

AMENDMENT FILED 4-25-94 BK. 765 Pg. 1004

AMENDMENT 5-18-94 BK. 767 Pg. 689

AMENDMENT 6-8-94 BK. 769 Pg. 222 (LT. 7)

AMENDMENT 6-13-94 BK. 769 Pg. 485 (LT. 8)

Warranty Deed 7/22/98 Bu 1998 -Pg 7875

Corrected Amendment 1-26-94 BK. 760 Pg. 185
Corrected Amendment 1-26-94 BK. 760 Pg. 191
WARRANTY DEED 3-4-94 BK. 762 Pg. 709 (UNITS 3 LT. 4)
MORTGAGE 3-4-94 BK. 762 Pg. 709 (UNIT 3 LT. 4)
AMENDMENT 3-9-94 BK. 762 Pg. 1003 (LT. 5)
WARRANTY DEED 3-9-94 BK. 762 Pg. 1018 (UNITS LT. 4)
WARRANTY DEED 3-11-94 BK. 763 Pg. 118 (UNIT 6 LT. 4)
Warranty Deed filed 7-25-97 BK. 842 Pg. 525 (Unit 3-LT. 10)

RETURN TO:
STREETAR CAMERON
820 Liberty Building
418 Sixth Avenue
Des Moines, Iowa 50309

DECLARATION OF SUBMISSION OF PROPERTY
TO HORIZONTAL PROPERTY REGIME

THIS DECLARATION is made this 10th day of August, 1993, by
ROTTLUND HOMES OF IOWA, INC., a Minnesota Corporation (hereinafter referred to as the
"Declarant"), pursuant to the provisions of the Horizontal Property Act, Chapter 499B, Iowa Code 1993,
as amended (hereinafter referred to as "the Act").

WHEREAS, the Declarant is the owner in fee simple title of the following described real estate
situated in West Des Moines, Polk County, Iowa, legally described as:

Lot One (1), Final Plat of Villas of Ashworth Glen, an
Official Plat now included in and forming a part of the
City of West Des Moines, Dallas County, Iowa.

(hereinafter referred to as the "real estate");

and

WHEREAS, the real estate has been platted as one of the lots in the "Final Plat of Villas of
Ashworth Glen" which plat will potentially include eleven (11) separate buildings, containing eight (8)
residential Apartments per building as well as other amenities with (1) building being located on each of
the eleven (11) platted Lots in the Final Plat of Villas of Ashworth Glen, subject to the provisions of
Section 8 herein.

NOW, THEREFORE, the Declarant hereby declares that the real estate is submitted to the
Horizontal Property Regime on the terms conditions and restrictions as hereinafter set forth in this
Declaration which shall constitute covenants running with the real estate and shall be binding on
Declarant, its successors and assigns, and on all subsequent holders of any right, title or interest in or to
all or any part of the real estate, their grantees, successors, heirs, personal representatives, devisees and
assigns:

1. The land which is the subject of the Horizontal Property Regime described herein is described
above.

2. Condominium Apartments. There are eight (8) separate Apartments located in each building
in the Regime, all as shown on the Exhibit "A" attached hereto. The boundaries of each Apartment shall
be the interior unfinished surface of the walls, floors and ceilings thereof depicted as boundaries in
Exhibit "A". Accordingly, all lathe, furring, wallboard, plasterboard and plaster constituting a part of the
wall shall be deemed to be outside of the Apartment and any paneling, tile, wallpaper, paint, carpeting,
linoleum or other wall or floor coverings or finishings shall be deemed to be included within the
Apartment. All doors and windows located in the perimetrical walls of a Apartment shall be deemed to be
part of that Apartment. Each of the 8 Apartments is hereby allocated one vote in the Association. The
percentages of the Common Expenses of the Association are hereby equally allocated to the Apartments.
The percentages of the undivided interests in the Common Elements and of the Common Expenses of the

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COUNTY RECORDER
DALLAS CO. IOWA
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AMENDMENT FILED 11-18-93 BK. 755 Pg. 300
Corrected Amendment 12-10-93 BK. 756 Pg. 742
AMENDMENT 12-22-93 BK. 757 Pg. 950
AMENDMENT 12-22-93 BK. 757 Pg. 962
WARRANTY DEED 3-4-94 BK. 762 Pg. 716 (UNIT 4 LT. 4)
MORTGAGE 3-4-94 BK. 762 Pg. 716 (UNIT 4 LT. 4)

AMENDMENT 9-16-94 BK. 774 Pg. 977 (ALL LT. 5)
WARRANTY DEED 7-28-95 BK. 791 Pg. 598 (UNIT 8 LT. 8)

Association allocated to each Apartment on such basis is the Percentage Interest set forth opposite each such Apartment in Exhibit A attached hereto. The description of the buildings to be located within the Horizontal Property Regime ("Regime"), the number of Apartments are shown on Exhibit "A", attached hereto and incorporated herein by this reference, which includes Apartment numbers, location, approximate area, number of rooms and immediate common area to which the Apartment is adjacent. Exhibit "A" also contains the percentage interest which each Apartment bears to the entire Regime.

3. General Common Elements. The general common elements of the "Regime" shall include the fifty (50) foot wide access easement driveways shown on the Final Plat in cross-hatched markings, a copy of which Final Plat is attached hereto, marked Exhibit "C", and incorporated herein by this reference.

4. Common Elements. All portions of the real estate other than the Apartments are Common Elements. Certain portions of the Common Elements designed to serve a single Apartment are, by operation of Chapter 499B.2(5), of the Act, Limited Common Elements allocated for the exclusive use by the respective Apartments served thereby to the exclusion of other Apartments. As shown on Exhibit "A", attached hereto, the garages and the driveways, or the half of the driveways adjacent to and serving each such garage are Limited Common Elements, allocated for the exclusive use of the respective Apartments indicated on the drawings included within Exhibit "A" to the exclusion of other Apartments. The Apartments have no basement. The Apartments are constructed of concrete footings and slab on grade with wood frame construction. Additionally, the entry area and air conditioning equipment serving each Apartment and the fenced yard and patio area which are accessible from each Apartment are Limited Common Elements allocated for the exclusive use of such Apartment to the exclusion of the other Apartments. The air conditioning equipment which is a Limited Common Element allocated to each Apartment shall be maintained, repaired and replaced by the Owner of each such Apartment at such Owner's sole cost and expense.

Subject to the following provisions of this paragraph, each garage may be used and improved by the Owners of the Apartment to which it is allocated in any manner desired by such Owners. Such use and improvement shall be subject to the provisions of the Act, this Declaration, the Articles and the By-laws. Additionally, the Board of Directors shall have the power to promulgate rules and regulations relative to the garages and the use or improvement thereof provided that the same shall not prevent any use or improvement of garages unless such use or improvement is reasonably determined by the Board of Directors to create objectionable noises or odors, to damage or endanger the structure of the garages or the buildings of which they are a part, or to create or constitute a hazardous condition. Any Owner desiring to make an improvement in the garage allocated to such Owner's Apartment shall, prior to commencing construction thereof, submit plans for such improvement to the Board of Directors and secure the consent of the Board of Directors to such improvement, which consent shall not be withheld unless the Board of Directors reasonably determines that the proposed improvement will create or constitute a hazardous condition or will damage or endanger the structure of the garage or the building of which it is a part. No Owner shall alter the external appearance of the garages. The Board of Directors shall have the right, in its discretion, to require a bond or other security for the completion of the proposed improvements and the payment of all costs thereof. All damage done to a garage in connection with the construction of any such improvement shall be repaired at the cost of the Owner constructing such improvement. All costs of constructing any such improvement shall be paid by the Owner constructing the same. In the event that any mechanic's lien is filed against the Regime or any part thereof in connection with the construction of such improvement, the Owner constructing such improvement shall immediately cause the same to be discharged at such Owner's expense. If such Owner fails to do so, the Association may, but shall not be obligated to, immediately cause the same to be discharged of record and all amounts, costs and expenses paid or incurred by the Association in connection with effecting such discharge shall be immediately due from such Owner to the Association and shall be such Owner's personal liability, a lien on such Owner's Apartment and collectible by the Association, all in the same manner as set forth herein with respect to Common Expense assessments. The Owners of each Apartment shall be responsible for cleaning the garage allocated to the Apartment owned by them and for repairing and maintaining any improvements to the garage constructed by an Owner. The Association shall not be required to maintain any insurance

with respect to any improvements to a garage constructed by an Owner. In the event that the Association incurs extraordinary expenses related to any garage on account of any use thereof or improvement thereto made by the Owner of the Apartment to which such garage is allocated, the Association may assess the amount of such extraordinary expense against the Apartment to which such garage is allocated.

5. Use of the Regime. The Regime and each of the Apartments shall be used and occupied in accordance with the following provisions:

A. Residential Use Only. Subject to the provisions of Subparagraph 4B below, the Regime and each of the Apartments are intended for residential purposes only. No use may be made of any Apartment except that of a residence for the Apartment Owner thereof, their families, tenants and social guests and no business or commercial use shall be permitted on the Real Estate except as specifically provided in this Declaration and except that the Association may maintain an office on or in any part of the Real Estate for management purposes.

B. Use for Sales Purposes. So long as Declarant owns any Apartment, Declarant may maintain advertising signs on any part of the Common Elements and sales offices, management offices and model Apartments within any Apartment or Apartments or in or on any part of the Common Elements and such sales offices, management offices and model Apartments may be relocated by Declarant from time to time.

C. Rental of Apartments. No Apartment Owner shall be permitted to lease his Apartment for transient or hotel purposes, which shall be defined as (a) rental for any period less than 30 days; or (b) any rental if the occupants of the Apartment are provided customary hotel services, such as room service for food and beverage, maid service, furnishing laundry and linen and bell boy service. The Apartment Owners of the respective Apartments shall not lease less than the entire Apartment. Any lease arrangement shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration, the By-laws and Articles of Incorporation of the Association and to any rules and regulations established by the Board of Directors, shall contain the agreement of the lessee to be bound by the terms of such documents and shall provide that any failure by the lessee to comply with the terms of such documents or rules shall be a default under the lease or rental agreement. All leases shall be required to be in writing and any Apartment Owner leasing or renting a Apartment shall, prior to the commencement of the lease or rental term, deliver to the Secretary of the Association a complete copy of the lease or rental agreement. Other than the foregoing, the Apartment Owners of the respective Apartments shall have the absolute right to lease the same.

D. Easements for Encroachments. If, as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the Regime, any portion of the Common Elements encroaches upon a Apartment or Apartments or any portion of a Apartment encroaches upon the Common Elements or upon an adjoining Apartment or Apartments, a valid easement for the encroachment and for the maintenance thereof, so long as it stands, shall and does exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on the Common Elements or on the Apartments for the purposes of marketability of title. In the event, the Real Estate is partially or totally destroyed, and then rebuilt, the Apartment Owners shall permit minor encroachment of parts of the Common Elements, and of other Apartments, due to reconstruction, and a valid easement for said encroachments and the maintenance thereof shall exist.

E. Rules. Each Apartment Owner, occupant, tenant or guest shall use the Apartment and the Common Elements only in compliance with the provisions of the Act, this Declaration, the Articles and the By-laws, all as lawfully amended from time to time, and with all decisions, resolutions and rules promulgated by the Board of Directors. Failure to comply with any such provisions, rules, decisions or resolutions shall be grounds for an action to recover sums

due for damages or for injunctive relief, or both. Additionally, in the event of any such failure to comply, the Association may levy reasonable fines in accordance with the provisions of the Act.

F. Prohibited Activities. No unlawful, noxious or offensive activities shall be carried on in any Apartment or elsewhere on the Real Estate, nor shall anything be done therein or thereon which shall constitute a nuisance or which shall in the judgment of the Board of Directors cause unreasonable noise or disturbance to others.

G. Apartment Exterior. No clothing, sheets, blankets, laundry or other articles shall be hung, displayed or stored outside the Apartments (except within the garages which are allocated to the Apartments), or which may be visible from the outside of the Apartments (other than draperies, curtains, or shades of a customary nature and appearance and in any event subject to the rules and regulations of the Board of Directors). No Owner shall paint or decorate or adorn the outside of his Apartment, or install outside his Apartment any canopy or awning, or outside radio or television antenna, or other equipment, fixtures or items of any kind, without the prior written permission of the Board of Directors in its discretion. No Owner of a Apartment, shall display, hang, store (except within the garage which is allocated to his Apartment) or use any sign outside his Apartment, or which may be visible from the outside of his Apartment without the prior written permission of the Board of Directors. The foregoing notwithstanding, an Owner shall be permitted to display a sign of not more than three square feet in area advertising such Owner's Apartment for sale or lease. Such sign shall be located in the yard area between such Owner's Apartment and the road in front of such Apartment.

H. Pets. No animal of any type shall be kept in any Apartment or in the Common Elements, unless and until the Board of Directors has enacted rules and regulations specifically permitting the keeping of such type of animal. The Board of Directors shall have complete discretion as to whether or not it will permit the keeping of animals of any particular type. When deemed appropriate by the Board of Directors, it may, but shall not be required to, enact rules and regulations permitting the keeping of a specific type of animal in one or more, but not all, Apartments when special circumstances are present. An example of the special circumstances contemplated hereby is the need for a seeing eye dog. The Board of Directors shall also have complete discretion as to the substance of any administrative rules and regulations enacted by it regarding the manner in which any permitted animal shall be kept, provided that the Board of Directors may not, in any case, permit the keeping of any animal for any commercial purpose. The Board of Directors shall have the right at any time, to change its rules and regulations relating to animals. Such right shall include the right to prohibit the keeping of any animal of a type permitted to be kept by previously enacted rules and regulations. Any animal permitted to be kept shall be kept in strict accordance with the administrative rules and regulations relating to such animals from time to time approved by the Board of Directors and in any event shall be kept in a manner so as not to constitute a nuisance to others.

I. Trash. Trash, garbage and other waste shall be kept only in sanitary containers, and shall be disposed of in a clean and sanitary manner as prescribed from time to time in the rules and regulations promulgated by the Board of Directors.

J. Storage of Personal Property. Except as provided in this Declaration or as permitted by the rules and regulations adopted from time to time by the Board of Directors in its sole discretion, no personal property of any kind whatsoever belonging to any Owner or to any tenant of such Owner or any guest or invitee of any Owner or any tenant shall be stored, placed or kept, temporarily or permanently, in or on the Common Elements. Without limiting the generality of the foregoing, no motorized or non-motorized vehicles, boats, campers, cabs, trailers, snowmobiles, bicycles, tricycles or motorcycles shall be stored on any Common Element except inside a garage. The foregoing notwithstanding an Owner, may: (i) keep personal property in the

garage allocated to such Owner's Apartment as a Limited Common Element; (ii) park operational automobiles on the driveway allocated to such Owner's Apartment as a Limited Common Element; and (iii) keep normal and customary lawn and patio furniture and potted plants (but not play equipment) in the lawn and patio allocated to such Owner's Apartment as a Limited Common Element.

K. Machines. No Owner shall overload the electrical wiring in the Regime or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board of Directors, an unreasonable disturbance to others.

L. Rules and Regulations. The Board of Directors may, from time to time, promulgate rules and regulations regarding the use of the Apartments and the Common Elements, provided that such rules shall be reasonable in scope and shall tend to promote the use of the Real Estate for the purpose set forth herein.

M. Gardens and Shrubs. Except as permitted by the Board of Directors in its sole discretion, and except as provided in subparagraph 5.J. above, no gardens, shrubs, flowers or other plants shall be planted by any Owner on any Common Element or Limited Common Element.

N. Visitor Parking. Except for the garage and driveway Limited Common Elements, all parking areas in the Common Elements are reserved for guests, invitees and visitors to the condominium and shall not be used by Owners.

O. Blocking of Driveways. Under no circumstances shall any Owner block access to any garage other than the garage allocated to such Owner's Apartment as a Limited Common Element.

6. Maintenance and Repair.

A. Every Apartment Owner shall perform promptly all maintenance and repair work required within his own Apartment and all maintenance and repair work required within the garage space assigned to his Apartment and made the Owner's responsibility under Section 3 of this Declaration which, if not performed, would affect the Common Elements or another Apartment or Apartments. Upon the failure of any Apartment Owner to perform his responsibilities under this paragraph, the Association may, but shall not be obligated to, perform the same and such Apartment Owner shall be liable to the Association for all expenses incurred by the Association in performing the same and the amount thereof shall be a lien on such Owner's Apartment and shall be collectible in the same manner as set forth herein with respect to Common Expense assessments. All incidental damage or liability caused to a Apartment or Apartments or to the Common Elements by the failure of a Apartment Owner to perform his obligations under this paragraph or caused in the course of performing such obligations shall be the responsibility of the Apartment Owner.

B. If maintenance, repairs or replacements to the Common Elements or to the Apartment of another Apartment Owner are necessitated by the negligence, willful act, misuse or neglect of a Apartment Owner or of anyone for whose negligence, willful act, misuse or neglect such Apartment Owner is responsible, the expense thereof shall be charged to such offending or responsible Apartment Owner, and the amount thereof shall be a lien on such Owner's Apartment and shall be collectible in the same manner as set forth herein with respect to Common Expense assessments.

C. The Association is responsible for maintenance, repair, and replacement of the Common Elements including the Limited Common Elements but excluding any improvement to

a garage space constructed by an Owner and excluding the air conditioning equipment allocated as Limited Common Element. Except as provided in subparagraph 6B above, any Common Expense associated with the maintenance, repair or replacement of a Common Element or Limited Common Element shall be assessed against all the Apartments in accordance with the Common Expense liability allocated to each Apartment hereunder and shall not be assessed solely against the Apartment or Apartments to which such Limited Common Element is assigned.

D. All incidental damage caused to any Apartment or to any improvements constructed by an Owner in a garage pursuant to Section 4 of this Declaration as a result of any work done by the Association in accordance with its responsibilities as set forth herein or in the Act or as a result of any damage to, failure of or malfunction of anything to be maintained, repaired or replaced by the Association in accordance with the provisions hereof or in the Act, shall be the responsibility of the Association and the cost of repairing such incidental damage shall be a Common Expense.

7. Required Insurance. Commencing not later than the time of the first conveyance of a Apartment to a Apartment Owner other than Declarant, and in addition to the requirements of the Act, the Association shall maintain, to the extent reasonably available, the following insurance: (a) fire insurance with extended coverage endorsement (including vandalism, debris removal, cost of demolition, malicious mischief, windstorm, water damage and all other perils which are customarily covered with respect to projects similar to the Real Estate in construction, location and use, including all other perils normally covered by the standard "all risk" endorsement, if such is available). Such insurance shall insure all personal property belonging to the Association and all structures, fixtures, buildings and other improvements included in the Real Estate subject to this Declaration (including all building service equipment and all of the Apartments and the fixtures installed therein as of the date hereof, and specifically including, without limiting the generality of the foregoing, interior walls, interior doors, built-in cabinets and counters and electrical and plumbing conduits pipes and fixtures installed therein as of the date hereof, but not including carpeting, drapes, wallcoverings, furniture, furnishings, or personal property belonging to the Apartment Owners and not including improvements, fixtures and other property supplied or installed by Apartment Owners). Such insurance shall cover the interest of the Association, the Board of Directors and all Apartment Owners and their mortgagees, as their interests may appear, for full insurable replacement cost, as determined annually by the Board of Directors; (b) worker's compensation insurance and insurance covering legal liability arising out of lawsuits related to employment contracts of the Association; (c) comprehensive public liability insurance in such amounts (but not less than \$1,000,000 for any one occurrence) and with such coverage as the Board of Directors shall from time to time determine, but at least covering events occurring anywhere on the Common Elements or arising out of or in connection with the use, ownership or maintenance of the Common Elements, and insuring each officer and member of the Board of Directors, the managing agent and each Apartment Owner and with cross liability endorsement to cover liabilities of the Apartment Owners as a group to a Apartment Owner and with a "Severability of Interest Endorsement" which would preclude the insurer from denying the claim of a Apartment Owner for the negligent act of another Owner, occupant or the Association; (d) director's and officer's liability insurance in such amounts as the Board of Directors shall, from time to time, reasonably determine; and (e) such other insurance as the Board of Directors may determine. If reasonably available, the policy or policies of fire and extended coverage shall contain a stipulated amount clause, or determinable cash adjustment clause, or similar clause to permit a cash settlement covering specified value in the event of destruction and a decision not to rebuild and an inflation guard endorsement. The Board of Directors may from time to time designate an insurance trustee to receive proceeds.

All policies of physical damage insurance shall contain waivers of subrogation and waivers of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Apartment Owners or of invalidity arising from any acts of the insured or any Apartment Owners. Provision shall be made for issuance of certificates of physical damage insurance to mortgagees.

Each Apartment Owner may maintain such insurance as he shall desire for his own benefit insuring his personal liability, and his carpeting, drapes, wallcovering, fixtures, furniture, furnishings, personal property, and improvements, fixtures and other property supplied or installed by him or a previous Apartment Owner or tenant, provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished by reason of any such additional insurance carried by an Apartment Owner.

In addition to the foregoing powers, and not in limitation thereof, the Board of Directors shall have the authority at all times without action by the Apartment Owners to obtain and maintain in force any other coverages or endorsements which are required under the Act or which the Board of Directors deems necessary or desirable.

Insurance premiums for any blanket property insurance coverage and the other insurance coverages purchased by the Association shall be Common Expenses to be paid by assessments levied by the Association, and such assessments shall be held in an account of the Association and used solely for the payment of the blanket property insurance premiums and other insurance premiums as such premiums become due.

In the event that all or a part of the real estate or improvements are damaged or destroyed, the affirmative vote of 51% of the Apartment Owners shall be determinative of whether to rebuild, repair, restore, or sell the real estate and remaining improvements.

The Association is hereby designated as attorney in fact for each and all of the Apartment owners from and after the time the Apartment owner purchases the Apartment, for the purpose of adjusting all insurance claims.

8. Option to Add to Horizontal Property Regime. Declarant shall have the option without the consent or joinder of the Apartment Owners, the Association, any holder of an interest as security for an obligation or any other person or entity, to add to the Horizontal Property Regime described herein, any one or more of the parcels of land (hereinafter referred to as the 'additional real estate parcel'), described in Exhibit "B" attached hereto and located in the City of West Des Moines, County of Dallas, State of Iowa. Such Option shall be subject to the terms and conditions hereafter set forth:

A. Duration of Option. The Option will expire on that date which is seven years after the date upon which this Declaration is recorded. There are no circumstances that will terminate the Option before the expiration of said seven year period. However, the Declarant or anyone to whom Declarant has assigned said Option as hereinafter set forth, may terminate said Option as to any one or more of the Additional Real Estate Parcels above described by executing a writing to such effect and recording the same in the same manner as a deed of the Additional Real Estate Parcel or additional Real Estate Parcels so affected.

B. Timing. Each of the Additional Real Estate Parcels above described may be added at different times. An entire Additional Real Estate Parcel must be added at one time and portions of the Additional Real Estate Parcels may not be added. The various Additional Real Estate Parcels may be added in any order.

C. Maximum Number of Apartments. The maximum number of Apartments that may be created within each of the Additional Real Estate Parcels is as follows:

Parcel A	8 Apartments
Parcel B	8 Apartments
Parcel C	8 Apartments
Parcel D	8 Apartments

Parcel E	8 Apartments
Parcel F	8 Apartments
Parcel G	8 Apartments
Parcel H	8 Apartments
Parcel I	8 Apartments
Parcel J	8 Apartments

All of such Apartments will be restricted exclusively to residential use.

D. Buildings. Any buildings and Apartments that may be erected upon Additional Real Estate Parcel which is added to Villas of Ashworth Glen will be compatible with the buildings and Apartments originally constituting a part of Villas of Ashworth Glen in terms of architectural style, quality of construction, principal materials employed in construction, and size.

E. Applicability of Restrictions. All restrictions in this Declaration affecting the use, occupancy, and alienation of Apartments will apply to Apartments created in any Additional Real Estate Parcel which is added to Villas of Ashworth Glen.

F. Improvements in Common Elements. It is presently contemplated that the Common Elements in any Additional Real Estate Parcel added to the Regime will be substantially comparable to those originally constituting a part of Villas of Ashworth Glen. Declarant reserves the right to construct such other additional improvements as a part of the Common Elements of one or more of the Additional Real Estate Parcels as Declarant may hereafter determine, but in no event shall Declarant have any obligation to construct any improvements to the Common Elements of any of the Additional Real Estate Parcels.

G. No Assurances. Nothing herein contained shall bind the Declarant to add any of the Additional Real Estate Parcels to the Regime or to adhere to any particular plan of development or improvement for any portion of the Additional Real Estate Parcels not added to the Regime. None of the assurances set forth in subparagraphs 8C, 8D, or 8E, above will apply to any Additional Real Estate Parcel which is not added to the Regime.

H. Exercise of Option. Declarant may exercise its option to add one or more of the Additional Real Estate Parcels by executing and recording an amendment to this Declaration in a form for recording, which amendment shall specifically Describe the additional real estate parcel or parcels being added to the Horizontal Property Regime pursuant to that amendment. Such amendment shall allocate one (1) vote in the Association to each Apartment to be constructed in the Additional Real Estate Parcel or Parcels being added and shall reallocate undivided interests in the Common Expenses of the Association equally among all Apartments, whether they were originally a part of the Regime or added thereto by amendment.

The Amendment as to any additional real estate parcel may not be recorded unless all structural components and mechanical systems serving more than one Apartment of all building containing or comprising any Apartments thereby added to the Regime are substantially complete consistent with the floor plans and building materials as are previously described in this Declaration relating to the original real estate submitted to the Regime. All installments of real estate taxes previously coming due and payable as well as accrued/prorated with respect to any Additional Real Estate Parcel added to the Regime, and all special assessments levied against such Additional Real Estate Parcels, shall be paid by Declarant prior to adding such parcel to the Regime.

I. Assignment of Option. The option described in this Section 8 may be assigned by

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Declarant insofar as it affects any Additional Real Estate Parcel herein described to the owner of any such Parcel, if other than the Declarant. Any such assignment shall be in writing, shall be recorded among the real estate records in the same manner as a conveyance of the Additional Real Estate Parcel and shall be subject to all of the terms and conditions of this Section 8.

J. Reservations of Easements. Declarant hereby reserves the right, in the event that one or more of the Additional Real Estate Parcels are not added to the Regime (whether due to termination pursuant to subparagraph A above to create the following perpetual, non-exclusive easements appurtenant to the Additional Real Estate Parcel or Parcels which were not added to the Regime, over, upon, and under portions of the Common Elements within the Regime and within such Additional Real Estate Parcel or Parcels as have or may be added to the Regime pursuant to this Section 8:

(i) Non-exclusive easements for the following purposes: a) to connect any improvements constructed on the Additional Real Estate Parcel or Parcels which are not added to the Regime (hereinafter referred to as the "Excluded Parcels", whether one or

more) to any natural gas, storm sewer, water, sanitary sewer, electrical, telephone or other utility line, pipe, wire or other facilities, including the right to connect any improvements constructed on the Excluded Parcels into, and the right to utilize, such utility lines, pipes, wires or other facilities which are or may be located within and/or which may serve the Regime and/or any such Additional Real Estate Parcel or Parcels as have or may be added to the Horizontal Property Regime; b) to obtain natural gas, water, electricity, telephone and other utility services from, and to discharge storm and sanitary waste into, all such lines, pipes, wires or other facilities; and c) to install, repair, maintain, operate and replace all such natural gas, storm sewer, water, sanitary sewer, electrical, telephone, or other utility lines, pipes, wires, or other facilities; and d) to do such other acts or things as are necessary in order to connect into and/or to utilize such utility facilities to serve any improvements constructed or to be constructed on the Excluded Parcels provided, however, that Declarant, its successors or assigns, as the owner or owners of the Excluded Parcels benefited by the easements hereby reserved, shall be responsible for the restoration of any damage done or sustained in connection with the use of such easements.

(ii) Non-exclusive easements for the purposes of: a) affording the Excluded Parcels and any improvements constructed or to be constructed thereon with access to and from a public road; b) installing, repairing, maintaining, surfacing, resurfacing, grading, replacing and extending any private drives, lanes, streets, roads, or right-of-way over which the easements hereby reserved are or may be located to do such other acts or things as are necessary in order to afford any improvements constructed or to be constructed on the Excluded Parcels with access to a public road provided, however that declarant, its successors or assigns, as the owner or owners of the Excluded Parcels benefited by the easements hereby reserved, shall be responsible for the restoration of any land, drives, streets, roads or rights-of-way which are disturbed in connection with the use of such easements, and provided further, however, that the location of the easements hereby reserved shall, to the extent practicable, be limited to the location of the private drives, lanes, streets, roads, and rights-of-way existing within the Common Elements at the time or times that the easements hereby reserved are created.

The easements herein reserved may be created in the event that, and from time to time as, one or more Excluded Parcels are created due to termination pursuant to subparagraph A of this Section 8. As evidence of the creation of one or more of the easements reserved in this subparagraph J, the then owner

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or owner of the Excluded Parcels for whose benefit the easement is created shall execute and cause to be filed for record a Declaration of Easement setting forth a description of the easements thereby created and a description of the Excluded Parcels so benefited by the easements thereby created. No consent or joinder of the Association or any Apartment owner or any mortgagee or other holder of an interest in any Apartment or Excluded Parcels so benefited by the easements thereby created. No consent or joinder of the Association or any Apartment Owner or any mortgagee or other holder of an interest in any Apartment or Excluded Parcel as security for the performance of an obligation, nor any release therefrom, shall be required to effect or to evidence the creation of the easements hereby reserved. In addition, the owner of an Excluded Parcel or of a platted lot within an Excluded Parcel may at any time waive or terminate any easement hereby reserved or hereafter created for the benefit of such Owner's Excluded Parcel or platted lot within an Excluded Parcel, as the case may be, by the execution and recording of an instrument specifying such waiver or termination, and without the necessity of any consent or joinder by the Association, any Apartment Owner, or any mortgagee or other holder of an interest in any Apartment or Excluded Parcel or platted lot within an Excluded Parcel as security for the performance of an obligation, or any release therefrom. In the event that easements reserved in this subparagraph J are created, the Apartment Owners and the owner or owners of the Excluded Parcels benefited by such easements shall, so long as the easements reserved herein are in existence, share all expenses of maintaining, repairing and replacing the private drives, lanes, streets, roads, or rights-of-way, and the utility lines, pipes, wires and other facilities, which may be commonly used pursuant to the easements herein reserved in the following manner. A portion of any such costs and expenses equal to a fraction, the numerator of which is the number of Apartments in the Regime and the denominator of which is the total number of Apartments in the Regime and the total number of Apartments, lots or other individual parcels within the Excluded Parcels benefited by such easements, shall be paid by the Apartment owners of the Regime. The balance of any such costs or expenses shall be paid by the owner or owners of the Excluded Parcels benefited by such easements. Any portion of the costs and expenses to be paid by the Apartment Owners of the Regime shall be paid by the Association as a Common Expense. Notwithstanding the foregoing, if one or more Excluded Parcels benefited by such easements are used for other than residential purposes, then such costs and expenses shall be apportioned to, and shared by the Apartment Owners and the owner or owners of such Excluded Parcel or Parcels on any fair basis.

9. Rights of First Mortgagees. The following provisions shall take precedence over all other provisions of this Declaration, and in the event of any inconsistency or contradiction, the following provisions shall control:

A. A first mortgagee of a Apartment or its assigns, upon request, will be entitled to written notification from the Association of: (a) any default in the performance by the Apartment Owner of any obligation under this Declaration or the By-laws which is not cured within thirty (30) days; (b) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; or (c) any proposed action which, pursuant to this Declaration or the Act, requires the consent of a specified percentage of the first mortgagees of the Apartments, (d) Any proposed amendment of the regime instruments effecting a change in (i) the boundaries of any Apartment or the exclusive easement rights appertaining thereto, (ii) the interests in the general or limited common elements appertaining to any Apartment or the liability for common expenses appertaining thereto,

(iii) the number of votes in the owners association appertaining to any Apartment or (iv) the purposes to which any Apartment or the common elements are restricted; (e) any proposed termination regime; (f) any condemnation loss or any casualty loss which affects a material portion of the regime or which affects any Apartment on which there is a first mortgage held, insured or guaranteed by such eligible holder; (g) any delinquency in the payment of assessments or charges owed by an owner of a Apartment subject to the mortgage of such eligible holder, insurer or guarantor, where such delinquency has continued for a period of 60

days; (h) any lapse, cancellation or material modification of any insurance policy maintained by the owners association.

B. In addition to statutory requirements for amendment of this Declaration and By-laws, unless at least sixty-seven percent (67%) (or such higher percentage as is required by law or this Declaration) of the first mortgagees of the Apartments or their assigns (based upon one vote for each first mortgage owned), and of the Apartment Owners (other than any sponsor, developer, or builder including the Declarant) of the Apartments have given their prior written approval, the Association shall not be entitled to:

(i) By act or omission, seek to abandon, encumber, sell or transfer the Common Elements (the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements shall not be deemed such a transfer).

(ii) Use hazard insurance proceeds for losses to any Regime property (whether to Apartments or to Common Elements) for other than the repair, replacement or reconstruction of such Regime property, except as provided by statute in case of substantial loss to the Apartments and/or Common Elements of the Regime.

(iii) Effect any decision by the Association to terminate professional management and assume self-management of the Regime.

(iv) Partition or subdivide any Apartment or the Common Elements.

(v) Add or amend any material provision of this Declaration or the Articles or By-laws of the Association which establishes, provides for, governs or regulates any of the following:

a. Voting;

b. Assessments for Common Expenses, assessment liens or subordination of such liens;

c. Reserves for maintenance, repair and replacement of the Common Elements;

d. Insurance or Fidelity Bonds;

e. Rights to use of the Common Elements;

f. Responsibility for maintenance and repair of the several portions of the several portions of the Regime;

g. Expansion or contraction of the Regime or the addition, annexation or withdrawal of property to or from the Regime;

h. Boundaries of any Apartment;

i. The interests in the Common Elements or Limited Common Elements;

j. Convertibility of Apartments into Common Elements or of Common

Elements into Apartments;

k. Leasing of Apartments;

l. Imposition of any right of first refusal or similar restriction on the right of a Apartment Owner to sell, transfer, or otherwise convey his or her Apartment;

m. Any provisions which are for the express benefit of the holders of first mortgages on the Apartments.

Any such addition or amendment shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. Similarly, any addition or amendment to the Declaration, Articles or By-laws which is made for the purpose of adding any one or more of the Additional Parcels pursuant to Section 8 below shall not be considered material.

C. Any holder of a first mortgage on a Apartment in the Regime or such holder's designee will, upon request, be entitled to: (a) inspect the books, records and financial statements of the Regime and current copies of this Declaration, the By-Laws of the Association and the rules and regulations of the Regime, as the same may, from time to time, be amended or promulgated, during normal business hours; and (b) receive an annual audited financial statement of the Regime within 90 days following the end of any fiscal year of the Regime; and (c) written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

D. Regime assessments for Common Expenses shall include an adequate reserve fund for maintenance, repair and replacement of those Common Elements that must be maintained, repaired or replaced on a periodic basis, and shall, when practicable, be payable in regular installments rather than by special assessments.

E. No provision of this Declaration or of the By-laws shall be deemed to give a Apartment Owner, or any other party, priority over any rights of first mortgagees of Apartments, or their successors in interest, pursuant to their mortgages in the case of a distribution to the Apartment Owners of insurance proceeds or condemnation awards or settlements for losses to or a taking of Apartments and/or Common Elements. In the event of substantial damage to or destruction of any Apartment or any part of the Common Elements, the holder of any first mortgage on a Apartment will be entitled to timely written notice of any such damage or destruction. If any Apartment or portion thereof or the Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the holder of any first mortgage on a Apartment will be entitled to timely written notice of any such proceeding or proposed acquisition. Upon the request of the holder of a first mortgage on any Apartment, the association shall agree in writing to notify such holder, any entity servicing such mortgage, and/or any other entity having an interest in such mortgage whenever damage to the Apartment covered by such mortgage exceeds \$1,000.00 and whenever damage to the Common Elements exceeds \$10,000.00.

F. The right of a Apartment Owner to sell, transfer, or otherwise convey the Owner's Apartment will not be subject to any right of first refusal or any similar restriction in favor of the Association.

G. If the Owner of a first mortgage of record on a Apartment or a purchaser at a mortgage foreclosure obtains title to, or comes into possession of, a Apartment pursuant to the remedies provided in the mortgage or by foreclosure of the first mortgage or by deed or assignment in lieu thereof, such acquirer of title or possession, his successors and assigns, shall acquire such title or possession free of any claims, and shall not be liable, for the share of the unpaid Common Expenses or assessments chargeable to such Apartment which accrued prior to the acquisition of title or possession to such Apartment by such acquirer. The assessments described herein shall be subordinate to the lien of all mortgages filed prior to the accrual of such assessments. Such unpaid share of the Common Expenses or assessments shall be

deemed to be Common Expenses collectible from all of the Apartment Owners, including such acquirer, his successors and assigns.

10. Grant of Easement for Ingress and Egress.

The Declarant hereby grants a perpetual nonexclusive easement for ingress and egress over, across and through the 50 foot ingress/egress easement areas shown in the cross-hatching on Exhibit "C", attached hereto and incorporated herein by this reference, to all of the owners of Regime Apartments in the Regime, the Homeowners Association, as well as their invitees and guests, for the purpose of obtaining access to the individual Regime Apartments, as well as for parking purposes, all of which easement rights however are subject to and conditioned upon the remaining terms conditions and restrictions of this Declaration. Maintenance of the easement areas granted hereby shall be performed by the Association as a portion of the Common Area maintenance.

11. Miscellaneous.

A. Termination. Except in the case of a taking of all of the Apartments by eminent domain, this Regime may be terminated only by the written agreement of all Apartment Owners and of all first mortgagees of Apartments, and may not be abandoned, nor may such termination or abandonment be sought by act or omission, without such unanimous consent.

B. Right of Association to Hold Apartment. Subject to the provisions of the by-laws, the Board of Directors, acting on behalf of the association, shall have the power to acquire, hold, lease, mortgage and convey a Apartment, including the power to purchase a Apartment at the foreclosure sale for unpaid assessments.

C. Remedies of Association. In the event of the failure of any Apartment Owner to comply with the provisions of this Declaration, the Articles or By-Laws of the Association, or the decisions, regulations or rules of the Association, the Association or any aggrieved Apartment Owner may in addition to any other right or remedy available to the Association or such aggrieved Apartment Owner, bring an action for the recovery of damages, injunctive relief or both. Suit to recover a money judgment for unpaid Common Expenses or for other amounts owing the Association may be maintained by the Association without foreclosing or waiving the lien securing the same. In the event of any such suit or action, the prevailing party shall be entitled to recover from the losing party, an amount equal to all costs, including attorney fees, incurred by such prevailing party in the preparation for and prosecution of such suit or action.

D. Condemnation of Common Elements. Subject to the provisions of the Act, the association shall have control over any condemnation proceedings, negotiations, settlements and agreements with the condemning authority relating to the acquisition by the condemning authority of the Common Elements or any part thereof. The Association is hereby appointed attorney in fact for each and all of the Apartment Owners from and after the time the Apartment owner purchases the Apartment for the purpose of handling all condemnation matters.

E. Supplemental to Law. The provisions of this Declaration shall be in addition to and supplemental to the Act and to all other provisions of law.

F. Definition of Terms. As used in this Declaration or in the By-laws, any words or terms defined in the Act shall have the meaning there ascribed to them. The singular shall be deemed to include the plural wherever appropriate; and unless the context clearly indicates to the contrary, any obligation imposed shall be joint and several. The "Association" shall mean Villas of Ashworth Glen Homeowners Association, an Iowa nonprofit corporation.

G. Administration. The Owners of Apartments in the Regime covenant and agree that the administration of the regime shall be in accordance with the provisions of the Act, this Declaration, and the By-laws of the Association, a copy of which is attached hereto as Exhibit D.

H. Joinder of Declarant. Until the earlier of: (i) that date which is five years after the conveyance of a Apartment to a Apartment Owner other than Declarant; (ii) that date which is 60 days after the conveyance of 75% of the Apartments (including any Apartments which have then or may thereafter be added to the Regime pursuant to Section 9 of this Declaration) to Apartment Owners other than Declarant; or (iii) a recording of a written surrender of control of the Association by Declarant; in addition to the statutory requirements for the amendment of this Declaration and the By-By-laws of the Association, and the requirements for such amendment as set forth herein, the written joinder and consent of the Declarant and the Federal Housing Administration shall be required for any amendment of either the Declaration or By-laws of the Association.

I. Meter area Easement. There is hereby reserved to the Association an easement on, over and in the utility room in each Apartment where such room is labeled "Reserved Meter Area" on Exhibit 'A' attached hereto. Such areas are hereafter referred to as the "Meter Area". The Meter Area shall be used exclusively by the Association and shall be used for the repair, maintenance, and replacement of the meter and other equipment located therein, for the reading of such meter and for such other purposes as the Association may desire. The Association shall have the right to heat the Meter Area as necessary to prevent freeze up. Power for any such heat shall be separately metered. All costs of such power, and all costs of repairing, maintaining and replacing the equipment in the Meter Area shall be paid by the Association.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed the date and year first above written.

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ROTTLUND HOMES OF IOWA, INC.

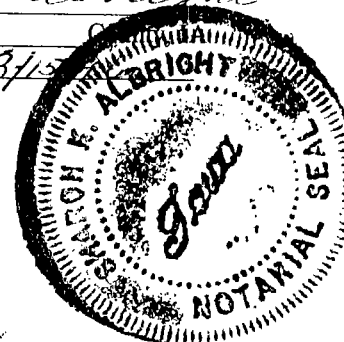
By Steven G. Grasso
Its PRESIDENT

By Bernard J. Rotter
Its SECRETARY

STATE OF IOWA)
) ss.
COUNTY OF Polk)

On this 10 day of August, 19____, before me a Notary Public within
and for said County, personally appeared STEVEN G. GRASSO
and BERNARD J. ROTTER, to me personally known, who, being each by
me duly sworn did say that they are respectively the PRESIDENT
and SECRETARY, of ROTTLUND HOMES OF IOWA, INC.,
the corporation named in the foregoing instrument, and that said instrument was signed in behalf of said
corporation by authority of its Board of Directors and said STEVEN G. GRASSO
and BERNARD J. ROTTER, acknowledged said instrument to be the free
act and deed of said corporation.

Sharon K. Albright
Notary Public, _____
My commission expires 3/15



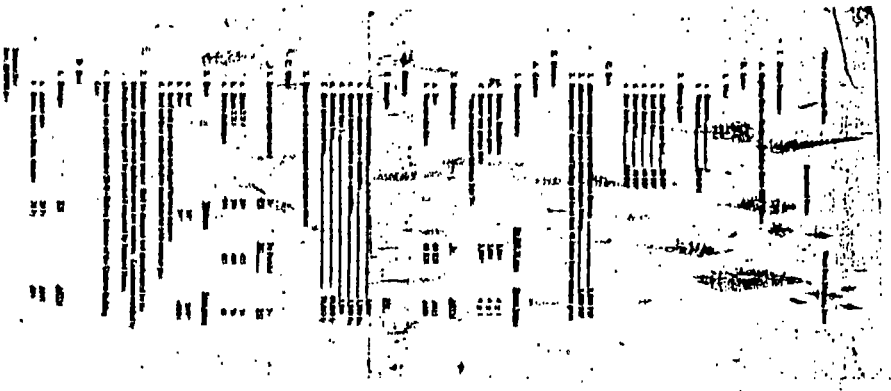
3/93
myfiles/condodoc

EXHIBIT "A"

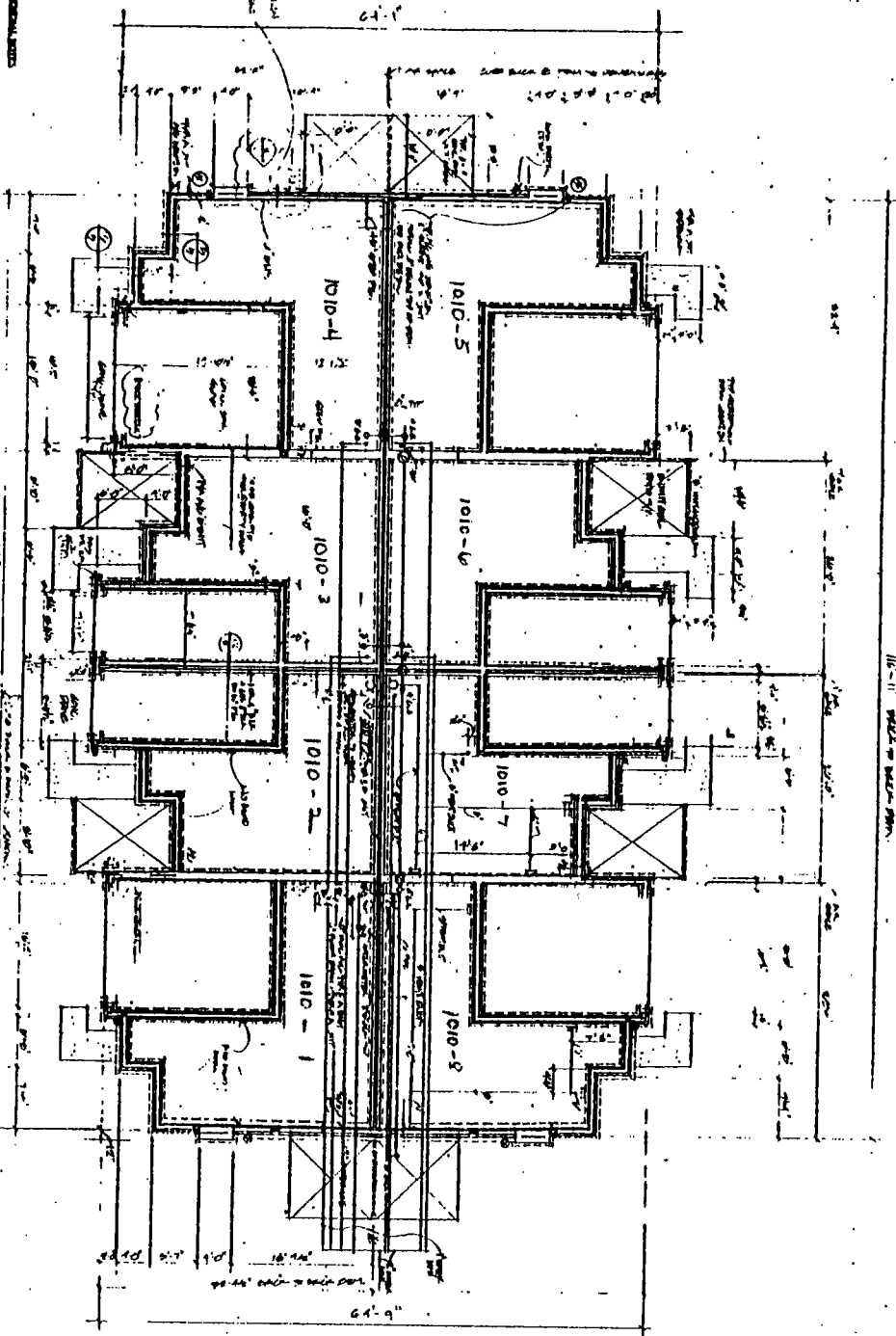
Apartment No.

Percentage
Interest

1	12.5%
2	12.5%
3	12.5%
4	12.5%
5	12.5%
6	12.5%
7	12.5%
8	12.5%



1. The "Footing" is defined as the portion of the foundation which is below the ground level and is used to support the structure. It is shown in the plan view of the foundation. The footing is shown in the plan view of the foundation. The footing is shown in the plan view of the foundation.



FOOTING & FOUNDATION PLAN

1. The "Footing" is defined as the portion of the foundation which is below the ground level and is used to support the structure. It is shown in the plan view of the foundation. The footing is shown in the plan view of the foundation. The footing is shown in the plan view of the foundation.

2. The "Foundation" is defined as the portion of the foundation which is below the ground level and is used to support the structure. It is shown in the plan view of the foundation. The foundation is shown in the plan view of the foundation. The foundation is shown in the plan view of the foundation.

WHITTEN
 ASSOCIATES, INC.
 ARCHITECTURE & PLANNING
 4159 HEATHERTON PLACE
 MINNETONKA, MN 55345

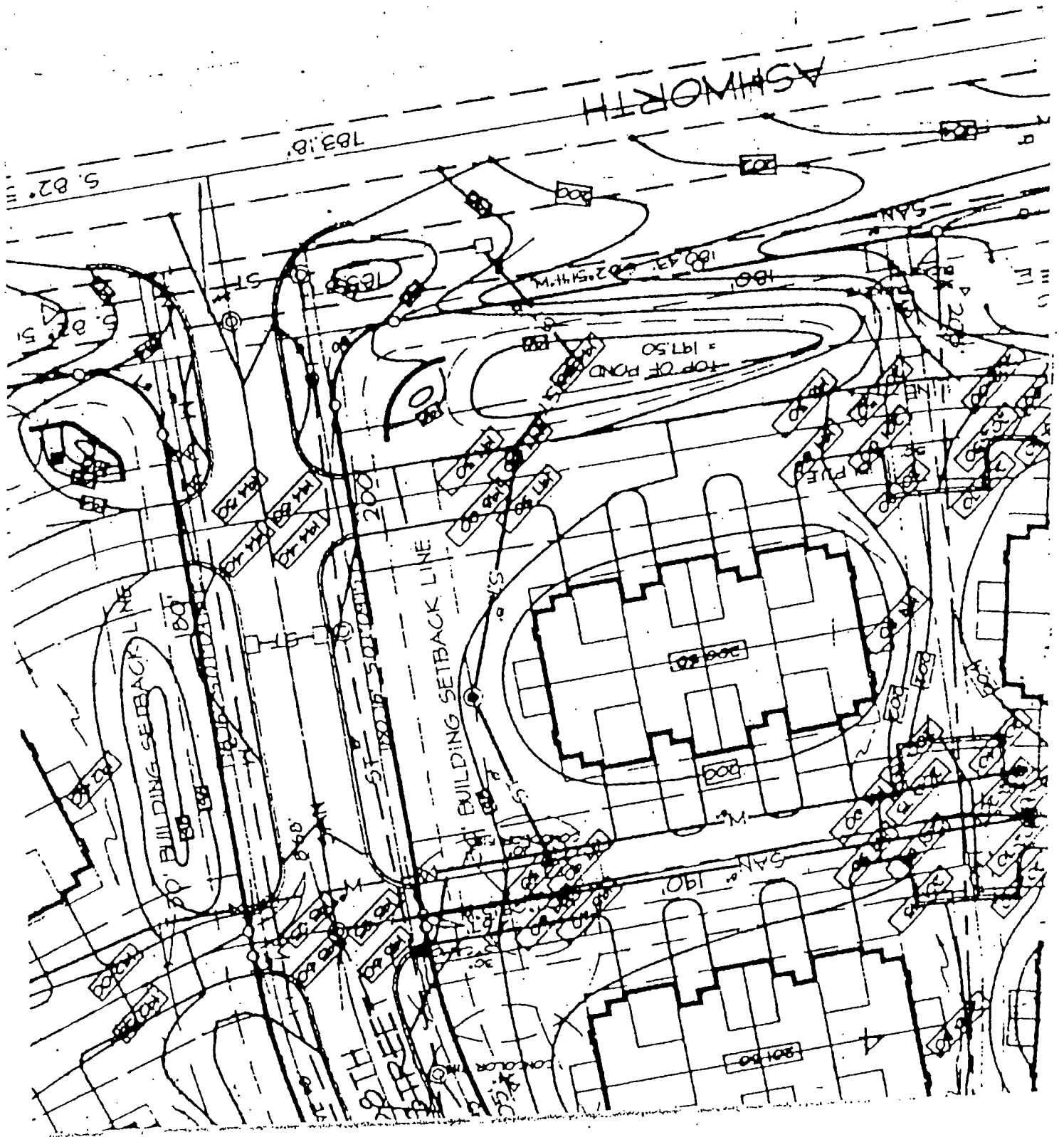
I HEREBY CERTIFY THAT THE SEAL, SIGNATURE, AND EXPIRATION DATE OF THE SEAL OF THE ARCHITECT ARE CORRECT AND THAT THE SEAL IS NOT EXPIRED.

THE POTLAND
 COMPANY, INC.
 PROJECT
 VILLAS OF
 ASHWORTH GLEN
 WEST DES MOINES, IOWA

FOOTING &
 FOUNDATION PLAN

DOCUMENT DATE	12-19-12
REVISION	DATE
NO.	DATE
1	12-19-12
2	
3	
4	
5	
6	
7	
8	
9	
10	

3x "A1"



Hand-drawn architectural drawing of a building's structural frame, showing a cross-section with various beams, columns, and a diagonal brace. The drawing includes handwritten notes and dimensions.

Key features and labels:

- Top Section:** Labeled "Top of wall" and "Top of roof".
- Left Wall:** Labeled "Left wall" and "Right wall".
- Central Column:** Labeled "Central column".
- Diagonal Brace:** Labeled "Diagonal brace".
- Dimensions:**
 - Top horizontal dimension: 10' 0"
 - Left vertical dimension: 10' 0"
 - Right vertical dimension: 10' 0"
 - Bottom horizontal dimension: 10' 0"
 - Bottom vertical dimension: 10' 0"
- Notes:**
 - "Top of wall" (top left)
 - "Top of roof" (top right)
 - "Left wall" (middle left)
 - "Right wall" (middle right)
 - "Central column" (center)
 - "Diagonal brace" (bottom center)
 - "10' 0"
 - "10' 0"
 - "10' 0"
 - "10' 0"
 - "10' 0"

Hand-drawn sketch of a building structure, possibly a house or shed, showing a gabled roof and a chimney. The drawing is labeled with various measurements and dimensions:

- Roof pitch: $1:1.25$
- Roof width: 1.25
- Roof height: 1.25
- Roof slope: $1:1.25$
- Roof length: 1.25
- Roof area: 1.25
- Roof volume: 1.25
- Roof weight: 1.25
- Roof cost: 1.25
- Roof value: 1.25
- Roof life: 1.25
- Roof maintenance: 1.25
- Roof insurance: 1.25
- Roof taxes: 1.25
- Roof other: 1.25

[illegible]

UNIT B MAIN LEVEL PLAN
- FINISHED FIRST FLOOR, 100' x 0'

A detailed floor plan of a building, likely a school or institutional structure, showing various rooms and corridors. The plan includes several numbered circles (1 through 10) indicating specific locations of interest. The layout features a large central hall, a kitchen area with a sink and stove, a bathroom, and several smaller rooms. The drawing is a black and white line drawing with some handwritten notes and numbers.

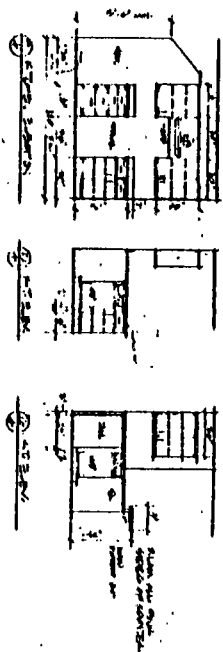
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EXHIBIT "B"

Additional Parcels

Parcel A

Lot 2, Final Plat of Villas of Ashworth Glen, an Official Plat now included in and forming a part of the City of West Des Moines, Dallas County, Iowa

Parcel B

Lot 3, Final Plat of Villas of Ashworth Glen, an Official Plat now included in and forming a part of the City of West Des Moines, Dallas County, Iowa

Parcel C

Lot 4, Final Plat of Villas of Ashworth Glen, an Official Plat now included in and forming a part of the City of West Des Moines, Dallas County, Iowa

Parcel D

Lot 5, Final Plat of Villas of Ashworth Glen, an Official Plat now included in and forming a part of the City of West Des Moines, Dallas County, Iowa

Parcel E

Lot 6, Final Plat of Villas of Ashworth Glen, an Official Plat now included in and forming a part of the City of West Des Moines, Dallas County, Iowa

Parcel F

Lot 7, Final Plat of Villas of Ashworth Glen, an Official Plat now included in and forming a part of the City of West Des Moines, Dallas County, Iowa

Parcel G

Lot 8, Final Plat of Villas of Ashworth Glen, an Official Plat now included in and forming a part of the City of West Des Moines, Dallas County, Iowa

Parcel H

Lot 9, Final Plat of Villas of Ashworth Glen, an Official Plat now included in and forming a part of the City of West Des Moines, Dallas County, Iowa

Parcel I

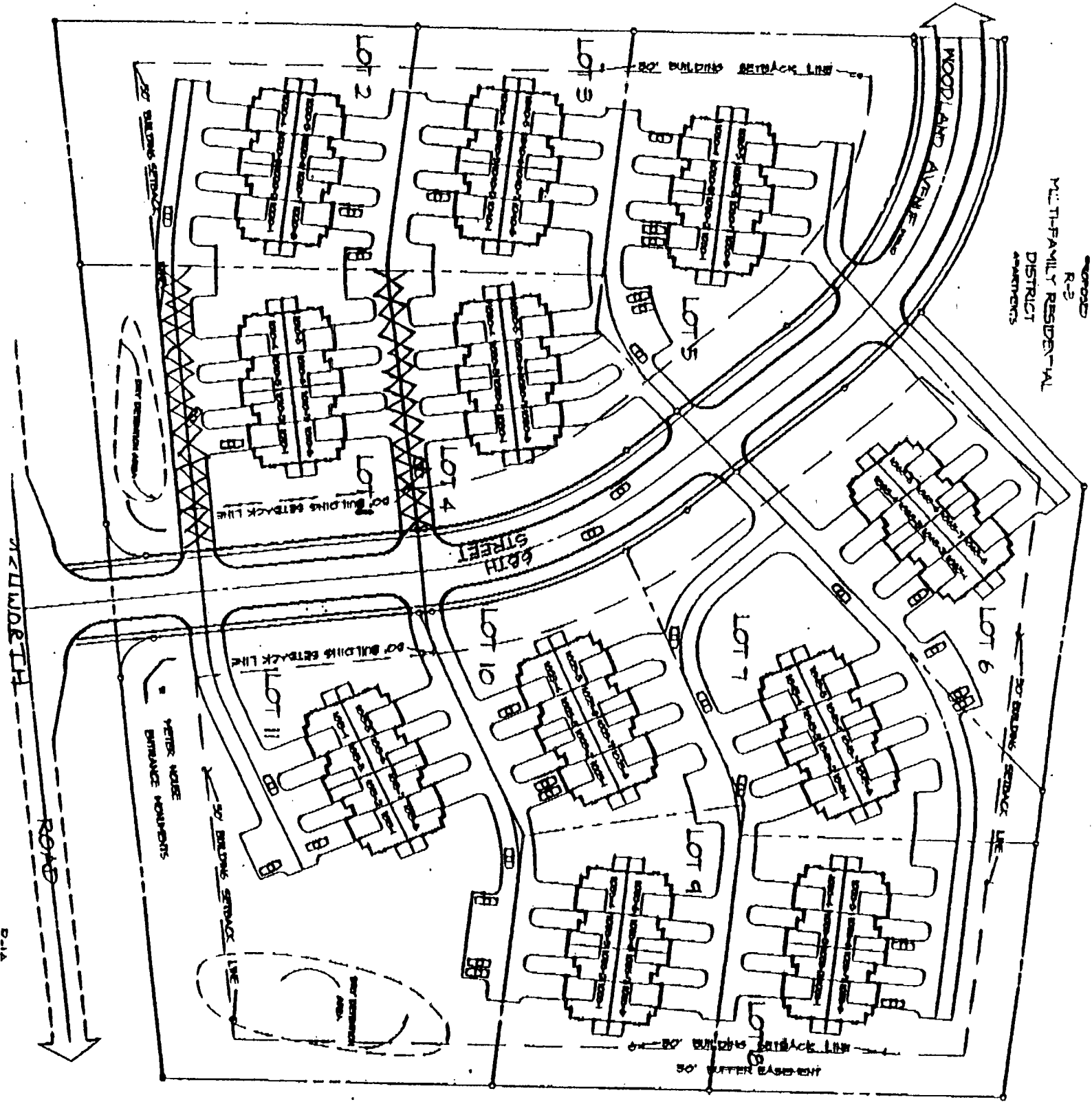
Lot 10, Final Plat of Villas of Ashworth Glen, an Official Plat now included in and forming a part of the City of West Des Moines, Dallas County, Iowa

Parcel J

Lot 11, Final Plat of Villas of Ashworth Glen, an Official Plat now included in and forming a part of the City of West Des Moines, Dallas County, Iowa

WEST DES MOINES, IOWA

WOOD
R-2
MULTIFAMILY RESIDENTIAL
DISTRICT
APARTMENTS



FINAL PLAT OF
VILLAS OF ASHWORTH GLEN

R-1
SINGLE-FAMILY RESIDENTIAL
DISTRICT

50 foot ingress/egress
easement for Lot 1.
XXXXXXX

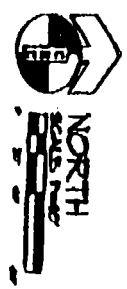


EXHIBIT "C"

CONSENT OF MORTGAGEE

MidAmerica Savings Bank, fsb, mortgagee of the Real Estate described in the within instrument pursuant to that certain mortgage recorded February 18, 1993, in Book 735, Page 0224, in the office of the Dallas County Recorder, hereby joins in and consents to, all of the terms, provisions, covenants, conditions, restrictions and easements contained in the within Declaration establishing Villas of Ashwroth Glen, a Condominium, and agrees that its interest in the Real Estate covered by and pursuant to said mortgage, is subject to said Declaration and to all of the terms, provisions, covenants, conditions, restrictions and easements therein contained.

Dated: August 16, 1993.

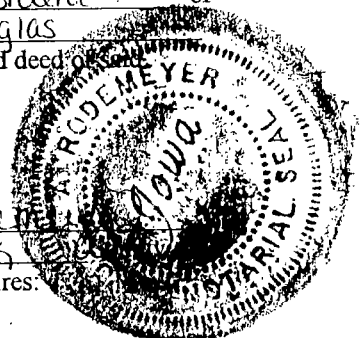
MidAmerica Savings Bank, fsb

Douglas A. Peter
BY: Douglas A. Peter
Assistant Vice President
(Title)

STATE OF IOWA)
) SS.
COUNTY OF)

On this 16th day of August, 1993, before me, a Notary Public within and for said County, personally appeared Douglas A. Peter to me personally known, who, being by me duly sworn, did say that he is the Assistant Vice President of MidAmerica Savings Bank, fsb, by authority of its Board of Directors and said Douglas A. Peter acknowledged said Consent to be the free act and deed of said corporation.

Luara A. Rodemeyer
Notary Public, Polk
My Commission Expires:



BY-LAWS OF
VILLAS OF ASHWORTH GLEN HOMEOWNERS ASSOCIATION
(an Iowa Nonprofit Corporation)

ARTICLE I

Section 1. Name. The name of the corporation is Villas of Ashworth Glen Homeowners Association. The Association is formed pursuant to Chapter 504A, Code of Iowa (1993), as amended, and Chapter 499B, Code of Iowa (1993), as amended, known respectively as the "Iowa Nonprofit Corporation Act" and the "Horizontal Property Act" (the latter being referred to herein as the "Act"), and laws amendatory thereof and supplemental thereto. The terms used in these Bylaws shall have the same meaning as they have in the Act, except as otherwise specified herein.

Section 2. The Articles of Incorporation of the Association were filed in the Office of the Secretary of State of the State of Iowa on

Section 3. Membership and Voting. The membership of the Association shall consist of the Apartment owners of the Apartments within Villas of Ashworth Glen Horizontal Property Regime located in West Des Moines, Dallas County, Iowa, (hereinafter referred to as the "Regime"). Membership in the Association shall be appurtenant to, and shall not be separated from, Apartment ownership in the Regime. A person shall cease to be a member of the Association at such time as that person ceases to be a Apartment Owner of a Apartment. Each Apartment shall have one vote. Where there is more than one Apartment Owner of a Apartment, all of such Apartment Owners shall be members of the Association and the vote allocated to the Apartment in accordance with the Declaration and these By-Laws shall be cast as the apartment Owners among themselves may determine and signify in writing to the Association, but in no event shall more than one vote be cast with respect to any Apartment nor shall the vote allocated to a Apartment be split or otherwise cast separately by the Apartment Owners. Where there is more than one Apartment Owner of a Apartment, the Apartment Owners thereof shall notify the Secretary of the Association in writing of the name of the Apartment Owner who has been designated to cast the vote attributable to that Apartment, on behalf of all the Apartment Owners of that Apartment. If the Owners of a Apartment cannot agree on the Apartment Owner who is to be designated to cast the vote attributable to the Apartment owned by such Owners, or on the manner in which such vote is to be cast, the Apartment Owners shall submit such dispute to the Board of Directors of the Association. The Board of Directors shall resolve such dispute in the manner determined by the Board of Directors to be fair and equitable and such determination shall be binding on said Apartment Owners. Membership in the Association shall automatically pass when the ownership of a Apartment is transferred in any manner.

Section 4. Registration of Owner. It shall be the duty of each Apartment Owner to register with the Secretary of the Association in writing (i) the name and address of such Apartment Owner; (ii) the nature and satisfactory evidence of such Apartment Owner's interest or estate in a Apartment; and (iii) the addresses at which such Apartment Owner desires to receive notice of any duly called meeting of the Members. If a Apartment Owner does not register as provided in this paragraph, the Association shall be under no duty to recognize the rights of such person hereunder, and shall not recognize such person's right to vote as provided herein, but such failure to register shall not relieve a Apartment Owner of any obligation, covenant or restriction under the Declaration or these by-laws. If there is more than one Apartment Owner of a Apartment, each must execute the registration as provided in this paragraph.

ARTICLE II

MEMBERS

Section 1. Place of Meeting. Meetings of members and directors of the Association may be held at such places within the State of Iowa, Dallas County, as may be designated by the Board of Directors.

Section 2. Annual Meeting. The first annual meeting of the members shall be held within one year after the recording of the Declaration on a date established by the first Board of Directors. Each subsequent regular annual meeting of the members shall be held at least once each year on the same day of the same month of each year thereafter (unless the Board of Directors designates a different date for annual meetings), at such hour as may be designated by the Secretary in the notice of said meeting, as hereinafter provided. At each annual meeting, the members shall, subject to the provisions of Section 2 of Article III hereof, elect members to the Board of Directors from among themselves and shall transact such other business as may properly come before the meeting.

Section 3. Special Meetings. Special meetings of the members may be called for any purpose at any time by the President or by the Board of Directors, on their own initiative or upon the delivery of a written request signed by Apartment Owners of Apartments to which is assigned 25% or more of the votes in the Association to either the President or the Secretary, stating the purpose or purposes of the special meeting. No business shall be transacted in a special meeting of the members except as stated in the notice of the meeting, as hereinafter provided.

Section 4. Notice of Meetings. At least 21 days in advance of any annual or regularly scheduled meeting, and at least 7 days in advance of any other meeting, the Secretary of the association shall send to each Apartment Owner a written notice of the time, place and complete agenda of the meeting which is the subject of such notice. Such notice shall be hand delivered or sent by United States mail to all Apartment Owners of record at the address of their respective Apartments and to such other addresses as any Apartment Owner may have designated in writing to the Secretary. Apartment Owners of record shall be those Apartment Owners who are registered with the Secretary as provided in Article I Section 4 on a date specified by the Board of Directors (the "Record Date"). Such Apartment Owners of record shall be entitled to notice of any duly called meeting of the members; provided that the Board of Directors may not specify a Record Date which is more than 35 days prior to the date of an annual meeting or no more than 20 days prior to the date of a special meeting. A Apartment Owner may at any time waive notice of any meeting by a signed writing or by attendance at the meeting.

Section 5. Quorum and Adjournment. The presence of members in person or represented by proxy who have the authority to cast ten percent of the total of the votes of all members of the Association shall be requisite for and shall constitute a quorum at all meetings of the Association for the transaction of business except that of adjourning the meeting to reconvene at a subsequent time and except as otherwise provided by law. If, however, such percentage shall not be present or represented at any such meeting, the members entitled to vote thereat, present in person or by proxy, shall have power to adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be present, at which time any business may be transacted which might have been transacted at the meeting as initially called had a quorum then been present. The quorum, having once been established at a meeting, shall continue to exist for that meeting, notwithstanding the departure of any member previously in attendance in person or by proxy.

Section 6. Voting Register. At the beginning of each meeting of the members, the Secretary shall deliver to the chairman for the meeting a written list of the Apartment numbers, the respective name

or names of the Apartment Owners entitled to notice of such meeting, and the respective name of the person (in the case of multiple Apartment Owners) authorized to vote.

Section 7. Order of Business. The order of business at annual meetings of the members, and at such other membership meetings of the members as may be practical, shall be as follows:

- a. Presenting of Voting Register, proxy certification and establishment of a quorum.
- b. Reading or distribution of minutes of the preceding meeting of the Members.
- c. Reports of officers.
- d. Reports of committees.
- e. Appointment by the Chairman of inspectors of election as determined by the Chairman or when requested by a member of the Board of Directors.
- f. Election of members of the Board of Directors.
- g. Unfinished business.
- h. New business
- i. Adjournment.

Section 8. Manner of Voting. Proxies shall be in writing, signed by the member giving the Proxy, and filed with the Secretary of the Association prior to the meeting. All elections and all questions shall be decided by the concurring vote of the members who are entitled to cast a majority of the votes represented by all members present in person or by proxy at a meeting, except as otherwise specifically provided in the Declaration, these By-Laws or the Act. Cumulative voting shall not be permitted. Every proxy shall be revocable and shall automatically cease upon the expiration of eleven (11) months from the date of its execution, the conveyance by the member of his Apartment or by the member's personal attendance at the meeting.

No vote in the Association shall be deemed to inure to any Apartment during the time when the Apartment Owner thereof is the Association.

Section 9. Action Taken Without A Meeting. Any action which might be taken at a meeting of the Apartment Owners may be taken without a meeting if authorized in a writing or writings signed by all of the Apartment Owners.

ARTICLE III

BOARD OF DIRECTORS

Section 1. Number and Qualification. The first Board of Directors shall consist of the persons designated as directors in the Articles of Incorporation of the Association, who need not be Apartment Owners. Upon the ending of the terms of the first Board of Directors, the Board of Directors shall be composed of five (5) Directors, all of whom shall be Members; or, in the case of ownership of a Apartment by a partnership, shall be partners or employees of such partnership; or, in the case of ownership of a Apartment by a corporation, shall be officers or employees of such corporations; or, in the case of ownership of a Apartment by a fiduciary, shall be officers or employees of such fiduciary.

Section 2. Term of Office. Notwithstanding the right to remove a director under Section 9 of this ARTICLE III, and notwithstanding anything else herein contained, Declarant may elect the members of the Board of Directors of the Association during the period from the date of the first conveyance of a Apartment to a Apartment Owner other than Declarant until that date which is five years later; or until that date which is 60 days after the conveyance of 50% of the Apartments (including apartments which have then or may thereafter be added to the regime pursuant to Section 8 of the Declaration) to Apartment Owners other than Declarant; or a recording of a written surrender of control of the Association by the Declarant, whichever first occurs. Upon the happening of the earliest of said events, all Directors elected by the Declarant shall resign from the Board of Directors. Notwithstanding the foregoing, however, not later than 60 days after conveyance of 50% of the Apartments to a Apartment Owners other than Declarant, one-third of all of the members of the Board of Directors shall be elected by Apartment Owners other than the Declarant. Upon the resignation from the Board of Directors of all Directors elected by the Declarant, five directors shall be elected, two for a one-year term, and three for a two-year term. At each annual meeting thereafter, two or three (as the case may be) directors shall be elected, to a two-year term, as successors to the two or three (as the case may be) directors whose term is then ending. The term of a member of the Board of Directors shall expire upon the election of a successor at an annual meeting of the Members. A director shall hold office until he shall resign and his resignation shall have become effective, or until a qualified successor has been elected and shall have accepted the office, or until the director has been removed in accordance with the provisions of these By-Laws. The Board of Directors elected by the Declarant shall have the power to adopt the By-laws of the Association, to elect officers, to establish a schedule of assessments and shall have generally the powers and duties of the Board of Directors as set forth herein and in the Declaration.

Section 3. Election. The five directors being elected upon the resignation from the Board of Directors of all Directors elected by the Declarant shall be elected in one voting. Each Apartment shall be entitled to cast five votes. Such votes may not be used cumulatively and, if cast, must be cast for five separate candidates. The candidates receiving the first, second, and third highest number of votes shall have been elected to two-year terms and the candidates receiving the fourth and fifth highest number of votes shall have been elected to one-year terms. Thereafter, the two or three (as the case may be) directors being elected at any annual meeting shall be elected in one voting. Each Apartment shall be entitled to cast two or three (as the case may be) votes. Such votes may not be used cumulatively and such two or three (as the case may be) votes, if cast, must be cast for two or three (as the case may be) separate candidates. The two or three (as the case may be) candidates receiving the highest number of votes shall have been elected to two-year terms.

Section 4. General Powers. The Board of Directors shall manage the property, affairs and business of the Association. Specifically, and without limiting the generality of the foregoing, the Board of Directors shall have the power to:

- a. Adopt and publish administrative rules and regulations governing the operation and the use of the Common Elements, the use and occupancy of the Apartments and the personal conduct of the members and their tenants and guests thereon and therein, parking, matters of aesthetics affecting the Regime or any part thereof and such other matters as are necessary or desirable to the harmonious use and enjoyment of the Regime by the Apartment Owners, copies of all of which rules and regulations shall be made available to all Apartment Owners;
- b. Supervise the operation, maintenance, repair and replacement of the Common Elements and the making of any additions or improvements thereto;
- c. Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by law or by other provisions of these By-Laws, the Articles of Incorporation or the Declaration;

d. Authorize the making of any contracts, leases, management contracts, employment contracts or leases of recreational areas or facilities on behalf of the Association, engage the services of and discharge a manager, managing agent, independent contractor or other employees as they deem necessary, and determine the duties and compensation of such persons. No such lease or contract shall be entered into on behalf of the Association whose term exceeds two (2) years; and any contract for professional management of the Property, or any other contract providing for services by the Declarant, shall be terminable by the Association or the other party thereto on 60 days' written notice without cause and without the imposition of any penalty or termination fee and shall be terminable for cause by the association on 30 days' written notice.

e. Lease or purchase and mortgage a Apartment, Apartments or other residential quarters for management and maintenance personnel. All rental or debt service paid by the Association pursuant to such lease agreement or mortgage shall be a general Common Expense.

f. Exercise the irrevocable right to have access to each Apartment from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Elements therein or accessible therefrom, or at any time for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Apartment or Apartments without limiting the generality of the foregoing, to exercise the irrevocable right to have access, by means of entering the garage allocated to each Apartment containing a Meter Area (as that term is defined in Subsection 9I of the Declaration, to the Meter Area under the stairway of such Apartment, for the purpose of reading, repairing, maintaining and replacing the meter and heating equipment located therein;

g. Determine what shall constitute Common Expenses required for the affairs of the Association, which shall include all ordinary or extraordinary and necessary expenses for the operation and the repair, replacement and maintenance of the Real Estate, and the establishment of a reserve for future repair, replacement and maintenance of those portions of the Common Elements which must be repaired, replaced or maintained on a periodic basis;

h. Levy and collect the Common Expenses from the Apartment Owners;

i. Open bank accounts on behalf of the Association and designate signatories required therefor;

j. Obtain insurance for the regime pursuant to the provisions of the Declaration;
and

k. Dedicate or transfer easements for public utilities or other public purposes consistent with the intended use of the Common Elements over any part of the Common Elements to any governmental subdivision or public agency or public utility.

Section 5. General Duties. In addition to and without limitation of the powers and duties assigned to the Board of Directors elsewhere herein, by the Declaration or by the Act, it shall be the duty of the Board of Directors to:

a. Contract for labor and materials needed to maintain, repair and replace the Common Elements, pay for insurance, utilities and other expenses of operation the Common Elements and of performing the other duties of the Association as provided by law, the Declaration or herein, and assess the costs thereof against the members of the Association in the manner provided for by the Act, herein and in the Declaration. The Board shall include in the monthly assessments such amount as is necessary to accumulate an adequate reserve for the maintenance, repair and replacement of those Common Elements that must be replaced, repaired or maintained on a

periodic basis, and may accumulate an additional reserve from time to time in anticipation of extraordinary Common Expenses.

b. Cause to be kept detailed, accurate records in chronological order, of the receipts and expenditures affecting the Common Elements, specifying and itemizing the maintenance repair and replacement expenses of the Common Elements and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for examination by the Apartment Owners during normal business hours.

c. Prepare or cause to be prepared an annual report, a copy of which shall be provided to each Apartment Owner with the notice of each annual meeting and shall be available to each Apartment Owner at the annual meeting, showing the financial affairs of the Association, and containing at a minimum the following:

(i) A statement of any capital expenditures in excess of 2% of the current budget or \$5,000.00, whichever is greater, anticipated by the association during the current year or succeeding two (2) fiscal years;

(ii) A statement of the status and amount of any reserve or replacement fund and any portion of the fund designated by the Board for any specified project;

(iii) A copy of the statement of financial condition for the Association for the last fiscal year;

(iv) A statement of the status of any pending suits or judgments in which the Association is a party;

(v) A statement of the insurance coverage provided by the Association; and

(vi) A statement of the insurance coverage provided by the Association; and

(vi) A statement of any unpaid assessments levied by the Association on individual Apartments, identifying the Apartment number, the amount of the unpaid assessment and its due date.

Any member of the Association shall have the right, upon reasonable notice to the Treasurer, to review the accounts and financial records of the Association. If the Association does not elect to include an audit as a part of the Common Expenses, one or more members may call for an audit of the affairs of the Association by written notice to the President. If the audit shall disclose errors of three percent (3%) or greater in any figures contained in the most recent statements issued by the Board, the Association shall bear the expense of the audit. If no such error of three percent (3%) or greater shall be established by the audit, the member or members requesting the audit shall bear the entire expense thereof, which shall be a lien upon their individual Apartments until paid.

Section 6. Limitation of Authority. Anything herein or in the Declaration to the contrary notwithstanding, unless specifically authorized herein or in the Declaration, the Board of Directors shall have no authority, except as may specifically be granted by the majority (or such higher number as may otherwise be required hereunder, by the Act or by the Declaration) of the members present in person or by proxy at a meeting thereof, to do any of the following:

a. Purchase any Apartment except that the Board of Directors may accept any Apartment surrendered to it for unpaid assessments and may purchase a Apartment at any sale held pursuant to foreclosure for unpaid assessments provided that the Board of Directors shall not, unless authorized by the members, bid, at any such foreclosure sale, any amount in excess of

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the total of the delinquent assessment on account of which the foreclosure sale is being held, any interest thereon and other costs related thereto which are, pursuant to the Declaration, the Act and hereunder, collectible from the Apartment Owner of such Apartment.

b. Levy or assess as a Common Expense the cost of any capital improvement or acquisition, other than the repair or replacement of an existing portion of the Real Estate unless specifically authorized by not less than 90% of the total voting power of the Association.

Section 7. Resignation. A Director of the Association may resign at any time by giving written notice to the Board of Directors, such resignation to take effect at the time of receipt of such notice or at any later date or time specified therein. Unless otherwise specified therein, acceptance of a resignation shall not be necessary to make it effective.

Section 8. Vacancy. A vacancy in the Board of Directors caused by resignation, death, disqualification, removal or any inability to act shall be filled by the Board of Directors and such action shall be valid notwithstanding the fact that the number of Directors then in office is less than the number specified herein.

Section 9. Removal. Any Director or all Directors, except the members of the first Board of Directors, may be removed at any time with or without cause by a majority vote of a quorum of the Owners at any annual or special meeting of the Association. A Director shall be automatically removed without a meeting or other action of the Owners on the date of closing of any sale or transfer of his Apartment or on the date of transfer of possession thereof in connection with any such sale or transfer, whichever occurs earlier.

Section 10. Regular Meeting. The regular annual meeting of the Board of Directors shall be held without notice at the place, and immediately following the adjournment of the annual meeting of the members of the Association, to transact such business as may properly come before the Board.

Section 11. Special Meetings of the Board of Directors. Special meetings of the Board of Directors shall be held upon written request of the President or of any Director, stating the purpose or purposes thereof. Notice of such meeting shall be given by mail or telegraph to each Director, addressed to him at his residence or usual place of business at least three (3) days before the day on which such meeting is to be held. Every such notice shall state the time, place and purpose of the meeting. No business other than that stated in the notice shall be transacted at said meeting without the unanimous consent of the Directors.

Section 12. Quorum and Manner of Acting. Except as otherwise provided by statute, the Declaration or these By-Laws, a majority of the Directors in office at the time of any meeting of the Board of Directors shall constitute a quorum for transaction of business at such meeting and the act of a majority of the Directors present at any such meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum, a majority of the Directors present may adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum be had.

Section 13. Waiver of Notice. Notice of a special meeting may be waived by any member of the Board of Directors in writing and shall be waived by attendance at such meeting in person or by attorney.

Section 14. Action Taken Without A Meeting. Any action which might be taken at a meeting of the Board of Directors may be taken without a meeting if authorized in a writing or writings signed by all of the Directors.

Section 15. Fidelity Bonds. The Board shall require that all officers, directors, employees and representatives of the Association, and all officers, employees and agents of any management agent

employed by the Association, handling or responsible for the Association funds shall furnish adequate fidelity bonds. Such fidelity bonds shall be in such amount as the Board of Directors deems appropriate but not less than the greater of either the estimated maximum amount of funds (including reserve funds) in the custody of the Association or management agent at any given time or a sum equal to three months assessments on all Apartments plus reserve funds. Such bonds shall name the Association as an obligee, shall contain waivers of defenses based on exclusion of persons serving without compensation and shall provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least 10 days' prior written notice to the Association and each holder of a first mortgage on any Apartment. The premiums on such bonds shall be a Common Expense.

Section 16. Compensation. No Director shall receive compensation for any service he may render in his capacity as a member of the Board of Directors unless such compensation is approved at a meeting of the members. However, any Director may be reimbursed, by resolution of the Board of Directors, for his actual expenses incurred in the performance of his duties as a Director.

ARTICLE IV

OFFICERS AND THEIR DUTIES

Section 1. Officers. The officers of the Association shall be a President, a Secretary and a Treasurer and such assistant or other officers as the Board of Directors may designate. Each officer shall be selected by a majority vote of the Board of Directors. One person may hold the office and perform the duties of any two of said officers; provided, however, that the same person shall not at the same time hold the offices of President and Secretary. The President shall be selected from among the Board of Directors. Each officer shall continue in office until:

- a. The next annual meeting of the Board and thereafter until a successor is elected; or
- b. He shall resign and his resignation shall have become effective; or
- c. He shall no longer be a member of the Association (provided that officers selected by the first Board of Directors need not be members of the Association); or
- d. He shall be removed as hereinafter provided. Vacant offices shall be filled by the Board.

Section 2. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for that purpose.

Section 3. Duties of Officers. The officers shall have the duties and responsibilities normally pertaining to their respective offices together with such specific duties as may be specified by the Articles of Incorporation, these By-Laws or the Board of Directors. The President shall preside over the meetings of the Board of Directors and of the Association of Apartment Owners, shall have all of the general powers and duties which are normally vested in the office of President of a corporation and shall have the power to execute contracts and similar documents on behalf of the Association. The Secretary shall keep the minute book of the Association wherein minutes of all meetings and all resolutions and proceedings of the members and of the Board of Directors shall be recorded, and shall keep a record of the name and mailing address of each Apartment Owner, and the Apartment or Apartments in which he has an interest and shall give all notices required by the articles of Incorporation of the Association, these By-Laws, the Declaration or the Act. The Treasurer shall keep the financial records and books of account of the Association. The Treasurer shall have custody of all intangible property of the Association, including funds, securities and evidences of indebtedness. The Treasurer shall deposit all moneys and other

valuable effects in the name of or to the credit of the Association in such depositories as may be designated by the Board of Directors and shall disburse the funds of the association as ordered by the Board of Directors and shall perform all other duties incident to the office of Treasurer. He shall furnish upon request of any Apartment Owner a statement as to the current account of the Apartment Owner upon the assessment rolls of the Association. Officers shall serve without compensation except for reimbursement for out-of-pocket expenses incurred in the performance of their duties. If desired by the Board, administrative tasks of the officers may be performed by a managing agent selected by the Board.

ARTICLE V

OPERATION OF THE PROPERTY

Section 1. Budget, Levy. The Board of Directors shall from time to time, and at least annually in advance of the beginning of the Association's fiscal year, prepare a budget of Common Expenses for the Association and shall allocate, assess and levy such Common Expenses among the Apartment Owners in accordance with the percentages specified in Exhibit A to the Declaration. Upon the vote of the Board of Directors adopting a resolution which sets forth the budget of Common Expenses and the allocation thereof to the Apartment Owners, the amount so allocated to the Apartment Owners of each Apartment shall, without further resolution by the Board of Directors, be levied as the annual assessment against such Apartment, payable in equal monthly installments due on the first day of each month during the period covered by the Budget, without further resolution by the Board of Directors. The Common Expenses shall include those Common Expenses set forth in the Declaration and these By-Laws and may include such other amounts as the Board of Directors may deem proper for the operation and maintenance of the Property and as permitted by the Act and all laws amendatory thereof and supplementary thereto, provided, however, that the assessment for Common Expenses shall include an adequate reserve fund for maintenance, repair and replacement of those Common Elements that must be replaced on a periodic basis, and shall, when practicable, be payable in regular installments. Contributions to any reserve funds established by the Association may not be withdrawn by any Apartment Owner. The Board of Directors shall advise all Apartment Owners in writing prior to the beginning of the period covered by the budget as to the amount of the monthly assessment payable by each of them, and shall, upon request by the Apartment Owner, furnish copies of each budget on which such Common Expenses and the assessment are based to such Apartment Owner and to his First Mortgagee. The total of any budget shall be in the amount of the estimated Common Expenses for the period covered thereby, including a reasonable allowance for contingencies and reserves, less the amounts of any un-needed Common Expense account balances existing from the previous period's budget, and less any estimated payments to be received by the Association from rental, licensing or other payments for the purpose of defraying the costs of the use of the Common Elements. If a budget is not made by the Board of Directors as required, a monthly assessment in the amount required by the last prior budget shall be due upon each monthly assessment payment date until changed by a new budget. In the event an annual or other budget proves to be insufficient, or in the event of extraordinary or unforeseen Common Expenses, the budget and monthly assessments based thereon may be amended, or a special assessment levied, at any time by the Board of Directors. Any special assessment shall be assessed against the Apartment Owners, shall be a lien on the Apartments and shall be enforceable in the same manner as the monthly assessments. Special assessments shall be payable in installments or lump sum, all as designated by the Board of Directors.

Section 2. Payment of Common Expenses. All Owners shall be obligated to pay the Common Expenses assessed and levied by the Board of Directors pursuant to Section 1 of this Article V. An Owner may not avoid assessment for Common Expenses by failing or waiving the right to use or enjoyment of the Common Elements. Monthly assessments shall be due as provided in Section 1 of this ARTICLE and special assessments shall be due when designated by the Board of Directors. Any mortgagee acquiring a first mortgage interest from any Owner of a Apartment and its appurtenant undivided interest in Common Areas and Facilities may, as a condition of the loan, include in the mortgage note or deed a requirement that the mortgagor, upon execution of the mortgage deed, make a monthly deposit with the mortgagee of an amount each month sufficient to pay when due and payable all Common Expenses attributable to that

Apartment. The mortgage note or deed may further provide that a default in making such deposit shall be a default under the terms of the mortgage deed. In the event that mortgagee collects the monthly installments, such mortgagee shall remit the installments monthly on a current basis to the Association.

Section 3. Assessment Roll. The assessments against all Owners shall be set forth upon a roll of the Apartments which shall be available in the office of the Association or of any managing agent retained by the Association for inspection at all reasonable times by Owners or their duly authorized representatives. Such roll shall indicate for each Apartment the name and address of the Owner or Owners, the assessments for all purposes, and the amounts of all assessments paid and unpaid.

Section 4. Default in Payment of Common Expenses. In the event any Owner does not make payment of a Common Expense assessment on or before the date when due, such Owners shall be obligated to pay interest on such assessment from the date due at the rate specified from time to time by the Board of Directors which shall not exceed the highest rate of interest which may be charged thereon pursuant to either the Act or the laws of the State of Iowa relative to usury. In addition, such Owner shall be obligated to pay all expenses, including reasonable attorneys' fees incurred by the Board in any proceeding brought to collect any such unpaid assessment, whether or not an action has been commenced with respect thereto. The right of a Apartment Owner to pay the annual assessment in monthly installments is hereby made conditional on the prompt payment when due of such monthly installments. In the event of a default in the prompt payment of the monthly installments, the Board of Directors may, by written notice given to the defaulting Owner, accelerate the entire unpaid portion of the annual assessment, whereupon the same shall become immediately due and payable. Additionally, the Board of Directors shall have the right to withhold services from any defaulting Owner. The Board of Directors, the Association and each individual apartment owner shall have the right and duty to attempt to recover all assessments for Common Expenses, together with interest thereon and the expenses of the proceeding, including reasonable attorneys' fees, in an action to recover the same brought against an Owner, by foreclosure of the lien on a Apartment pursuant to the Act, any statute amendatory thereof or supplementary thereto, or by another remedy available under the act or hereunder.

Section 5. Records. The Board of Directors shall cause to be kept at the registered office of the Association or at such other place as the Board of Directors may determine, records of the actions of the Board of Directors, minutes of the meetings of the Board of Directors, minutes of the meetings of the Members of the Association, names of the Apartment Owners and names of any First Mortgagees who have requested the notice of default described in the Declaration and the Apartment on which such First Mortgagee holds a mortgage, and detailed and accurate records, in chronological order, of the receipts and expenditures affecting the Common Elements. Such records shall be available for examination by the Owners or Mortgagees at convenient hours of weekdays. Separate accounts shall be maintained for each Apartment setting forth the amount of the assessments against the Apartment, the date when due, the amount paid thereon and the balance remaining unpaid.

ARTICLE VI

AMENDMENT TO BY-LAWS

Section 1. These By-Laws may be amended only in the same manner and to the same extent as the Declaration.

ARTICLE VII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall indemnify and hold harmless every Director and officer, his heirs, executors and administrators, against all loss, cost, judgment and expense, including attorneys' fees, which may be imposed upon or reasonably incurred by him in connection with or arising out of the defense or settlement

of any claim, action, suit or proceeding to which he may be made a party by reason of his being or having been a director or officer of the Association whether or not he is an officer or director at the time of incurring such loss, cost, judgment or expense, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to have been guilty of willful or fraudulent conduct detrimental to the best interests of the Association or if the acts complained of were not in good faith, involved intentional misconduct or knowing violation of law or were a transaction in which the person derived an improper personal benefit. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Board of Directors has agreed on behalf of the Association that the person to be indemnified has not been guilty of willful or fraudulent conduct detrimental to the best interests of the Association in the performance of his duty as such director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such director or officer may be entitled. All liability, loss, damage, costs and expenses incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as a common Expense. Nothing in this Section shall be deemed to obligate the Association to indemnify any Owner who is or has been a director or officer of the Association, with respect to any duties or obligations assumed or damage or liabilities incurred by him solely in his capacity as an Owner.

ARTICLE VIII

MISCELLANEOUS

Section 1. Notices. All notices required hereunder to be given to the Association or the Board of Directors shall be sent by U.S. mail to the Board of Directors at the office of the Association or to such other address as the Board of Directors may hereafter designate from time to time by written notice given in the manner hereinafter prescribed. All notices to any Apartment Owner Member, or Occupant entitled to any notice, shall be sent by U.S. mail to his Apartment address or to such other address as may be designated by him in writing from time to time to the Association. All notices to First Mortgagees of apartments shall be sent by U.S. mail to their respective addresses as designated by them from time to time in writing to the Association. All notices shall be deemed to have been given when deposited in the U.S. mail postage prepaid, except notices of change of address, which shall be deemed to have been given when received.

Section 2. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of these By-Laws or the intent of any provision hereof.

Section 4. Waiver. No restriction, condition, obligation or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 5. No Corporate Seal. The Association shall have no corporate seal.

Section 6. Election Under Internal Revenue Code. The Board shall make and file all elections and documents required pursuant to the Internal Revenue Code, and any other applicable statute or regulation, in order to exempt from taxation, insofar as possible, the income of the Association consisting of assessments paid by Apartment Owners.

Section 7. Fiscal Year. The fiscal year of the Association shall be as determined by the Board of Directors.

The undersigned hereby certify that the foregoing By-Laws were adopted as the By-Laws of
Villas of Ashworth Glen Homeowner's Association, a non-profit corporation under the laws of the State of
Iowa, by action of the Board of Directors at the first meeting thereof, effective this 11 day of
August, 19 93.

Sharon K. Albright
Secretary

ATTEST:

Steven S. Sussner
President

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STATE OF IOWA)
COUNTY OF Polk) SS.

On this 11 day of August, 19 93, before me, a Notary Public within and for said County, personally appeared Sharon K Albright and Steven G. Grasso, to me personally known, who, being each by me duly sworn did say that they are respectively the Secretary and President of Villas of Ashworth Glen Homeowner's Association, an Iowa non-profit corporation, the corporation named in the foregoing instrument, and that said instrument was signed in behalf of said corporation by authority of its Board of Directors and said Sharon K Albright and Steven G. Grasso acknowledged said instrument to be the free act and deed of said corporation.



Stuarta Camm

Notary Public, Polk County, IA

My commission expires: 6-20-96