

HICKORY ACRES HOMEOWNERS ASSOCIATION

SELLER - BUYER INFORMATION

H/A Homeowners Association, Inc. was established in 1983. The Articles of Incorporation can be found at Inst. No. 8537-83 of the records in Dubuque County, Iowa. By-laws detailing the operation of the Association have also been adopted. Restrictive Covenants specifying the uses and limitations on the use of properties in the subdivision have been filed with the Dubuque County Recorder as Inst. No. 8537-83. Despite the provision in Article VII, Section 4 of the Covenants that they renew every 10 years, state law provides that they terminate after 21 years unless a verified claim is filed in the Claimant's Book of the County Recorder. A verified claim was filed in 2002 as Inst. No. 2002-18129, extending the Covenants until 2023.

SEWER SYSTEM

NEED FOR INSPECTION – The need for an inspection of the wastewater system frequently comes up when people are selling properties in Hickory Acres. This is because around 2009, the state law was changed to require private septic systems to be inspected at the time of sale.

Because we are not hooked up to a city sewer system, many realtors and lenders assume that there is a need to inspect the system. Other than municipalities and some mobile home parks which are fairly high density population areas, the Department of Natural Resources for Iowa advised us that we are the only subdivision in Dubuque County with a central sewer system. Because residential lots in Hickory Acres are served by a common sewer system, there is no septic inspection required. We have a National Pollution Discharge Elimination System (NPDES) that is regulated by the State of Iowa, so the "private sewer system" rules don't apply to us.

GROUNDWATER STATEMENT DISCLOSURE – On the Groundwater Hazard Statement, question 6 "Private Sewage Disposal System", the Seller needs to check the top box to indicate that "the property is served by a semi- public sewage disposal system".

If the lender, realtor or the purchaser has a question about this inspection requirement, they can contact Dan Olsen with the Iowa Department of Natural Resources in Des Moines. His telephone number is 515-281-8263. He is the person with the Department who was instrumental in writing these septic system inspection rules and he is very familiar with them. On April 18, 2012, the Association President talked to Mr. Olson, and he confirmed that Hickory Acres system is a "semi-public system" and is exempt from an inspection on each home sale.

HISTORY AND STATUS – Because our wastewater plant was built in the late 1970's, we had it evaluated by Charles Cate in 2007 to review its condition. Mr. Cate was one of the head engineers at IIW Engineering in Dubuque, Iowa. Several years before Mr. Cate retired, he did a survey and analysis of our wastewater plant and recommended certain maintenance and refurbishing to the system. This was done at a cost of about \$15,000. (Note: The 'rumor' is that

our wastewater plant was originally designed with the thought that it might handle not only the homes in our subdivision, but also a subdivision that was contemplated to the north of ours. Also, if you look at a plat of our subdivision -- the one filed with the county, not the informal diagram provided on the phone list, you will see that a number of the individual lots were combined to form a larger lot for various residences. For example, there are 15 residential lots on the north side of Pheasant Lane which are west of the intersection of Pheasant Lane and Coyote Court. However, because most of these lots were combined, there are only 7 residences on those 15 lots. As a result, no more than one half of the capacity of our wastewater system has ever been operational at one time).

Our Iowa DNR wastewater treatment facility permit is NPDES # 3100302.

We periodically receive an inspection report from the Department of Natural Resources of our wastewater system. They have required that we install an inflow meter on our system to measure the input. This flow meter was recommended in 2002. After we consulted with Charles Cate, he felt this was not critical and recommended that we delay it. However, new environmental monitoring rules passed by the federal EPA now make this a necessity.

If someone has a question about the status and operation of our wastewater system, they can check with PeopleService. PeopleService is an organization that does water and wastewater servicing and testing. They have been involved in overseeing our system for over 20 years. They do an inspection and perform testing at our water pump house and the wastewater treatment plant every Tuesday year-round. They file reports with the Department of Natural Resources. The PeopleService individual who inspects our system is Mark Crouch and his phone number is 319-404-0341.

WATER SYSTEM

As far as the quality of our water system, a Confidence Report is provided annually to each homeowner and filed with the Department of Natural Resources. If someone wants to check on the status of the water system, they can check with Mark Crouch with PeopleService or the Iowa Department of Natural Resources.

Our Iowa DNR public water supply permit is PWSID# 3126304

FINANCIAL MATTERS

Our bank account is currently at Premier Bank in Dubuque. A copy of our financial report is provided at the annual meeting. We try to maintain a reserve balance to deal with any expenditure that might arise. The balance has increased and decreased over the years as we funded maintenance projects.

The amount of the monthly assessment is currently \$153 per month. This essentially provides for operation, maintenance and repair of the water system, wastewater system, road system and covers other subdivision expenses. This includes plowing the roads in the winter. With regard to individual driveways, each homeowner assumes that task; however the company plowing the subdivision roads has usually agreed to do individual homeowner's driveways based on arrangements made between the company and the homeowner. That

cost is not covered by the association. Garbage and recycling collection is also included in the monthly assessment with service provided by Kluesner Sanitation.

LIST OF MAJOR IMPROVEMENTS AND REPAIRS – APPROXIMATE COST

Pre 1998	Re-Pave Pheasant Lane, Coyote Court and Quail Ridge Court	
2002	Blacktop Hickory Hollow Ct.	
2003	Recoat Inside of Holding / Pressure Tank at Pump House	\$9,000
2006	Install Chain-Link Fence around Wastewater Plant	\$4,600
2006	Seal Coat Roads	\$6,300
2006	Replace 550 Feet of Water Pipe from Pump to Surface	\$9,500
2007	Replace Pipe from Well Head to Pump House	\$4,600
2008	Tree Removal around Wastewater Plant	\$700
2009	Replace Well Pump	\$5,000
2009	Engineering Study and Survey of Wastewater Plant	\$2,700
2009	Replace Air Pump at Wastewater Plant	\$3,400
2010	Refurbish Wastewater Plant	\$15,000
2010	New Roof on Pump House	\$4,000
2013	Repair Washed Out Wastewater Plant Road	\$500
2013	Replace Well Pump	\$8,600
2014	Replace Soft Start System on Well Pump	\$2,600
2014	Road Repairs	\$9,500
2014	Trim & Remove Trees Along Wastewater Plant Road	\$900
2015	Install Culvert in Wastewater Plant Road	\$2,600
2016	Replace 550 Feet of Water Pipe from Pump to Surface	\$11,600
2016	Engineering Study for DNR Required Wastewater Plant Upgrades	\$3,700
2017	Clear Sewer Line Blockage	\$2,000
2017	Inspect Portion of Sewer Lines	\$2,100
2017	Replace Blower Motor at Wastewater Plant	\$400
2017	Replace Well Cap w/ Vented Cap & Flush Fittings	\$1,400
2017	Wastewater Plant Electrical Upgrades	\$3,300
2017	Wastewater Plant Alarm	\$1,300
2017	Road Repairs	\$3,300
2019	DNR Required wastewater Plant Upgrades - Inflow Meter	\$24,100

Since 2003, we have substantially updated our water system as well as our sewer system. It should be noted that all these expenses -- over \$142,000 -- were paid from funds on hand in our reserve account, and it has not been necessary to have a special assessment to fund any of these projects.