHOWN ON THE PLAT ATTACHED TO THE RESTRICTIVE COVENANTS FOR WATERS EDGE SUBDIVISION.

2. THE ASSOCIATION: Waters Edge Homeowners Association Inc. is an Iowa not-for-profit corporation. The term "the Association" refers to said corporate entity.

3. BOARD OF DIRECTORS: The Board of Directors of Waters Edge, Inc., shall govern all affairs of said Iowa not-for-profit corporation.

4. SUBDIVISION COMMON AREAS: The Subdivision's Common Areas are depicted as Lot number 37 on the Plat. The Association is responsible for construction, alteration, maintenance, and insurance covering common areas in this Subdivision. Said common areas are those facilities in which all real estate owners in this Subdivision shall have equal access, to include: roadways, bodies of water and associated docks, piers or wharves, common signs, common lights, etc.

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ARTICLE I

Membership and Dues

Section 1.1: MEMBERSHIP.

Every person owning real estate in Waters Edge Subdivision, is a member, and has the mandatory obligation for as long as said person is such an owner of Subdivision real estate to maintain membership in good standing, in the ASSOCIATION.

All members of the Association, and all subsequent persons upon becoming owners in the Subdivision, agree to accept the benefits and the burdens of membership in said Association and the laws, bylaws, rules, and regulations adopted by the Board of Directors of the Association, and as they from time to time may be amended.

No person who is not an owner of real estate in the Subdivision shall be a member of said Association. But a non-owner may be elected to the Board of Directors.

Section 1.2. DUES and FEES.

Membership dues shall be $100 for each lot, payable upon receipt of the title deed by the respective lot owner(s) (multiple owners of a single lot counting as one owner).

Additionally the Board of Directors, after giving Notice to the Members, as provided in Section 3.11, of the proposed amount and purpose, may assess Monetary Fees for reasonable and appropriate common purposes that benefit a majority of the Subdivision owners. See Section 5.3. If any owner of any lot is in default in paying Dues or Fees for a period of 30 days, a lien is imposed on the lot(s) of any non-paying members by the Board recording a "Declaration of Lien" with the Washington County Recorder. The Board of Directors of the Association may bring suit to enforce collection thereof, or foreclose the lien, and there shall be added to the amount due all costs of said suit, including reasonable attorney fees. Any delinquent and unpaid Dues or Fee assessments, together with interest, costs and attorney fees, shall be a lien against the lot of the delinquent owner(s).

ARTICLE II

Voting Elections and Proxies

2.1 Section: WHO ENTITLED TO VOTE.

Each owner of each lot in Waters Edge Homeowners Association shall have one vote per lot owned. Multiple owners of a given lot shall together have one vote.

Section 2.2: PROXIES.

Each member may vote in person or by proxy executed in writing by the member or by his or her duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution.

A. Election of officers and members of the Board of Directors, except the first Board of Directors organized and in existence prior to the First Annual Meeting of the Members, shall be by members and may be conducted by mail.

B. There shall be no right to cumulative vote.

C. A conflict in voting between multiple owners of the same lot in the Subdivision shall be resolved by the majority vote of the Board of Directors. Their decision shall be binding as to the vote of any such lot.

D. Owners of two or more lots shall have the same number of votes as they have lots.

Section 2.3:

Except as otherwise provided in these bylaws, the vote of a majority of the votes entitled to be cast by the members present or represented by proxy at a meeting at which a quorum is present, shall be necessary for the adoption of any matter voted upon by the members. Provided, however, that:

The Association shall not exercise its power to mortgage, encumber, lease, convey, or otherwise alienate or dispose of any common area or any other real estate to which the Association has title, unless such action has been approved by the vote of at least three-fourths (3/4ths) of the membership of the Association.

The bylaws, rules or regulations adopted by the Board of Directors of the Association with reference to Subdivision common areas are binding upon the members of the Association , their guests, invitees, contractors and tenants.

ARTICLE III

Meetings

Section 3.1. PLACE AND TIME OF MEETINGS.

Any and all meetings of the members, and the Board of Directors of this corporation shall be held pursuant to bylaw or resolution adopted by the Board of Directors.

Section 3.2. ANNUAL MEETING OF MEMBERS.

An annual meeting of the members shall be held in each year on the first Monday in April, at 7:30 P.M., one of the purposes of which shall be the election of a Board of Directors for the ensuing year.

Section 3.3. NOTICE OF ANNUAL MEETING OF MEMBERS.

At least ten (10) days prior to the date fixed by Section 3.2 for the holding of the annual meeting of members, written notice of the time and place of such meeting shall be delivered, either personally or by mail, as hereinafter provided, to each member entitled to vote at such meeting.

Section 3.4. DELAYED ANNUAL MEETING.

If, for any reason, the annual meeting of the members shall not be held on the day designated in this Article, such meeting may be called and held as a special meeting, and the same proceeding may be had at said meeting as at an annual meeting, provided, however, that the notice of such meeting shall be the same as required for the annual meeting in Sections 3.2 and 3.3.

Section 3.5. ORDER OF BUSINESS AT ANNUAL MEETING.

The order of business at the annual meeting of the members shall be as follows:

(a) Roll call;
(b) Reading notice and proof of delivery (mailing);
(c) Reading of minutes of last preceding meeting;
(d) Report of President;
(e) Report of Secretary;
(f) Report of Treasurer;
(g) Election of members of Board of Directors;
(h) Transaction of other business mentioned in the Notice; and
(i) Adjournment;

provided that in the absence of any objection, the presiding officer may vary the order of business in his or her discretion.

Section 3.6. SPECIAL MEETINGS OF MEMBERS.

Special meetings of members may be called at any time by the president or by a majority of the Board of Directors or by members having at least one-half (1/2) of the votes entitled to be cast at such meeting.

Section 3.7. NOTICE OF SPECIAL MEETING OF MEMBERS.

At least ten (10) days prior to the date fixed for the holding of any special meeting of members, written notice of the time, place, and purposes of such meeting shall be delivered, either personally or by mail, to each member entitled to vote at such meeting. No business not mentioned in the notice shall be transacted at such meeting.

Section 3.8. ORGANIZATION MEETING OF BOARD OF DIRECTORS.

At the place of holding the annual meeting of members, the owners of Waters Edge LLC shall convene for purposes of organization of the First Board of Directors, which shall be composed of said owners and such authorized non-owners as shall constitute a quorum. The First Board of Directors so organized shall serve until the election of a new Board of Directors at the First Annual Meeting of members.

Section 3.9. REGULAR MEETINGS OF THE BOARD OF DIRECTORS.

Regular meetings of the Board of Directors shall be held as needed, or upon request, rather than on a regular once-a-month basis. Notice of Board Meetings shall not be required to be issued to Association members, but shall be posted in a prominent location easily accessible to all lot owners in this Subdivision, and as established by the Board of Directors.

Section 3.10. SPECIAL MEETINGS OF BOARD DIRECTORS.

Special meetings of the Board of Directors may be called by the president at any time by means of such written notice of the time, place, and purpose thereof to each director, as the president, in his or her discretion, shall deem sufficient. But action taken at any such meeting shall not be invalidated for want of such notice if notice is waived as hereinafter provided.

Section 3.11. NOTICES AND MAILING.

All notices required to be given by any provision of these bylaws shall state the authority pursuant to which they are issued (as "by order of the President" or "by order of the Board of Directors"). Every notice shall be deemed duly served when, in case of personal delivery, actually received by the recipient or, in the case of mail, when the same has been deposited in the United States mail, with postage fully prepaid, properly addressed to the sendee at his or her last address appearing upon the membership record of this corporation.

Section 3.12. WAIVER OF NOTICE.

Notice of the time, place and purpose of any meeting of the members of the Board of Directors may be waived in writing either before of after such meeting has been held.

ARTICLE IV

Quorum

Section 4.1. QUORUM OF MEMBERS.

Until such time as there are at least ten (10) lots in Waters Edge Subdivision owned by different owners, the quorum shall be the same as said number of lots which are so owned (multiple owners of the same lot counting as one owner). Thereafter the presence in person or by proxy of members representing at least ten (10) (multiple owners of the same lot counting as one owner) of the voting rights of this corporation shall constitute a quorum at any meeting of the members.

Section 4.2. QUORUM OF DIRECTORS.

A majority of the Directors shall constitute a quorum at any meeting of the Board of Directors.

ARTICLE V

Board of Directors

Section 5.1. NUMBER AND TERM OF MEMBERS OF BOARD OF DIRECTORS.

The business, property and affairs of this corporation shall be managed by a Board of Directors composed of persons who shall have an interest in Waters Edge Subdivision. Each director shall hold office for the term for which he or she is elected and until his or her successor is elected and qualified. Each member of the Board of Directors shall hold office for a period of one year, election of such

members being held on an annual basis. There shall be at least five (5) members of the Board. Only one spouse may be a Director, so that a husband and wife may not serve at the same time.

Section 5.2. VACANCIES.

Vacancies in the Board of Directors shall be filled by appointment made by the remaining members of the Board of Directors. Each person so appointed to fill a vacancy shall remain a member of the Board of Directors until his or her successor has been elected by the members of the Association at the next annual meeting or at any special meeting duly called for that purpose and held prior to the next annual meeting immediately following the vacancy.

Section 5.3. POWER TO MAKE BYLAWS.

The Board of Directors shall have power to make and alter any bylaws provided that the Board shall not make or alter any bylaws or bylaws fixing the qualifications or term of office of any member or members of the then existing Board and the Board may not increase the assessment of Dues or Fees unless the proposed increases in Dues or Fees has received the prior approval of at least three-fifths (3/5) of the members of the Board of Directors. See Section 1.2. And provided further that any bylaw or amendment thereof may be rejected and nullified by the affirmative vote of at least three-fourths (3/4) of the members of the Association.

Section 5.4. ACTION BY UNANIMOUS WRITTEN CONSENT.

If and when the members of the Board of Directors shall severally and collectively consent in writing to any action to be taken by the Association, such action shall be a valid corporate action as though it had been authorized at a meeting of the Board of Directors.

Section 5.5. ELECTION OF OFFICERS.

The officers on the Board of Directors shall consist of a president, vice president, a secretary, and a treasurer and said officers shall be elected by the membership of the Board. The same person may hold multiple offices.

Section 5.6. POWER TO APPOINT OTHER OFFICERS AND AGENTS.

The Board of Directors shall have power to appoint such other officers and agents as the Board may deem necessary for transaction of the business of the corporation.

Section 5.7. REMOVAL OF OFFICERS AND AGENTS.

Any officer or agent may be removed by the Board of Directors whenever in the judgment of the Board the business interests of the corporation will be served thereby.

Section 5.8. SPECIAL POWERS WITH RESPECT TO WATERS EDGES SUBDIVISION PROPERTY OWNED BY THE ASSOCIATION.

(a) The Board of Directors shall formulate rules and regulations for the administration, management and operation of Subdivision common areas owned by the Association, provide for

publishing of those rules and shall provide for the maintenance, repair, alteration, and improvement of said areas owned by the Association, and shall pay all costs in connection with the Association affairs. The Board shall have the authority to employ any person or corporation to act as manager or managing agent for property owned by or managed by the Association.

(b) The Board of Directors shall have authority to obtain and pay for insurance for real and personal property of the Association, insuring such property of the Association against loss or damage by fire for comprehensive liability insurance in connection with other property and equipment owned by the Association.

(c) All funds collected by the Board shall be held, administered and expended in accordance with and for the purpose designated in this declaration and bylaws.

(d) The Board shall not mortgage, encumber, lease, convey, or otherwise alienate or dispose of any common property owned by the Association unless such action has been approved by the vote of at least two-thirds (2/3) of the membership of the Association.

ARTICLE VI

Officers

Section 6.1. PRESIDENT.

The president shall be elected by the Board from the membership of the Association. He or she shall be the chief executive officer of the corporation, and shall preside over all meetings of the Board and of the members. The president shall have general and active management of the business of the corporation and shall see that all orders and resolutions of the Board are carried into effect. The president shall have the general powers and duties of supervision and management usually vested in the office of president of a corporation.

Section 6.2. VICE PRESIDENT.

The vice president shall be elected by the Board from the membership of the Association. Such vice president shall perform the duties and exercise the powers of the president during the absence or disability of the president.

Section 6.3. SECRETARY.

The Secretary shall be elected by the Board and shall attend all meetings of the members and of the Board of Directors and shall preserve in books of the corporation and association true minutes of the proceedings of all such meetings. He or she shall safely keep custody of the seal of the corporation (if there is a seal) and shall have authority to affix the same to all instruments where its use is required. The secretary shall give all notices required by statute, bylaw or resolution, and shall perform such other duties as may be delegated to him or her by the Board of Directors.

Section 6.4. TREASURER.

The Treasurer shall be elected by the Board and shall have custody of all corporate funds and shall keep in books belonging to the corporation and association full and accurate accounts of all

receipts and disbursements. The Treasurer shall deposit all moneys and other valuable effects in the name of the corporation and association (as the case may be) in such depositories as may be designated by the Board and shall render to the president and directors at the regular meetings of the Board and whenever requested by them, an account of all her or his transactions as treasurer and of the financial condition of the corporation.

ARTICLE VII

Special Conditions Relating to Use of Common Property, Both Real and Personal, Owned by the Association.

Section 7.1.

Each member of the Association and the guests, invitees, contractors, and tenants of each member of the Association shall be subject to and bound by the bylaws of the Association, especially these special conditions relating to the use and enjoyment of the common property owned or managed by the Association.

Section 7.2.

This section is reserved for the listing of special conditions by the Board of Directors.

1. The Association shall establish and maintain the following facilities and resources in the Subdivision, which are designated to serve the common needs of the Lot owners in the Subdivision:

(a) streets and roadways; including the road ditch along the north side of Washington County G36
(b) street signs
(c) street lights
(d) common power lines, telephone cables, gas lines, water lines, or sewer lines
(e) community well(s)
(f) common drainage lines
(g) ponds or other water bodies, and associated boat docks, bulkheads, piers, wharves or other water structures.

2. The Board of Directors shall enforce the following restrictions:

(a) No fences within 50 feet of a shore line. No structures, trees or shrubs shall be placed in such manner as may interfere in any manner with the installation or maintenance of the common facilities.
(b) Only lot owners and their authorized guests are allowed to use the common facilities, except as may be permitted by the Board of directors of the Association.
(c) Anyone causing damage to the common facilities, whether negligent or not, shall be responsible to fully reimburse the association for any repairs or replacement which they or their minor children have caused.
(d) No gasoline or diesel motorized vehicles or watercraft exceeding 18 feet are permitted on the water bodies, except as permitted by the Board of Directors.
(e) All service connections to common utilities shall be done only by properly licensed persons, and then only by express permission of the Board of Directors.
(f) No noxious or offensive activity is permitted on any common area

(c) Anyone causing damage to the common facilities, whether negligent or not, shall be responsible to fully reimburse the association for any repairs or replacement which they or their minor children have caused.

(d) No gasoline or diesel motorized vehicles or watercraft exceeding 18 feet are permitted on the water bodies, except as permitted by the Board of Directors.

(e) All service connections to common utilities shall be done only by properly licensed persons, and then only by express permission of the Board of Directors.

(f) No noxious or offensive activity is permitted on any common area.

(g) No debris, junk or unsightly accumulation of materials shall be allowed to remain on any common area.

(h) A lot owner is responsible for any of his or her guests, contractors, or minor children who violate these Restrictions.

ARTICLE VIII

Invalidation of any one of the provisions in these bylaws by Judgment or Court Order shall in no wise affect any of the other provisions, which shall remain in full force and effect.

Approved by the Board of Directors of Waters Edge Subdivision Homeowners Association, Inc.

Kenneth M. Goodwin

Robert E. Robbins

Constance S. Goodwin

Susan K. Robbins

Prepared by Douglas L. Tindal, 305 W. Main Street, Suite A, Washington, IA 52353, 319-653-2159

WATERS EDGE HOMEOWNERS ASSOCIATION, INC.

RESOLUTION Concerning Water Wells and Centralized Sewer System

1. THE ASSOCIATION: Waters Edge Homeowners Association Inc. is an Iowa not-for-profit corporation. The term "the Association" refers to said corporate entity, which governs the management of the common areas and facilities in Waters Edge Subdivision.

2. BOARD OF DIRECTORS: The Board of Directors of Waters Edge, Inc., shall governs all affairs of said Iowa not-for-profit corporation, subject to the rights of the member-owners in Waters Edge Subdivision.

3. ADDITIONAL SUBDIVISION COMMON AREAS: The Association desires to add to the Common Areas in Waters Edge Subdivision a set of water wells, centralized sewer system, and the necessary piping and equipment to operate those facilities.

4. VOTES: Each owner of each lot in Waters Edge Homeowners Association shall have one vote per lot owned. Multiple owners of a given lot shall together have one vote.

5. PERTINENT BYLAWS: Section 3.6 and 3.7 of the Association Bylaws state:

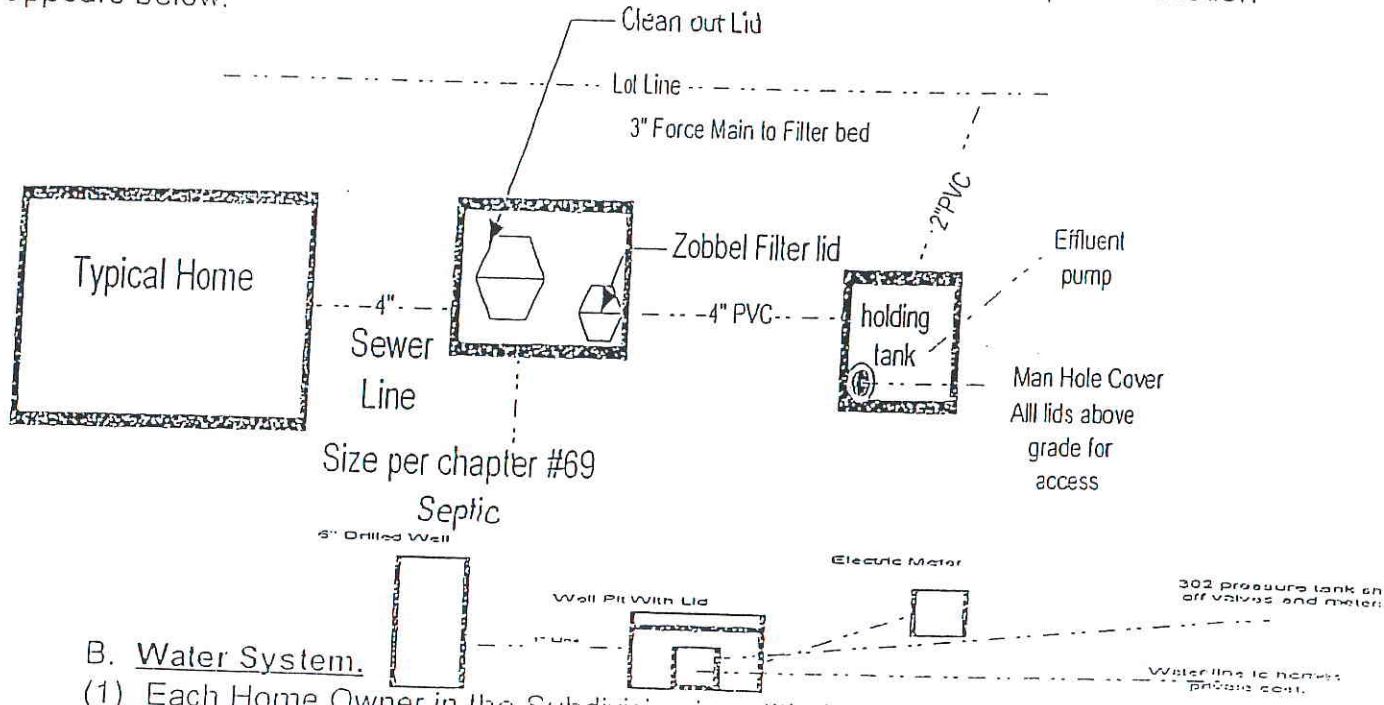
Special meetings of members may be called at any time by the president or by a majority of the Board of Directors or by members having at least one-half (1/2) of the votes entitled to be cast at such meeting.

At least ten (10) days prior to the date fixed for the holding of any special meeting of members, written notice of the time, place, and purposes of such meeting shall be delivered, either personally or by mail, to each member entitled to vote at such meeting. No business not mentioned in the notice shall be transacted at such meeting.

6. APPROVAL OF INSTALLATION AND TERMS: Upon Waiver of Notice and Meeting the Association hereby votes to install the following systems, with the stated conditions, in Waters Edge Subdivision.

A. Sewer System. All lots will be connected to the Home Owner Association sewer system, installed and paid for by Waters Edge LLC [the developer]. A tap fee of $1,500.00 will be collected before connections are made. A Print of the Sewer system is on file at the Association office. Each home owner will be responsible and pay for the installation of their own septic tank. (Size as determined by

state code #69), with Zobbel filter, Effluent Pump and pit. All manhole covers and filter lids shall remain exposed to ground level. It will be the Home Owners responsibility to clean filters annually, (reporting dates and condition to the Home Owners Association), and pumping septic tanks when necessary. Connection to the main sewer lines in the Subdivision (which are to be located on lot lines), is also the responsibility of the Homeowner. Inspection and approval of installation and connection of sewer must be made by County Sanitarian and the Developer. A diagram of a sample installation appears below.



B. Water System.

(1) Each Home Owner in the Subdivision is entitled to install his/her own water well on the Home Owner's lot. The estimated costs and capacity at this time are estimated as:

Approximate cost $4,500.00
Approximate depth 160 feet - 180 feet
Average G.P.M. 18 gallons

(2) But a central system is suggested and encouraged. A group of four contiguous Home Owners may contract with the Developer to install one water well to serve the four homes. In such case the contract would include the following general features.

The developer will assume the cost to drill a 6" plastic cased well and grout annular space built to state code.

[1] Install stainless steel 1 h.p. pump and pit-less adapter.
[2] Install 100 amp. meter base.
[3] Install pre-cast well pit with man hole lid.

[4] Install 302 Well-X-Troll pressure tank

[5] Hook up electrical and water lines from well and electric meter to well pit.

[6] Install water meters and shutoff valves.

[7] The gallons per minute of water will determine the amount of persons able to connect to each share well. (But number not to exceed 5 homes).

(3) The Home Owner will assume the cost of connecting from well pit specified by developer. If the distance is more than 100 feet to the Home Owner's property line from well pit, Developer will reimburse the Home Owner at a rate of $2.00 per foot for trenching and pipe. All grading or seed necessary for repairs to be done will be at the expense of the Home Owner. It is suggested but not mandatory for Home Owners to put their own pressure tank in their private home.

(4)) A tap fee of $1,500.00 will be collected before connections are made. A $100.00 fee for well and sewer maintenance and repair, will be collected annually on January 1 for the first three years from each lot owner participating in the shared wells.

(5) Electric usage will be metered and shared equally per well by each of the connection Homes. Meters will be read and charted quarterly by the Home Owners Association.

(6) Water usage during drought or shortages may result in rationing by Home Owners Association. If a Home Owner causes waste of well water that Home Owner, upon notice, may be denied use of the water.

7. Easements. Each participating Home Owner grants an easement to Home Owners Association to inspect and monitor the system on his/her property. In consideration of Developer's commitment to install sanitary sewer lines, forcemain lines or watermain lines within and along said real estate, and other good and valuable consideration, the Home Owners hereby grant and convey to the Developer, permanent and/or temporary easements across the real estate for the purposes of installation, operation, repair, reconstruction, replacement, maintenance or removal of a sanitary sewer, or forcemain, or watermain and similar appurtenances thereto upon, over, across and through said real estate.

With respect to the easement granted above:

(A) The Developer and its agents, shall have the right to make excavations within the area of the easement and to grade as it may find reasonably necessary for the installation, operation, repair, reconstruction, replacement, maintenance or removal of said sanitary sewer, forcemain and watermain.

(B) The Developer and its agents, shall have the right to trim and remove all trees and plants which may interfere with the exercise of the Developer's rights pursuant to this easement. Timber and plants which are removed shall become the property of the Developer. The Developer covenants and agrees that existing driveways, sidewalks, fences, or other site features which are removed or disturbed to permit construction shall be replaced to conform with the sections or items removed. The mutual consideration set forth above shall be considered compensation for all trees and plants to be removed, trimmed or disturbed by the installation of any sanitary sewer, or forcemain or watermain.

8. Maintenance. On the date the water system and the sewer system installed components are registered with the Washington County Sanitarian, this Homeowners Association accepts responsibility for maintenance of said systems, thereby relieving Developer of said responsibility.

9. Partial Invalidation. Invalidation of any one of the provisions herein by Judgment or Court Order shall in no wise affect any of the other provisions, which shall remain in full force and effect.

Approved by the Board of Directors of Waters Edge Subdivision Homeowners Association, Inc. Dated this 19 day of August, 1999.

Kenneth M. Goodwin, President

Robert E. Robbins, Vice President

Jeff Johnson, Secretary

Jeff Hazelett, Treasurer