

Kathy Flynn Thurlow

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KATHY FLYNN THURLOW
COUNTY RECORDER
DUBUQUE CO., IOWA FEES

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DECLARATION OF RESTRICTIVE COVENANTS

THIS DECLARATION made and entered into this 1st day of April, 2000, by EMERALD DEVELOPMENT, INC. hereinafter called "Developer" and SHANNON RIDGE ESTATES PROPERTY OWNERS ASSOCIATION, hereinafter called "Association;"

WITNESSETH:

WHEREAS, Developer is the owner of the following described real property:

Lots 2 - 25 Shannon Ridge Estates Section 5 Township 89 North, Range 2 East of the 5th p.m., Dubuque County, Iowa.

WHEREAS, Mark R. Taylor and Kelley S. Taylor are the owners of the following described real property and have attached hereto their consent to these Restrictive Covenants:

Lot 1 Shannon Ridge Estates Section 5 Township 89 North, Range 2 East of the 5th p.m., Dubuque County, Iowa.

WHEREAS, Association is a non-profit entity which shall maintain and administer the common properties and facilities and enforce the covenants and collect and disperse assessments and charges as hereinafter provided;

NOW, WHEREFORE, Developer and Association declare that the following lots within Shannon Ridge Estates and legally described as follows:

Lots 1 - 25 Shannon Ridge Estates Section 5 Township 89 North, Range 2 East of the 5th p.m., Dubuque County, Iowa, including any additions thereto,

is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens as hereinafter set forth:

ARTICLE I - DECLARATION PURPOSES

SECTION 1. General Purposes: The Developer is the owner of certain real property located in Dubuque County, Iowa, and desires to create thereon a planned community development designed for the private use of owners within such development, except herein otherwise provided.

SECTION 2. Objectives of Developer: Developer's objectives are to carry out the general purposes expressed in this Declaration.

SECTION 3. Declaration: To further the general purposes herein expressed, the Developer, for themselves, their successors and assigns, hereby declares that the real property hereinafter described in Article III as "Existing Properties", whether or not referred to in any deed of conveyance of such properties, at all times is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth. The provisions of this Declaration are intended to create mutual equitable servitudes upon each lot becoming subject to this Declaration in favor of each and all other such lots; to create privity of contract and estate between the grantees of such lots, their heirs, successors and assigns; and to operate as covenants running with the land for the benefit of each and all such lots becoming subject to this Declaration, and the respective owners of such lots, present and future.

ARTICLE II - DEFINITIONS

SECTION 1. The following words and terms, when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

(a) "Association" shall mean and refer to "Shannon Ridge Estates Property Owners Association," its successors and assigns.

(b) "Existing Properties" or "The Properties" shall mean and refer to the real estate described in Article III, Section 1 hereof.

(c) "Common Properties" shall mean streets, roadways and permanent gates or entry structures erected by Developer. Common Properties shall also include all wells which are part of the common water system and including all water lines delivering water to the service valves of all lots herein involved. The Common Properties does not include the easement along Clay Hill Road.

(d) "Water Systems" shall mean all wells wherever located, whether on an easement or not on an easement. Water Systems shall also mean all water lines running from the wells until it reaches the service valve to the house to be serviced.

(e) "Maintenance of Wells" shall mean that the Association is responsible for the maintenance of all water wells. The Association shall be responsible for the maintenance and repair of all wells and the water lines to the service valve to a lot. Any lot owner in which a well is located will provide the necessary easement for the repair and maintenance of said lines. As members of the Association, all lot owners shall share in the cost of maintenance, repair or replacement of all wells and water lines to the service valves of the individual lots. Said wells and water lines shall be owned by the Association and regulated by the Association.

(f) "Lot" shall mean any plot of land described by a number upon any recorded subdivision map of the Properties.

(g) "Living Unit" shall mean and refer to any portion of a structure situated upon the properties designed for occupancy by a single family.

(h) "Owner" shall mean the record owner, (whether one or more persons or entities), of a fee or undivided fee interest including contract purchasers of any lot or living unit, situated upon the properties but shall not include any such person or entity who holds such interest merely as security for the performance of an obligation.

(i) "Member" shall mean all those owners who are members of the Association as hereinafter provided.

(j) "Dwelling Lot" shall mean any lot intended for improvement with a dwelling.

(k) "Dwelling" shall mean any building located on a Dwelling Lot and intended for the shelter and housing of a single family.

(l) "Dwelling Accessory Building" shall mean a subordinate building or a portion of a Dwelling, the use of which is incident to the Dwelling and customary in connection with that use.

(m) "Single Family" shall mean one or more persons, each related to the other by blood, marriage or adoption, of a group of not more than three persons not all so related, together with his or their domestic servants, maintaining a common household in a Dwelling.

(n) "Story" shall mean that portion of a Dwelling included between the surface of any floor and the surface of a floor next above, or if there is no floor above, the space between the floor and the ceiling next above.

(o) "Living Area" shall mean that portion of a Dwelling which is enclosed and customarily used for Dwelling purposes and having not less than six (6) feet headroom, but shall not include open porches, open terraces, breezeways, attached garages, carports or Dwelling Accessory Buildings.

(p) "Developer" shall mean "Emerald Development, Inc."

(q) "Structure" shall mean any building or other improvement erected or constructed, the use of which requires more or less permanent location on or in the ground, or attached to something having a permanent location on or in the ground. A sign or other advertising device, attached or projecting, shall be construed to be a separate Structure.

(p) "Contract Purchaser" shall mean any person or entity that purchases a lot by way of installment sales contract.

(q) "Installment Sales Contract" shall mean an agreement made by the record owner of any lot to sell such lot to one or more purchasers by means of a series of installment payments from such purchaser and the delivery of a deed to such lot, to such purchaser, after all such installment payments have been made.

(r) "Permanent Accessory Out Building" shall mean a permanent structure located on Lots 1, 12, 15 through 25 which shall be limited to storage uses but shall not be occupied as a living area.

(s) "Gazebo" shall mean any gazebo type structure, screened-in porch or other free-standing decorative building not used as a permanent resident structure or storage facility.

ARTICLE III - EXISTING PROPERTIES

SECTION 1. Existing Properties: The remaining real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Dubuque County, Iowa, and more particularly described as follows:

Lots 1 - 25 Shannon Ridge Estates Section 5 Township 89 North, Range 2 East of the 5th p.m., Dubuque County, Iowa.

ARTICLE IV - GENERAL RESTRICTIONS

SECTION 1. Land Use-Single Family Residential: The Existing Properties shall be used only as dwelling lots for single family residences and shall be subject to all restrictions and covenants set forth in this Declaration. No building shall be erected on any lot except one dwelling designed for occupancy by a single family, EXCEPT Lots 1, 12, 15 through 25 shall be allowed to construct a Permanent Accessory Out Building, subject to the limitations set forth hereinafter. Any lot may have a gazebo.

SECTION 2. Subdivision of Lots: No lot shall be sub-divided or re-subdivided to make smaller dwelling lots; provided however, this restriction shall not prevent an owner of two or more contiguous lots from building one dwelling unit on more than one adjoining platted lot or two dwelling units on three or more adjoining platted lots as shown on the plat of properties, provided, such owner or owners replat said lots.

SECTION 3. Quality of Structure: It is the intention and purpose of these covenants and restrictions to insure that all structures shall be of a quality of design, workmanship and materials which are compatible and harmonious with the natural setting of the area and the other structures within the properties. All structures shall be constructed in accordance with applicable government building codes and with more restrictive standards that may be required by the Developer or its successors and assigns. No healthy trees beyond 30 feet (30') from the house shall be cut except for driveway purposes.

SECTION 4. Structural Restrictions:

(a) Dwelling units:

i) No dwelling unit shall be erected or permitted exceeding 36 feet in height above front grade.

ii) Lots 1 through 7 and lots 11 through 25 must have a multiple story dwelling unit with a minimum of 1200 square feet of living space on the main floor and no less than 800 square feet on the remaining floors. Lots 8, 9 and 10 must have a multiple story dwelling unit with a minimum of 1000 square feet of living space on the main floor and no less than 600 square feet on the remaining floors.

iii) All other dwellings shall have a minimum of 1600 square feet of living area above grade.

iv) All dwelling units must include a minimum of a two-car attached garage which is not to be considered living space.

v) All dwelling units shall 75% be covered with masonry, stucco, cement board or natural products on the exterior, excluding roof, windows, doors, gutters, fascia and soffitt.

(b) Permanent Accessory Out Buildings on lots 1, 12, 15 through 25.

i) No permanent accessory out building shall exceed 1600 feet and a height of 12 feet under trusses. All out buildings shall have a minimum of one foot overhang on eaves and trim with gutter and fascia.

ii) All permanent accessory out buildings shall have roof coverings to match the single family dwelling unit.

iii) All permanent accessory out buildings shall be constructed on the rear of the lot and in such a location so as not to be prominently visible from Emerald Drive.

iv) Permanent out buildings should be done in earth tones or in harmony with the natural beauty of the development, and in harmony with the homes located on lot.

v) Permanent accessory out buildings on lots 16 through 20 and lots 22 through 25 shall be constructed along and within 30 feet of the easement established east of Clay Hill Road and accessible only from said easement.

vi) As to the Permanent accessory out buildings on lots 1, 12, 15 and 21, the buildings on these lots shall not exceed 900 square feet and shall be placed as far to the rear of the lot as possible and in compliance with zoning ordinances. These lots need not comply with the provisions set forth in subparagraphs (iii) and (v) immediately above.

SECTION 5. Location of Structures on Lot: The Developer deems that the establishment of standard building setback lines for the location of dwelling structures on individual lots is compatible with the objectives of preserving the natural setting of the area and preserving and enhancing existing features of natural beauty and visual continuity of the area. The Developer therefore has established minimum setback lines to be thirty feet (30') from the front of each lot and fifteen feet (15') from the side of each lot and forty feet (40') from the rear of the lot. All dwellings shall present their most attractive fronts to the street in the subdivision upon which the lot abuts.

SECTION 6. Temporary Structures: No trailer, mobile home, recreational vehicle, tent, shack or other structure, except as otherwise permitted herein, and no temporary building structure of any kind shall be used for a residence, either temporary or permanent. Temporary structures used during the construction of the dwelling unit shall be on the same lot as the structure and such temporary structures shall be removed upon completion of construction. No dwelling unit or any other building shall be moved onto a lot of the properties for residential or any other purpose.

SECTION 7. Completion of Construction: Any construction undertaken on any lot shall be continued with diligence toward completion thereof and construction of dwelling unit shall be completed within eighteen (18) months from commencement of construction, except that such period may be extended for a reasonable time by reason of any act of God, labor dispute, or other matters beyond the owner's or builder's control. No structure shall be deemed completed until installation of approved landscaping. The Developer, their heirs, successors and assigns shall have the right to complete any construction not completed within such time and to:

- (a) Recover the costs of same from the Owner; and
- (b) Place a lien on the lot in the amount of such cost.

SECTION 8. Excess Earth Excavated: All earth excavated from the lot on the properties and not used thereon shall, at the option of the Developer, be removed to such place on or adjacent to the properties as may be designated by the Developer. This shall be done at no cost to the Developer.

SECTION 9. Maintenance of Lots: All lots, whether occupied or unoccupied, and any improvements placed thereon, at all times shall be maintained in such a manner as to prevent their becoming unsightly, eroded, unsanitary, overgrown or a hazard to health. All noxious weeds as defined in the Code of Iowa shall be removed. No materials shall be removed from any easement area nor shall any trees, shrubs or structures be placed upon said easement area. The easement area shall include but not be limited to the areas in which wells are located and water lines are placed upon.

SECTION 10. Swimming Pools: All above ground or below ground swimming pools holding in excess of 500 gallons of water must be fenced pursuant to the standards as established by the City of Dubuque. No above ground or below ground swimming pool may be filled from the central water system and must obtain water for the pool from another source.

SECTION 11. Sprinkler System: Any permanent sprinkler system shall be subject to approval by the Homeowners Association and its use shall be regulated by the Homeowners Association. The Homeowners Association may impose a surcharge to that lot owner's water bill for a permanent sprinkler system.

SECTION 12. Firewood: Firewood may be stored within the dwelling unit. If stored outside, it shall be stacked immediately adjacent to the rear of the residence in an orderly fashion. If the wood is purchased by the truckload, it must be cut and stacked within ten (10) days.

SECTION 13. Control of Animals: No animals other than common domestic household pets, such as dogs and cats, shall be kept on any lots. Any such domestic household pet shall be housed within the dwelling unit. No more than two dogs, cats or other household pets may be kept and they may not be kept, bred or maintained for any commercial purposes. Any such domestic animals kept as pets must be restrained, confined and kept off the premises of other lot owners; provided further that such domestic pets must be kept quiet and orderly so as not to disturb the peaceful, and quiet enjoyment of other lot owners.

No litter or offal shall be permitted to be uncontrolled for a period of more than twenty-four (24) hours on a pet owner's lot. Said litter or offal must be removed immediately if said litter or offal occurs anywhere on the Properties or on adjacent residential lots other than on said pet owner's lot. All animals within the properties must be on a leash at all times, except when in a dwelling unit. No kennels, pens or runs shall be permitted on the properties. Pets must be kept off of other lots and must be kept quiet and orderly so as not to disturb the peaceful enjoyment of the other lot owners.

SECTION 14. Parking and Storage: Except as set forth below, no campers, trailers, commercial vehicles, recreational vehicles, boats or snowmobiles, all terrain vehicles, or trailer used to carry or transport the same, shall be parked, kept or stored within the Properties except within the garage or any permanent out building. No vehicle built for, or adapted to, or modified for racing purposes shall be kept or stored on the properties. No habitual parking of any vehicle on any street within the Properties shall be permitted. No vehicle shall be permitted to remain on any street within or adjacent to the properties overnight, except in the event of temporary driveway work or maintenance, during which a vehicle may be parked adjacent to the

property owner's lot for a period not to exceed 48 hours. Campers, trailers, recreational vehicles, boats, snowmobiles, all terrain vehicles and trailers used to carry or transport same if under 20 feet in length may be stored at the back of the lot so as not to be visible from Emerald Drive and shall be appropriately screened from all neighboring lots.

SECTION 15. Vehicle Operation. No snowmobiles, all-terrain vehicles or other motorized recreational vehicles shall be operated within the subdivision.

SECTION 16. Nuisances: No noxious or offensive activity shall be carried on in any dwelling unit or upon any lot within the properties, nor shall anything be done thereon which may become an annoyance or nuisance to other persons and lot owners within the properties. No plants or seeds or other things or conditions harboring, or breeding infectious plant disease or noxious insects shall be introduced or maintained upon any part of a lot within the properties.

SECTION 17. Signs: No signs, billboards or advertising device, except those used in the sale of any lot or dwelling unit, within the properties shall be placed on any lot or dwelling unit of the properties that is not approved by the Developer.

SECTION 18. Easements Reserved with Respect to Lots: Developer reserves for itself, successors and assigns, easements over each Lot, and the right to ingress and egress to the extent reasonably necessary to exercise easements as follows:

(a) Utility easements shown on any recorded Plat of the Properties, except that if any plat fails to establish easements for such purposes, then a 10 foot wide strip running along the side lot lines, front lot line and rear lot line of the Dwelling Lots is reserved for the installation and maintenance of utility facilities, and incidental usage related hereto.

(b) The Owner shall not place any structure on any such easement and shall be responsible for maintaining the easement, however, any damages caused by the user of the easement shall be repaired and restored by such user.

(c) Prior to commencement of construction upon any lot, the Developer, its successors, assigns, or licensees, shall have the right to enter upon any lot for the purpose of removing offensive underbrush or for pest control purposes. No such entry shall be deemed a trespass.

(d) No Owner shall have any claim or cause of action, except as herein provided, against Developer, its successors, assigns, or licensees arising out of exercise or nonexercise of any reserved easement except cases of willful or wanton misconduct.

SECTION 19. Automobiles: Only passenger automobiles and pickup trucks shall be permitted to park at any time upon the above described property and the streets adjacent thereto, except for service vehicles actually used in the construction of the residence and improvements for the purpose of performing services to the owner of any Lot within the above described property. Parking is not permitted over a 24 hour period on Emerald Drive except for occasional events, i.e. parties.

SECTION 20. Lot Appearance: No unused old automobiles, machinery, or junk materials shall be kept upon any Lot. No owner shall accumulate on any lot litter, refuse, or other unsightly materials. All garbage and refuse shall be kept in a closed container and out of sight.

SECTION 21. Utility Lines: All electrical, gas, telephone and TV cable services to the residence shall be installed and maintained underground.

SECTION 22. Off-Street Parking: All Lots shall have sufficient off-street parking to accommodate at least four automobiles, including garage space. All driveways and parking areas shall be of hard surface construction of asphalt, concrete or pavers.

SECTION 23. Ordinance Compliance: Except as is otherwise provided in these Restrictive Covenants, all residences and improvements, including but not limited to swimming pools, fences or other buildings and structures shall comply with all applicable ordinances of the County of Dubuque, Iowa, as the same now or may hereafter exist.

SECTION 24. Enforcement: In the event that any owner of any lot shall violate any of the covenants and restrictions herein contained, it shall be lawful for any person or persons owning any of said Lots within the above described real estate to institute any proceeding at law or in equity against the person or persons violating or attempting to violate any such covenant or restriction, to either prevent him or them from so doing or recover damages for such violation, or both.

SECTION 25. Satellite Dish: Satellite Dishes shall be allowed but must be at the rear of the home and not visible from the road. Towers and/or antennas shall not extend more than 10 feet (10') above the dwelling unit.

ARTICLE V - UTILITIES

SECTION 1. Sewage Disposal: Sewage disposal for all lots will be by individual septic system or other approved methods for individual lots acceptable to and approved by the Dubuque County Health Board. Sand filters or aeration tank systems may be used and shared by as many lots as practical subject to approval of the Dubuque County Health Department.

(a) Design: Sanitary disposal or other approved methods must be designed by an Iowa Registered Professional Engineer or an Iowa Registered Sanitarian.

(b) Design Plans: The design plans for any system shall be submitted to and a permit for installation obtained from the Dubuque County Health Department or other authority having jurisdiction.

(c) Inspection: Any such system as installed shall be subject to inspection and final approval by the Dubuque County Health Department before backfilling. Said inspection shall be visual and on the Owner's Lot site. Any system work covered up prior to inspection shall be uncovered and inspected prior to the issuance of any occupant permit.

(d) Contractors: Lot Owners shall hire only competent contractors to install said systems and said contractors shall construct same in accordance with the rules and regulations of the Dubuque County Department of Health or the State of Iowa Department of Health. In the event that Dubuque County Board of Supervisors develops a method of licensing contractors for the construction of sewage systems, said contractor hired by the Lot owner shall be so licensed.

(e) Ongoing Inspection: Each septic tank system shall be pumped at least once every three (3) years.

(f) Effluent: No untreated effluent shall be permitted to flow out of or over any property and any malfunction shall be corrected immediately upon discovery or as soon thereafter as the weather permits. Sand filter water if allowed by the Dubuque County Health Department must flow in the natural drainage ways within covered pipe.

(g) Rules and Regulations: Any private septic tank systems to be established and maintained in accord herewith shall be subject to the rules and regulations of the Iowa Department of Natural Resources or Environmental Quality, the Iowa Department of Health. Any violation thereof shall be subject to the penalty or penalties prescribed by each of said agencies.

(h) Sanitary Sewer District: In the event a sanitary sewer district with a central system of sewage disposal and sewer lines is created, each Lot Owner will be obligated to connect to same within ten (10) years after the system becomes available or when the present system on said Lot malfunctions, whichever occurs first.

ARTICLE VI -THE COMMON PROPERTIES: RIGHTS, OBLIGATIONS AND RESERVATION WITH RESPECT THERETO

SECTION 1. Duties of Developer.

(a) Emerald Drive. It shall be the duties of the Developer to complete surfacing of Emerald Drive. Said road shall be the same quality and thickness of the existing road and shall be completed no later than September 1, 2001. Upon completion of Emerald Drive, the Developer will transfer the property to the Association.

(b) Wells. It shall be the duties of the Developer to develop a water system which shall include one well for 5 dwelling units. Developer shall be responsible for the delivery of the water system to the property line. The water system shall be completed upon the sale of 75% of the lots of the Subdivision. At no time shall there be less than 1 well per 5 dwelling units. The water main shall be provided to all lot lines by August 1, 2000. Additional wells will be added as needed. Upon completion of the water system, the Developer will transfer the property to the Association.

SECTION 2. Obligation of the Association with Respect to Common Properties. The Association, for itself, its successors and assigns, hereby covenants with the Developer as follows:

(a) The Association will accept conveyance of the Common Properties which the Developer is obligated to or may convey to the Association. The Association will maintain all common Properties and in particular will maintain the streets or roads in the subdivision by repairing or replacing them when necessary and by removing snow and all other obstructions so as to keep them open and passable at all times.

(b) The Association agrees that the general public shall have the right to the use of its lane.

(c) The Association will preserve and maintain for the common benefit of its Members, and other users of right, all of the Common Properties which it shall own, shall pay any taxes assessed thereon, carry insurance with respect thereto as determined by its Board of Directors, and shall keep the said in good and sightly repair.

(d) The right of the Association to dedicate or transfer all or any part of the roads and Common Properties to any public agency, authority or utility, subject to the conditions and limitation as provided in its Articles of Incorporation.

SECTION 3. Extent of Members Easement: The rights and easements of enjoyment created hereby for the benefit of the Association Members and other users of right shall be subject to the rights of the Developer, its successors, assigns, licensees and sub-licensees as herein reserved.

SECTION 4. Rights and Easements Reserved by Developer: The Developer for itself, its successors and assigns, reserves the following rights and easements in and with respect to Common Properties transferred to the Association:

(a) An easement is reserved with respect to all open areas conveyed to the Association pursuant to this Declaration, to install, lay, construct, renew, operate and maintain underground utility lines, conduits, and equipment, and structures and devices relating to utility services for the purpose of serving the properties with telephone, electricity, water, cable service and other utility services; and Developer, its successors and assigns, through authorized representatives, may enter upon such areas at all times for any such purposes, and cut down and remove any trees or bushes that interfere or threaten interference with any such right to use.

(b) An easement is reserved for surface drainage over any open areas.

(c) Agents, representatives and licensees of the Developer shall have the right at all times to enter upon the open areas for the purpose of exercising any such reserved rights, and no such entry shall constitute trespass, provided that no such entry shall interfere unreasonably with the use and enjoyment of the Common Properties by the Members except as restricted herein.

(d) The Developer, its successors and assigns, by their agents and representatives, reserves the right during the sales period of the development to gain access to any and all of the Common Properties and Lots of which the Developer is the record holder and reserves the right to perform such acts thereon and with respect thereto as it may determine, except the exercise of such rights shall not unreasonably interfere with the use of the Common Properties by Members.

ARTICLE VII MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

SECTION 1. Membership: Every person or entity who is a record owner of a fee, or undivided fee, interest in any Lot or Living Unit which is subject by covenants of record to assessment by the Association shall be a member of the Association, provided that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a member.

SECTION 2. Voting Rights: The Association shall have two classes of voting membership:

Class A. Class A members shall be all those Owners as defined in Section 1 with the exception of the Developer. Class A members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Section 1. When more than one person holds such interest or interests in any Lot, all such persons shall be members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot.

Class B. Class B members shall be the Developer. The Class B member shall be entitled to three votes for each Lot in which it holds the interest required for membership, provided that the Class B membership shall cease and become converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) On January 1, 2010.

From and after the happening of either of these events, whichever occurs earlier, the Class B member shall be deemed to be a Class A member entitled to one vote for each Lot in which it holds the interests required for membership under Section 1.

ARTICLE VIII - COVENANT FOR MAINTENANCE ASSESSMENTS

SECTION 1. Creation of the Lien and Personal Obligation with Respect to Assessments: The Developer, for each Lot within the properties subject to the provisions of this Declaration hereby covenants and each owner of any such Lot, by acceptance of a deed therefor or contract for the purchase thereof (whether or not it shall be so expressed in any such deed or contract), shall be deemed to covenant for themselves, their heirs, representatives, successors and assigns to pay to the Association an annual assessment. All such assessments, together with interest thereon and cost of collection thereof, shall be a charge on the land with respect to which such assessments are made and shall be a lien against such land when such lien is perfected as provided in this Article. Each such assessment, together with interest thereon and costs of collection thereof, also shall be the personal obligation of the person who is the owner of such assessed land at the time the assessment became due.

SECTION 2. Purpose of Assessments - Annual Assessments: The annual assessments levied by the Association shall be used exclusively for the purpose of improving and maintaining the Common Properties, and to providing services and facilities related to all or any of the foregoing matters, and of the Members, including, but not limited to, discharge of the obligations of the Association as imposed by this Declaration, payment of taxes, if any, upon the Common Properties, payment of insurance with respect to the Common Properties and repair, replacement and additions thereto, payment for any services provided to Members with respect to the foregoing matters, and for the cost of labor, equipment, materials, management and supervision thereof.

SECTION 3. Amount of Assessment, Change in Amount and Date of Commencement: The annual assessment for each year, commencing with the assessment made with respect to the calendar year 2000, shall be four hundred dollars (\$400.00). No assessment shall be made with respect to any period prior to 2000. The Board of Directors of the Association by resolution

adopted in the manner provided in its By-Laws may increase or decrease the amount of the annual assessment for any future year. The amount of any increase for each Lot shall not exceed the total actually expended for such maintenance plus 10% for that year by the Association, divided by the total number of lots subject to assessment in the Subdivision, unless an annual assessment of a greater amount for such year shall have been approved by vote of Members as provided in the By-Laws of the Association. The annual assessments described herein must be fixed at a uniform rate for all Lots. Payment of the assessment shall be due in semi-annual installments with the payment due January 1 and the balance due July 1 of each year. The Board of the Homeowners Association shall have the authority to declare a special assessment in case of an emergency and the special assessment shall be due and payable within thirty days from the date of the assessment.

SECTION 4. Effect of Nonpayment of Assessments; the Lien; Personal Obligation of the Owner: If any assessment is not paid on the date when due, such assessment thereupon shall become delinquent and from and after the time when the Association shall have filed against the delinquent property with the Dubuque County Recorder an appropriate instrument setting forth such delinquency, such assessment, together with interest thereon and cost of collection thereof as hereinafter provided, shall become a continuing lien upon the property against which such assessments are made and shall bind such property in the hands of the then Owner, his heirs, representatives, successors and assigns. The personal obligation of the then Owner to pay such assessment shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.

SECTION 5. Interest; Remedies of the Association: Delinquent assessments shall bear interest at the highest legal interest rate chargeable to individuals from the date of delinquency. The Association may bring either an action at law against the person personally obligated to pay the same, or to foreclose the lien against the property and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest as provided by law and reasonable attorney's fees to be fixed by the court, together with the costs of such action.

SECTION 6. Exempt Property: Notwithstanding the foregoing, no assessments, charges, or liens shall be assessed with respect to Lots owned by the Developer (except Lots subject to installment sale contracts). Exempt property shall retain its right to membership in the Association.

SECTION 7. Subordination of the Lien to Mortgage: The Lien of the assessments provided for herein shall be subordinated to the lien of any mortgage or deed to secure debt now or hereafter placed upon the properties subject to assessment, provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due nor from the lien of any such subsequent assessment.

SECTION 8. Proof of Payment: The Association upon request and payment of a service fee of not more than fifteen dollars (\$15.00) at any time shall furnish any Owner liable for any assessment a certificate in writing signed by an officer of the Association setting forth what assessments, if any, which have been made with respect to said Owner's property and which are unpaid. Such certificate shall be conclusive evidence with respect to the matters certified therein.

ARTICLE IX - GENERAL PROVISIONS

SECTION 1. Duration: The covenants and restrictions set forth in this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the owners of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date this Declaration is recorded with the Dubuque County Recorder after which time said covenants shall be automatically extended for successive periods of ten years unless an instrument signed by the then owners of two-thirds of the Lots within the Existing Properties has been recorded agreeing to change said covenants and restrictions in whole or in part.

SECTION 2. Notices: Any notice sent or required to be sent to any Member or Lot Owner under the provisions of this Declaration shall be deemed to have been properly given when mailed, postage prepaid, to the last known address of the person who appears as a Member of Lot Owner on the records of the Association at time of mailing.

SECTION 3. Enforcement: Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction. Such action may be either to restrain violation or to recover damages, or against the land, to enforce any lien created by these covenants. Failure by the Association or any Owner to enforce any covenant or restriction herein contained in no event shall be deemed a waiver of the right to do so thereafter.

SECTION 4. Modification: By recorded Supplemental Declaration, the Developer may modify any of the provisions of this Declaration or any Supplemental Declaration for the purposes of clarification or otherwise, provided that it shall not substantially alter the scheme of this Declaration or any succeeding Supplemental Declaration.

SECTION 5. Severability: Invalidation of any one of these covenants or restrictions by judgment or court order in no way shall affect any other provisions, which shall remain in full force and effect.

SECTION 6. Occupants: All of the obligations, liabilities, and covenants imposed upon Owners hereunder shall also be applicable to and imposed upon all persons occupying any Lot who are not Owners other than Developer.

SECTION 7. Creation of Association: The Association shall be organized by the Developer at such time as Developer in its discretion may determine, but in no event, later than June 1, 2000.

SECTION 8. Administration: Until such time as the Association is organized, Developer, its successors and assigns, shall be vested with all powers of the Association described herein and in the By-Laws.

SECTION 9. Rules and Regulations: The Association may promulgate such rules and regulations with respect to the Properties as it may determine.

SECTION 10. Deeds: Each Owner and purchaser under an installment sale contract accepts such conveyance subject to restrictions, covenants, easements, obligations, and liabilities hereby created, reserved or declared, all as though same were recited at length in such deed or installment sale contract.

IN WITNESS WHEREOF, the foregoing instrument has been executed this 10th day of April, 2000.

EMERALD DEVELOPMENT, INC.

By: Raymond Taylor
Raymond Taylor
President and Secretary

SHANNON RIDGE ESTATES
PROPERTY OWNERS ASSOCIATION,

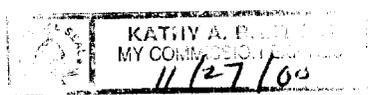
By: Raymond Taylor
Raymond Taylor
President and Secretary

-----X
STATE OF IOWA

SS:
COUNTY OF DUBUQUE
-----X

On this 10th day of April, 2000, before me, the undersigned, a Notary Public in and for said State, personally appeared Raymond J. Taylor, to me personally known, who being by me duly sworn did say that he is the President and Secretary of Emerald Development, Inc.; that no seal has been procured by the said corporation; that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and that the said Raymond J. Taylor, as such officers acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by him voluntarily executed.

Kathy A. Bartels
Notary Public, State of Iowa



-----X
STATE OF IOWA

SS:
COUNTY OF DUBUQUE
-----X

On this 10th day of April, 2000, before me, the undersigned, a Notary Public in and for said State, personally appeared Raymond J. Taylor, to me personally known, who being by me duly sworn did say that he is the President and Secretary of Shannon Ridge Estates Property Owners Association; that no seal has been procured by the said corporation; that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and that the said Raymond J. Taylor, as such officers acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by him voluntarily executed.

Kathy A. Bartels
Notary Public, State of Iowa

