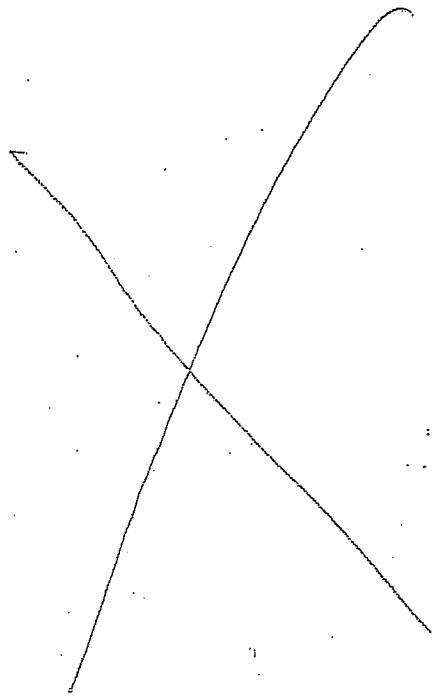


EXHIBIT "E"  
BYLAWS  
VENBURY VILLAS OWNERS' ASSOCIATION



BYLAWS  
OF  
VENBURY VILLAS OWNERS ASSOCIATION

The name of the Association is VENBURY VILLAS OWNERS ASSOCIATION, hereinafter referred to as the "ASSOCIATION." The principal office of the Association shall be located in Altoona, Polk County, Iowa; but meetings of members and directors may be held at any such place within the State of Iowa as may be designated by the Board of Directors.

The registered office of the Association shall be initially as provided in the Articles of Incorporation, subject to change from time to time by resolution by the Board of Directors and filing of statement of said change as required by Iowa law.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to VENBURY VILLAS OWNERS ASSOCIATION, an Association of condominium owners organized and existing under the laws of the State of Iowa, its successors and assigns.

Section 2. "VENBURY VILLAS" shall mean and refer to that certain real property described in the Declaration of Submission of Property to Horizontal Property Regime ("Declaration"), and such improvements, additions, and appurtenances thereto as may hereinafter be brought within the jurisdiction of the Association.

Section 3. "Person" shall mean and refer to an individual, corporation, or other legal entity or its representatives.

Section 4. "Owner" shall mean the record titleholder of a unit, including, but not limited to, the Developer, except when otherwise defined in the villa documents.

Section 5. "Unit" shall mean and refer to each Unit subjected to the Condominium Regime of one or more rooms intended for use as a residence, and, as more fully described in the Declaration.

Section 6. "Ownership Units" shall mean and refer to the Units assigned to each villa by the Declaration for purposes of voting, assessment, and the determination of each Unit's appurtenant share and interest of the common elements.

Section 7. "Common Expenses" shall mean and include:

- A. Expenses of administration, expenses of maintenance, operation, repair, or replacement of common elements, and the portions of Units to be maintained by the Association;
- B. Expenses declared common expenses by the Declaration or by these Bylaws;
- C. Any valid charge against the Regime as a whole.

Section 8. "Members" shall mean and refer to all Owners of Units within Venbury Villas, and as more fully described in the Declaration.

Section 9. "Developer" shall mean and refer to Venbury Villas, L.L.C. and its specifically appointed successors or assigns.

Section 10. "Singular, Plural, Gender," whenever the context so permits or declares the use of the singular, shall include the plural, and the plural the singular, and the use of any gender shall include all genders.

## ARTICLE II

### MEMBERS AND VOTING RIGHTS

Section 1. The Members of the Association shall consist of the Owners, and membership shall automatically cease upon termination of the interest which constitutes a person as an Owner. Venbury Villas, L.L.C. shall have right of membership with respect to any unsold Units.

Section 2. An Owner of record of a Unit shall be recognized as a Member without further action for so long as he holds an Ownership Interest in a Unit. If ownership is acquired but not of record, or it is acquired other than by way of conveyance or instrument of conveyance, the person acquiring or succeeding to ownership shall present to the Board of Directors of the Association evidence satisfactory to it, of facts evidencing legal ownership prior to the exercise of any rights as a Member of the Association. Any fiduciary or other official acting in a representative capacity for an Owner of a Unit shall exercise all membership rights and privileges of the Owner which he/she represents.

Section 3. If more than one person is an Owner of the same Unit, then all such Owners shall be Members and remain jointly and severally liable for all membership obligations.

Section 4. The Owners of each Unit shall be entitled to cast one vote. If more than one person owns a Unit, then they shall determine how said vote is to be cast, but only one (1) vote shall be cast for each Unit.

ARTICLE III  
MEMBER'S MEETINGS

Section 1. Annual Meetings. The first annual meeting of Members shall be held within one (1) year following the incorporation of this Association, and each subsequent regular annual meeting of the Members shall be held in the same month each year thereafter, at an hour as set by the Board of Directors. If the day for the annual meeting of the Members shall fall upon a holiday, the meeting shall be held on the first day following which is not a holiday.

Section 2. Special Meetings. Special meetings of the Members for any purpose may be called at any time by the President, the Vice President, the Secretary, or the Treasurer, or by the Board of Directors, or upon written request of the Members who have a right to vote one-fourth (1/4) of all of the votes of the entire membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meetings, by sending a copy of the notice by mail, postage thereon fully prepaid to his address appearing on the books of the Corporation. Each Member shall register his address with the Secretary, and notices of any meetings, regular or special, shall be mailed at least fifteen (15) days in advance of the meeting and shall set forth in general the nature of the business to be transacted, together with the place, day, and hour of the meeting; provided, however, that if the business of any meeting shall involve an election governed by Article V or any action governed by the Articles of Incorporation or by the Declaration of Covenants, Conditions and Restrictions applicable to Venbury Villas, notice of such meeting shall be given or sent as provided therein.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, a majority of the votes of the membership shall constitute a quorum for any action, except as otherwise provided in the Declaration or these Bylaws. The acts carried or approved by a vote of a majority of the Ownership Units represented at a meeting at which a quorum is present shall constitute the acts of the Members unless otherwise provided. If the required quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all corporate meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond a period of eleven (11) months from the date of mailing by the Secretary to any Member, and every proxy shall automatically cease upon sale by the Member of his Unit or other interest in Venbury Villas.

ARTICLE IV  
BOARD OF DIRECTORS

Section 1. Number. The management and affairs of this Association shall be managed by a Board of not less than two (2) but not more than five (5) Directors.

Section 2. Term of Office. At the first annual meeting of the Members, and at each annual meeting thereafter, new Directors shall be elected and the term of office of each Director shall extend until the next annual meeting and thereafter, unless his successor is duly elected and qualified, or unless removed as hereinafter provided.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association, except as provided in the Articles of Incorporation in relation to the initial Board of Directors and the Developer's rights to appoint and remove directors. Vacancies in the Board of Directors, as a result of death, resignation, or removal shall be filled by the majority of the remaining Directors. Any such appointed Director shall hold office until his successor is elected by the Members, such election shall be held at the next annual meeting of the Members or any special meeting duly called for that purpose.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties as determined by the Board of Directors of the Association.

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. An action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V  
NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of the Chairman, who shall not be a Member of the Board of Directors, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members only.

Section 2. Election. Election to the Board of Directors shall be by secret ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 3. Vacancies. Except as provided elsewhere within this Article, vacancies in the Board of Directors may be filled until the date of the next annual meeting by a vote of a majority of the Directors remaining in office, regardless or whether those remaining constitute a quorum.

Section 4. Removal. A Director may be removed by a concurrence of a majority of the Members of the Board of Directors or of the Association at a special meeting called for that express purpose.

Section 5. Appointment. Notwithstanding any provisions to the contrary, the Developer shall appoint all Directors and cast all votes until it has sold and transferred all Units in the Regime to third parties.

## ARTICLE VI

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

All the powers and duties of the Association shall be exercised by its Board of Directors, including all of those laws existing under the common law and statutes, the Articles of Incorporation, the Declaration, and all other condominium documents relating to this Regime. Such powers and duties of the Directors shall be exercised in accordance with the provisions of the Declaration which governs the use of the land, and shall include, in addition to those elsewhere provided, but shall not be limited to the following:

1. To make and collect assessments against Members for all common expenses. Such assessments shall be levied and collected after approval by a majority of the Members.
2. To use the proceeds of assessments in the exercise of its power and duties.
3. To maintain, repair, replace and operate the property, including all common elements, facilities, and Units and to make, and/or provide for the payment of all work, and approving and delegating to the officers, authority to approve vouchers therefore. The Board of Directors is empowered to expend sums not to exceed Five Thousand Dollars (\$5,000.00) for said maintenance, repair, and replacement in any one calendar year, however, should said expenditures exceed Five Thousand Dollars (\$5,000.00) in any calendar year for said maintenance, repairs, and replacement, then such expenditures shall be first approved by a majority of the Members, unless so authorized by an approved budget.

4. To adopt and publish written rules and regulations governing the use of the common area and facilities and the personal conduct of the Members and their guests thereon, and to establish penalties for infraction thereof.

5. To suspend voting rights and the rights to use the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessments levied by the Association. Such rights may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations.

6. To reconstruct, repair, restore, and rebuild the Regime property in any units, if applicable, after casualty; and the construction of new improvements or alterations if authorized.

7. To exercise for the Association all powers, duties, and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws, or villa documents.

8. To declare that the office of a Member of the Board of Directors is vacant in the event that such Director shall be absent from three (3) consecutive regular meetings of the Board of Directors.

9. To contract for management of the Regime and to delegate to such contractor any or other powers and duties of the Association, all being consistent with the Declaration.

10. To carry insurance upon the Common Elements, and insurance for the protection of Unit Owners, occupants, and the Association as to Common Elements.

11. To pay the cost of all power, water, snow removal, sewer, and other utility or other services rendered to the Regime and not billed directly to the Owners of individual Units.

12. To establish, levy, and assess and collect the assessments or charges against members of the Association or their Units.

13. To appoint and remove at pleasure all officers, agents, and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these Bylaws shall be construed to prohibit the employment of any member, officer, or director of the Association in any capacity whatsoever, subject to the provisions of Article IV, Section 4.

14. To call special meetings of the Members whenever it deems necessary, and it shall call a meeting at any time upon written request of one-fourth (1/4) of the voting membership.

15. To cause to be kept a complete record of all its acts and Association affairs, and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting of the Members, when such is requested in writing by one-fourth (1/4) of the votes of the membership.
16. To supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed.
17. As more fully provided in the Declaration:
  - A. To fix the amount of the assessment against each Unit for each assessment period at least thirty (30) days in advance of such date or period and, at the same time;
  - B. To prepare a roster of the properties and assessments applicable thereto, which shall be kept in the office of the Association and shall be open to inspection by any member, and at the same time;
  - C. To send written notice of each assessment to each and every Owner subject thereto at least thirty (30) days after due date, or to bring an action at law against the Owner personally obliged to pay the same;
  - D. To collect rental, in the case of foreclosure, from the occupants of the Unit affected by the said foreclosure action and the Association shall be entitled to the appointment of a receiver to collect the rental;
18. To issue, or to cause an appropriate officer to issue upon demand by any person, a certificate setting forth whether any assessment has been paid and the amount of any unpaid assessment. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid or the amount of any unpaid assessment. A reasonable charge may be made by the Board for the issuance of those certificates.
19. To procure and maintain adequate liability and hazard insurance on property owned by the Association.
20. To do such other acts as are necessary and proper to effect the purpose of the Regime as stated in the Declaration and Bylaws, provided such acts are not otherwise prohibited.
21. To engage the services of a professional management organization for the purpose of managing Venbury Villas.
22. To adopt an operating budget pursuant to Article XI below.



## ARTICLE VII DIRECTORS MEETINGS

Section 1. A regular meeting of the Board of Directors shall be held annually in conjunction with the annual meeting of the members.

Section 2. Notice of such regular meeting is hereby dispensed with.

Section 3. Special meetings of the Board of Directors shall be held when called by any officer of the Association, or by any two (2) Directors after not less than three (3) days notice to each Director.

Section 4. The transaction of any business at any meeting of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum is present, and if either before or after the meeting each of the Directors not present signs a written waiver of notice or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records and made part of the minutes of the meeting.

Section 5. The majority of the Board of Directors shall constitute a quorum thereof, and the acts carried or approved by a vote of a majority of the Directors voting at a meeting at which a quorum is present shall constitute the acts of the Board of Directors.

## ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President and Vice President who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may, from time to time by resolution create. An individual may hold more than one office.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year, unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

A. President: The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments, and shall co-sign checks and promissory notes.

B. Vice President: The Vice President shall act in the place and stead of the president in the event of his absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

C. Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the Members of the Association, together with their addresses, and shall perform such other duties as required by the Board.

D. Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts, all monies of the Association, and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE IX  
COMMITTEES

Section 1. The Standing Committees of the Association shall be:

- The Nomination Committee
- The Maintenance Committee
- The Audit Committee
- The Architectural Control Committee

Unless provided herein, each Committee shall consist of a Chairman and two (2) or more Members, and shall include a Member of the Board of Directors for Board contact. The Committees shall be appointed by the Board of Directors prior to each annual meeting to serve from the close of such annual meeting until the close of the next annual meeting. The Board of Directors may appoint such other committees as it deems desirable.

Section 2. The Nominating Committee shall have the duties and functions described in Article VI.

Section 3. The Maintenance Committee shall advise the Board of Directors on all matters pertaining to the maintenance, repair, or improvement of the Common Properties and facilities of the Association, and shall periodically review the adequacy of the insurance coverage afforded the Association and advise the Board of Directors; and shall perform such other functions as the Board, in its discretion, determines.

Section 4. The Audit Committee shall supervise the annual audit of the Association's books and approve the annual budget and balance sheet statement to be presented to the membership at its regular annual meeting. The Treasurer may be asked by the Audit Committee to lend such assistance as the Committee may deem appropriate.

Section 5. With the exception of the Nomination Committee, each Committee shall have the power to appoint a subcommittee from among its membership, and may delegate to any such subcommittee any of its powers, duties, and functions.

Section 6. The Architectural Control Committee shall have the power to approve or disapprove all repairs, maintenance alterations, or improvements to the existing structures, and shall have the power to approve or disapprove the plans and specifications for all additions to Venbury Villas in writing within ten (10) days of their submission.

Section 7. It shall be the duty of each Committee to receive complaints from Members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate, or refer them to such other committee, director, or officer of the Association as is further concerned with the matter presented.

ARTICLE X  
FISCAL MANAGEMENT

Section 1. The Board of Directors shall adopt a budget for each fiscal year, which shall be the same as the Association's fiscal year for tax purposes, including the estimated funds required to defray the common expenses and to provide and maintain funds for the following accounting categories, according to good accounting practices:

- A. Reserve for deferred maintenance, which includes funds for maintaining items which occur less frequently than annually;
- B. Reserve for replacement which shall include funds for repair or replacement required due to damage, destruction, obsolescence, or depreciation;
- C. Current expenses which shall include all funds and expenditures to be made within the fiscal year for which funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves or to additional improvements. The balance of this fund, at the end of each fiscal year, shall be applied to reduce the assessments for current expenses for the succeeding year.

Section 2. Assessments against each Unit and the Owners thereof shall be made and collected by the Board of Directors after being approved by the Members entitled to cast sixty-six percent (66%) of the votes appurtenant to the units at a meeting called for the purpose of confirming the Board of Directors' proposed assessments. Thirty (30) days notice of such meeting shall be given to the Members. An annual assessment for each Unit shall be set by the Board of Directors. All increase in assessments shall require the Members' approval, as provided herein.

Section 3. The Board of Directors shall assess each Unit and the Owners thereof a share of the items in the budget adopted pursuant to this Article which bears the same ratio to the total budget as the Ownership Units appurtenant to each Unit bear to the total Ownership Units of all the Units subjected to the Regime. Such share shall be assessed for the fiscal year for which the budget was prepared annually in advance, and notice of such assessments shall be delivered to the Owners not less than thirty (30) days before the first day of each fiscal year. Each assessment shall be due and payable from the respective Unit Owner or Owners in one (1) installment, such installment being due and payable the first day of each fiscal year. If timely notice is not given of such assessment, then the amount of such assessment shall not change, but the due date for each installment, which would otherwise be due and payable less than thirty (30) days from the giving of said notice is mailed or delivered. If the annual assessment proves to be insufficient, the budget and assessments therefore may be amended at any time by the

Board of Directors. Such amended budget shall be adopted at a special Members' meeting upon an affirmative vote of sixty-six percent (66%) of the Owners represented at such meeting. The additional amount so budgeted shall be assessed to each Unit in the same manner as assessments for the annual budget and shall be prorated among the remaining installments due and payable in that year.

Section 4. If any unbudgeted expenses cannot be paid from annual revenues, the Board of Directors may impose a special assessment after notice to the Members. After such notice is given, and upon approval in writing by persons entitled to cast more than sixty-six percent (66%) of the votes appurtenant to the Units concerned, the assessment shall be effective and due in such manner as the Board of Directors may require after thirty (30) days notice thereof. In the event any expenditure for repair or replacement of any Unit or common elements cannot be paid from annual assessments, but can be at least ninety percent (90%) paid from insurance proceeds thereof, such expenditures may be made upon approval of the Board of Directors without approval of the Members and an amended budget and assessment may be made therefore necessary.

Section 5. If an Owner shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessment upon notice thereof to such Owner, and, thereafter, the unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than ten (10) days after delivery thereof to such Owner, either personally or by registered or certified mail. Interest shall be computed and due on balances unpaid on such due date at the highest legal rate of interest allowable by law from the date such balance becomes due and payable in accordance with this subsection; such interest shall be in addition to any other payments for which said Owner is liable.

Section 6. A holder of a mortgage on any Unit, upon his filing written request with the Association, shall be given written notice from the Association of any default by the mortgagor in the performance of said mortgagor's obligation under these Bylaws, the Declaration, or other condominium documents which is not cured within thirty (30) days.

Section 7. All sums assessed but unpaid, including, but not limited to, interest with respect to a Unit or against a Unit Owner, shall constitute an automatic lien on such Unit prior to all other liens except: (i) tax liens on a unit in favor of any assessing Unit and special district; and (ii) all sums unpaid on the first mortgage of record. Said lien may be foreclosed by the Association in the manner provided for by Section 499B.17, Code of Iowa (2003) in which event the Unit Owner shall be required to pay a reasonable rental fee for the Unit. In the event of foreclosure by the Association on any such lien, the Owner or Owners of said Unit, by their membership in this Association, specifically and expressly waive all rights to later prevent foreclosure which he may have against the Association by reason of homestead exemption. The Association may sue for money judgment for such unpaid assessments and interest, or sums due without foreclosing or waiving any lien which it holds. If a mortgagee or purchaser of a Unit obtains title as the result of a foreclosure of a first mortgage, or by a deed in lieu of foreclosure, such mortgagee or purchaser, his successors and assigns, shall not be liable for the unpaid

assessments and interest chargeable to such Unit, due prior to the acquisition of title, and such unpaid assessments shall thereafter be deemed to be common expenses, collectible from all Unit Owners, including the mortgagee or purchaser, successors or assigns. The Owner of any Unit, pursuant to a voluntary conveyance or by inheritance or devise, shall be jointly and severally liable with the grantor or prior Owner for any unpaid assessment against the grantor or prior Owner, but without prejudice to the right of such grantee or devisee to recover from the grantor the amounts paid therefore. The grantee or other successor in interest of any individual subject to a levy of assessment on account of default, shall be liable for such special assessment.

Section 8. The depository of the Association shall be the bank or banks designated from time to time by the Directors, and in which money of the Association shall be deposited. Withdrawal of monies from such account or accounts shall be only by check signed by such persons as authorized by the Board of Directors.

Section 9. The fiscal year of the Association shall begin on the first (1st) day of January, and end on the thirty-first (31st) day of December of each year, except that the first fiscal year shall begin on the date of incorporation.

#### ARTICLE XI

#### AMENDMENTS

Section 1. These Bylaws may be amended by Venbury Villas, L.L.C. at any time prior to its sale and transfer of all condominium Units now a part of Venbury Villas and those that Declarant may add in the future. Thereafter, amendments shall require the consent of seventy-five (75%) of the entire membership. All amendments to the Articles of Incorporation shall not conflict with or contradict any of the provisions contained in the Declaration and its attachments and amendments thereto. All amendments hereto, to become effective, shall be recorded as an amendment to these Bylaws and to its Declaration.

CONSENT

Great Western Bank, being the holder of a mortgage encumbering the property submitted to the foregoing Declaration of Submission of Property to Horizontal Property Regime for Venbury Villas hereby consents thereto and all of the terms and conditions thereof.

Dated this 23<sup>rd</sup> day of January 2004.

GREAT WESTERN BANK

By [Signature]  
SCOTT H. HENRY MARKET PRESIDENT

By \_\_\_\_\_

STATE OF IOWA )  
 )SS:  
COUNTY OF POLK )

On this 29 day of January 2004, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Scott H. Henry - and [Signature] to me personally known, who being by me duly sworn did say that they are the Market President and \_\_\_\_\_ of the corporation executing the foregoing instrument; that no seal has been procured by the corporation; that the instrument was signed on behalf of the corporation by authority of its Board of Directors; and ~~they~~ he acknowledged the execution of the foregoing instrument to be the voluntary act and deed of the corporation, by it and ~~them~~ voluntarily executed.



[Signature]  
Notary Public in and for the State of Iowa

ARTICLE X  
FISCAL MANAGEMENT

Section 1. The Board of Directors shall adopt a budget for each fiscal year, which shall be the same as the Association's fiscal year for tax purposes, including the estimated funds required to defray the common expenses and to provide and maintain funds for the following accounting categories, according to good accounting practices:

- A. Reserve for deferred maintenance, which includes funds for maintaining items which occur less frequently than annually;
- B. Reserve for replacement which shall include funds for repair or replacement required due to damage, destruction, obsolescence, or depreciation;
- C. Current expenses which shall include all funds and expenditures to be made within the fiscal year for which funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves or to additional improvements. The balance of this fund, at the end of each fiscal year, shall be applied to reduce the assessments for current expenses for the succeeding year.

Section 2. Assessments against each Unit and the Owners thereof shall be made and collected by the Board of Directors after being approved by the Members entitled to cast sixty-six percent (66%) of the votes appurtenant to the units at a meeting called for the purpose of confirming the Board of Directors' proposed assessments. Thirty (30) days notice of such meeting shall be given to the Members. An annual assessment for each Unit shall be set by the Board of Directors. All increase in assessments shall require the Members' approval, as provided herein.

Section 3. The Board of Directors shall assess each Unit and the Owners thereof a share of the items in the budget adopted pursuant to this Article which bears the same ratio to the total budget as the Ownership Units appurtenant to each Unit bear to the total Ownership Units of all the Units subjected to the Regime. Such share shall be assessed for the fiscal year for which the budget was prepared annually in advance, and notice of such assessments shall be delivered to the Owners not less than thirty (30) days before the first day of each fiscal year. Each assessment shall be due and payable from the respective Unit Owner or Owners in one (1) installment, such installment being due and payable the first day of each fiscal year. If timely notice is not given of such assessment, then the amount of such assessment shall not change, but the due date for each installment, which would otherwise be due and payable less than thirty (30) days from the giving of said notice is mailed or delivered. If the annual assessment proves to be insufficient, the budget and assessments therefore may be amended at any time by the



Board of Directors. Such amended budget shall be adopted at a special Members' meeting upon an affirmative vote of sixty-six percent (66%) of the Owners represented at such meeting. The additional amount so budgeted shall be assessed to each Unit in the same manner as assessments for the annual budget and shall be prorated among the remaining installments due and payable in that year.

Section 4. If any unbudgeted expenses cannot be paid from annual revenues, the Board of Directors may impose a special assessment after notice to the Members. After such notice is given, and upon approval in writing by persons entitled to cast more than sixty-six percent (66%) of the votes appurtenant to the Units concerned, the assessment shall be effective and due in such manner as the Board of Directors may require after thirty (30) days notice thereof. In the event any expenditure for repair or replacement of any Unit or common elements cannot be paid from annual assessments, but can be at least ninety percent (90%) paid from insurance proceeds thereof, such expenditures may be made upon approval of the Board of Directors without approval of the Members and an amended budget and assessment may be made therefore necessary.

Section 5. If an Owner shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessment upon notice thereof to such Owner, and, thereafter, the unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than ten (10) days after delivery thereof to such Owner, either personally or by registered or certified mail. Interest shall be computed and due on balances unpaid on such due date at the highest legal rate of interest allowable by law from the date such balance becomes due and payable in accordance with this subsection; such interest shall be in addition to any other payments for which said Owner is liable.

Section 6. A holder of a mortgage on any Unit, upon his filing written request with the Association, shall be given written notice from the Association of any default by the mortgagor in the performance of said mortgagor's obligation under these Bylaws, the Declaration, or other condominium documents which is not cured within thirty (30) days.

Section 7. All sums assessed but unpaid, including, but not limited to, interest with respect to a Unit or against a Unit Owner, shall constitute an automatic lien on such Unit prior to all other liens except: (i) tax liens on a unit in favor of any assessing Unit and special district; and (ii) all sums unpaid on the first mortgage of record. Said lien may be foreclosed by the Association in the manner provided for by Section 499B.17, Code of Iowa (2003) in which event the Unit Owner shall be required to pay a reasonable rental fee for the Unit. In the event of foreclosure by the Association on any such lien, the Owner or Owners of said Unit, by their membership in this Association, specifically and expressly waive all rights to later prevent foreclosure which he may have against the Association by reason of homestead exemption. The Association may sue for money judgment for such unpaid assessments and interest, or sums due without foreclosing or waiving any lien which it holds. If a mortgagee or purchaser of a Unit obtains title as the result of a foreclosure of a first mortgage, or by a deed in lieu of foreclosure, such mortgagee or purchaser, his successors and assigns, shall not be liable for the unpaid

assessments and interest chargeable to such Unit, due prior to the acquisition of title, and such unpaid assessments shall thereafter be deemed to be common expenses, collectible from all Unit Owners, including the mortgagee or purchaser, successors or assigns. The Owner of any Unit, pursuant to a voluntary conveyance or by inheritance or devise, shall be jointly and severally liable with the grantor or prior Owner for any unpaid assessments against the grantor or prior Owner, but without prejudice to the right of such grantee or devisee to recover from the grantor the amounts paid therefore. The grantee or other successor in interest of any individual subject to a levy of assessment on account of default, shall be liable for such special assessment.

Section 8. The depository of the Association shall be the bank or banks designated from time to time by the Directors, and in which money of the Association shall be deposited. Withdrawal of monies from such account or accounts shall be only by check signed by such persons as authorized by the Board of Directors.

Section 9. The fiscal year of the Association shall begin on the first (1st) day of January, and end on the thirty-first (31st) day of December of each year, except that the first fiscal year shall begin on the date of incorporation.

#### ARTICLE XI

#### AMENDMENTS

Section 1. These Bylaws may be amended by Venbury Villas, L.L.C. at any time prior to its sale and transfer of all condominium Units now a part of Venbury Villas and those that Declarant may add in the future. Thereafter, amendments shall require the consent of seventy-five (75%) of the entire membership. All amendments to the Articles of Incorporation shall not conflict with or contradict any of the provisions contained in the Declaration and its attachments and amendments thereto. All amendments hereto, to become effective, shall be recorded as an amendment to these Bylaws and to its Declaration.

CONSENT

Great Western Bank, being the holder of a mortgage encumbering the property submitted to the foregoing Declaration of Submission of Property to Horizontal Property Regime for Verbury Villas hereby consents thereto and all of the terms and conditions thereof.

Dated this 25<sup>th</sup> day of January 2004.

GREAT WESTERN BANK

By [Signature]  
SCOTT H. HENRY MARKET PRESIDENT

By \_\_\_\_\_

STATE OF IOWA )  
  )SS:  
COUNTY OF POLK )

On this 29 day of January 2004, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Scott H. Henry - and \_\_\_\_\_ to me personally known, who being by me duly sworn did say that they are the Market President and \_\_\_\_\_ of the corporation executing the foregoing instrument; that no seal has been procured by the corporation; that the instrument was signed on behalf of the corporation by authority of its Board of Directors; and they he acknowledged the execution of the foregoing instrument to be the voluntary act and deed of the corporation, by it and by them voluntarily executed.



[Signature]  
Notary Public in and for the State of Iowa