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Kim Painter County Recorder
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Prepared by/return to: Samuel Argall, Samuel Argall Law Firm, 44 Sturgis Corner Dr., Iowa City, IA 52246
Taxpayer Information: Prairie Equity Group, LLC, 130 S. Dubuque St. Ste. 105, Solon, IA 52333

DECLARATION OF SUBMISSION OF PROPERTY
TO HORIZONTAL PROPERTY REGIME
FOR
THE AUDITORIUM LOFTS & COMMONS CONDOMINIUMS

The undersigned, Prairie Equity Group, LLC, (referred to hereafter as “Developer”), an Iowa corporation with its principal place of business in Solon, Iowa hereby executes this instrument of Declaration of Submission of Property to a Horizontal Property Regime to be known as “The Auditorium Lofts & Commons Condominiums” (referred to hereafter as “Condominium”), all pursuant to Chapter 499B, Code of Iowa, entitled “Horizontal Property Act (Condominiums)” the same to take effect when filed for record in the office of the Recorder, Johnson County, Iowa.

ARTICLE I
DEFINITIONS

1. **Declarant.** The term “Declarant” shall mean Prairie Equity Group, LLC, who has made and executed this Declaration.
2. **Declaration.** The terms “Declaration” shall mean this instrument by which The Auditorium Lofts & Commons Condominiums is established as provided under the Horizontal Property Act.
3. **Project.** The term “Project” shall mean the entire parcel of real estate property referred to in this Declaration to be divided into Condominiums, including all structures thereon.
4. **Unit.** The term “Unit” shall mean one or more rooms occupying all or part of a building intended for use as either a commercial space or as a residence and not owned in

common with the other owners in the Regime. The boundary lines of each Unit are the interior surfaces of its perimeter walls, bearing walls, floors, ceilings, windows and window frames, doors and door frames, and trim, and includes portions of the Building so described and the air space so encompassed. The Regime will consist of one (1) Building containing seven (7) commercial Units and ten (10) residential Units.

5. General Common Elements. The term “General Common Elements” shall have the meaning as defined in Article IV.

6. Limited Common Elements. The term “Limited Common Elements” shall have the meaning as defined in Article V.

7. Building. The term “Building” as used herein shall include that part of a Unit identified as such on the Exhibits submitted herewith.

8. Condominium. The term “Condominium” means the entire estate in the real property owned by any Owner, consisting of an undivided interest in the Common Elements and ownership of a separate interest in a Unit.

9. Owner. The term “Owner” means any person with an ownership interest in a Unit in the Project.

10. Association. The term “Association” means The Auditorium Lofts & Commons Condominiums Owners Association and its successors.

11. Condominium Documents. The term “Condominium Documents” means this Declaration, and all Exhibits attached hereto including the Articles and Bylaws of the Association.

12. Plural and Gender. Whenever the context so permits or requires, the singular shall include the plural and the plural the singular, and the use of any gender shall include all genders.

13. Severability. The invalidity of any covenant, restriction, agreement, undertaking, or other provisions of any Condominium Document shall not affect the validity of the remaining portions thereof.

14. Incorporation. Exhibits attached hereto and referred to herein are hereby made a part hereof with the same force and effect as other provisions of this Document.

ARTICLE II

DESCRIPTION OF LAND AND BUILDINGS AND UNITS

1. Developer of Land. The land submitted to the Regime is located in Solon, Johnson County, Iowa, and is legally described as follows:

Lot fifty-seven (57) and the south sixty (60) feet of lots fifty-nine (59) and sixty (60) in Kerr's Addition to the town of Solon, in Johnson County, Iowa, according to the recorded plat thereof.

2. Description of Building. The Condominium Regime will consist of one (1) Building, which contains three (3) stories, seven (7) commercial units, and ten (10) residential Units. The location of the Building is shown on the Site Plan which is attached hereto as Exhibit "C". The Building Plans for said Building are attached hereto as Exhibit "D". The Specifications for the construction of said Building are included on the Building Plans attached hereto as Exhibit "D". An Engineers Certificate is attached hereto as Exhibit "E".

3. Description of the Units. There are seven (7) commercial Units designated as Units 101, 102, 103, 104, 105, and 106 on the ground level. There is one (1) commercial Unit designated as Unit 201 on the second level. There are ten (10) residential units located on the designated as Units 301, 302, 303, 304, 305, 306, 307, 308, 309, and 310 third and fourth levels.

ARTICLE III

OWNERSHIP INTERESTS

1. Exclusive Ownership and Possession by Owner. Each Owner shall be entitled to exclusive ownership and possession of his or her Unit. Each Owner shall be entitled to an undivided one seventeenth (1/17th) interest in the Common Elements. Said percentage of the undivided interest of each Owner in the Common Elements shall have a permanent character and shall not be altered without the consent of all Owners expressed in an amended Declaration duly recorded. The percentage of the undivided interest in the Common Elements shall not be separated from the Unit to which it appertains and shall be deemed to be conveyed or encumbered or released from liens with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument. Each owner may use the Common Elements in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other Owners.

Each Owner can sell, lease, or rent their Unit(s) without restriction of any kind.

An Owner shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls, ceiling, windows, and doors bounding his or her Unit, nor shall the Owner be deemed to own the utilities running through his or her Unit which are utilized for, or serve, more than one Unit, except as a percentage of an undivided interest in the Common Elements. An Owner, however, shall have the exclusive rights to paint, repaint, tile, wax, paper or otherwise refinish and decorate the interior surfaces of the walls, floors, ceilings, windows and doors bounding his or her Unit.

2. Appurtenances. There shall pass with the ownership of each Unit as a part thereof, whether or not separately described, all appurtenances to such Unit and no part of the appurtenant interest of any Unit may be sold, transferred or otherwise disposed of except in connection with the sale, transfer or other disposition of such Unit itself or of all Units in the Regime.
3. Undivided Fraction Interest. An undivided interest in the land and other Common Elements of the Regime, regardless of whether such elements are General or Limited Common Elements, shall be appurtenant to each Unit. The amount of such undivided interest appurtenant to each Unit is one seventeenth (1/17th).
4. General Common Elements. Appurtenant to each Unit shall be a right to use and enjoy the General Common Elements.
5. Limited Common Elements. The exclusive use by Owners of the Limited Common Elements shall be deemed an appurtenance of the Unit for which said elements are reserved, provided such use and enjoyment shall be limited to the uses permitted by this Declaration and other Condominium Documents.
6. Association Membership and Voting Rights. Appurtenant to each Unit shall be membership in The Auditorium Lofts & Commons Condominium Owners Association and one (1) vote in the affairs of the Association and of the Regime; provided, however, that the exercise of such voting and membership rights shall be subject to the applicable provisions of the Articles and Bylaws of the Association and of the other Condominium Documents. The action of such Association shall be deemed the action of the Owners; and such action, when taken in accordance with the Bylaws of the Association, and this Declaration shall be final and conclusive upon all Unit Owners.
7. Cross-Easements. Appurtenant to each Unit shall be easements from each Unit Owner to each other Unit Owner and to the Association, and from the Association to the respective Unit Owners as follows:

- a. For ingress and egress through the common areas and for maintenance, repair, and replacement as authorized.
- b. Through the Units and common facilities for maintenance, repair and replacement or reconstruction of Common Elements, but access to Units shall be only during reasonable hours except in case of emergency.
- c. Every portion of a Unit contributing to the support of a Building is burdened with an easement of such support for the benefit of all such other Units.
- d. Through the Units and common areas for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility or other services to the other Units in the common areas.

ARTICLE IV

GENERAL COMMON ELEMENTS

1. Definition. General common elements shall include all portions of the Project (land and improvement thereon) not included within any Unit except such portions of the Project which are defined as Limited Common Elements in the following Article. The General Common Elements also include, but are not limited to, the following:
- a. The land on which the building is erected.
 - b. The foundations, floors, exterior walls of each Unit and of the Building, ceilings and roofs, and entrances and exits or communication ways, and, in general, all devices or installations existing for common use, except as limited in the next Article.
 - c. Installations for public utilities, including electric, cable TV, gas, and cold water for common use.
 - d. Front, side, and rear yards, plantings, driveways, and walks.
 - e. Parking lots (2) and spaces. See Exhibit “F”.
 - f. First floor terrace.
 - g. Water heater and water softener.

ARTICLE V
LIMITED COMMON ELEMENTS

1. Definition. The term “Limited Common Elements” shall mean, and such elements shall consist of, those Common Elements which are reserved for the use of one Unit by this Article and amendments hereto and such reservation shall be to the exclusion of any other Unit.

2. Reservation. The following Common Elements are reserved and shall constitute the Limited Common Elements:

- a. All wall and partitions separating Units from other Units, interior load bearing walls and all other elements which are structural to a Unit are reserved for that Unit (or Units where partitions separate two units contained in a Building).
- b. The immediate hallways and entrances leading to each Unit are reserved for those Units.
- c. Walkways leading to each Unit are reserved for those Units.
- d. The part of sewer, water, electrical, gas, telephone and other utility or service lines, wiring, ducts, conduits, piping, facilities, systems, fixtures, and attachments serving just one Unit and located entirely within the Unit.

Utilities, including any necessary deposits and/or connection fees, shall be furnished and paid for by the Unit owner. Each Unit owner must have service from Alliant Energy. The building has rooftop solar panels. As such, the vast majority of the electricity is provided to Units at no cost.

However, when we experience very cold or hot weather, or when the rooftop solar panels are covered in snow, the heat pumps may not function properly. During these times, Alliant Energy’s electric service (heating and cooling) in each unit’s air handling unit kicks in to provide the Unit with the required power for heating and cooling. This backup Alliant Energy electricity is in each Unit’s air handling unit, and any additional Alliant Energy charges are the responsibility of the Unit Owner.

- e. The air conditioner pads, compressors, and equipment appurtenant to each Unit.

3. Exception. Notwithstanding the reservations made by this Article, the design of the Building, grounds to be submitted, and the integrity and appearance of the Regime as a whole

are the common interests of all Owners and, as such, shall remain a part of the General Common Elements.

4. Right of Association. The reservation of the Limited Common Elements herein shall not limit any right the Association and its agents may otherwise have to alter such Limited Common Elements or enter upon such Limited Common Elements.

ARTICLE VI

DECLARANT’S RESERVED RIGHTS AND POWERS

1. Declarant’s Activities. Declarant is irrevocably and perpetually empowered, notwithstanding any use restriction or other provision of the condominium documents to the contrary, to sell, lease, or rent Units without restriction of any kind. Declarant shall have the right to transact on the condominium property any business relating to construction, sale, lease or rental of Units, including, but not limited to, the right to maintain models, offices, signs, employees and equipment and materials on the premises and to use Common Elements (General and Limited) to show Units. A sales and rental office, signs and all items and equipment pertaining to sales or rentals or other facilities furnished by the Declarant shall not be considered common elements and shall remain its separate property. Until Declarant conveys title, Declarant shall be and remain the owner of the Units all under the same terms and conditions as other owners including membership in the Association save for this right to sell, rent, or lease. Until such time as a mortgagee holds a mortgage on a Unit which is insured by the U.S. Department of Housing and Urban Development Federal Housing Administration (“FHA”), Units owned by the Declarant shall only be subject to assessment and lien for “current expenses” of the Association as distinguished from assessments for “reserves” or “emergencies” as referred to in the Bylaws of the Association, and Declarant shall furthermore have the option of either paying such current expense assessment on unsold Units, or, in lieu thereof, to make up any deficiencies existing in the current operational and maintenance expenses of the regime. If Declarant makes up such deficiencies, the lien of any assessments against each Declarant’s Units shall thereby be automatically discharged but the Association upon request shall satisfy or release such lien in writing. Declarant’s obligation to pay assessments for current expenses shall begin with the first month following the issuance of a certificate of occupancy for a Unit.

2. Easements. Declarant expressly reserves perpetual easements for ingress, egress and utility purposes as may be required across and under the land submitted hereby.

3. Designation of Association Directors. Declarant shall have the right to name all members of the Board of Directors of The Auditorium Lofts & Commons Condominiums

Owners Association until the earlier of three years after the first Unit in the Condominium Regime has been conveyed to Unit purchasers or four months after two-thirds (2/3) of the Units in the Condominium Regime have been conveyed to Unit purchasers, or until the Declarant waives this right, at which time members of the Association shall select the Board of Directors as provided by the Bylaws. Thereafter, the Board of Directors shall be selected in the manner specified by the Bylaws of the Association.

4. Declarant’s Right to Amend. The Declarant reserves the following right to amend the Declaration without the consent of any Unit Owner for the following purposes and in the following manner:

- a. To revise the legal description, Site Plan, Building Plans or Specifications or any other portion of this Declaration in order to correct scrivener’s or other non-material errors that do not affect any Owner’s interest in his or her Unit or any appurtenance thereto and to add an engineer’s certificate or other documentation necessary to complete the Declaration that do not affect any Owner’s interest in his or her Unit or any appurtenants thereto.

ARTICLE VII

MANAGEMENT OF THE REGIME

1. Association; Council of Co-Owners. The operation of the Condominium shall be by a nonprofit membership corporation organized and existing under Chapter 504, Code of Iowa (2015). The name of the Association shall be “The Auditorium Lofts & Commons Condominiums Owners Association”. Copies of its Articles of Incorporation and of its Bylaws are attached hereto as Exhibit “A” and Exhibit “B” respectively. Whenever a vote or other action of Unit owners as a group is required the mechanics of conducting such a vote or taking such action shall be under the control and supervision of the Association. The action of the Association shall constitute the action of the Owners or the Council of Co-Owners whenever such action is permitted or required herein or by Chapter 499B of the Code of Iowa, as amended.

2. Compliance. All owners, tenants, families, guests, and other persons using or occupying the Regime shall be bound by and strictly comply with the provisions of the Bylaws of the Association and applicable provisions of other Condominium Documents, and all agreements, regulations and determinations lawfully made by the Association and its directors, officers or agents shall be binding on all such Owners and other persons. A failure to comply with the Bylaws or the provisions of the other Condominium Documents or any agreement or determination thus lawfully made shall be grounds for an action to recover sums due for

damages on the part of the Association or any Owner, as applicable, or injunctive relief without waiving either remedy.

3. Powers of Association. Each Owner agrees that the Association has and shall exercise all powers, rights, and authority granted unto it, the Council of Co-Owners, and the Owners as a group by Chapters 504 and 499B of the 2015 Code of Iowa as amended, and such as are more particularly set forth in the Condominium Documents, including but not limited to the making of assessments chargeable to Owners and the creation of a lien on Units thereof, and to acquire a Unit at foreclosure sale and to hold, lease, mortgage or convey the same. Each Owner hereby waives any rights to delay or prevent such foreclosure by the Association which he or she may have by reason of a homestead exemption.

4. Partition. All Unit Owners shall be deemed to have waived all rights of partition, if any, in connection with such an acquisition.

5. Membership, Voting Rights. The members of the Association shall consist of all of the record Owners of Units. Change of membership in the Association shall be established by recording in the public records of Johnson County, Iowa a deed or other instrument establishing a record title to a Unit in the Condominium and the membership of the prior Owner shall be thereby terminated. The members of the Association shall be entitled to cast one (1) vote for each Unit owned by such member as more fully set forth in the Bylaws attached hereto as Exhibit "B".

6. Restraint upon Assignment. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his or her Unit.

7. Board of Directors. The affairs of the Association shall be conducted by a Board of three (3) Directors who shall be designated in the manner provided by the Bylaws.

8. Discharge of Liability. All Owners shall promptly discharge any lien which may hereafter be filed against his or her Condominium.

9. Limitation on Association's Liability. The Association shall not be liable for any injury or damage to the property caused by or on the Common Elements or by another Owner or person in the Project or by any other means unless caused by the gross negligence of the Association. No diminution or abatement of common expense assignments shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements of the Common Elements or from any action taken to comply with any law, ordinance or orders of a governmental authority.

10. Indemnification of Directors and Officers. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him or her in connection with any proceeding to which he or she may be a party, or in which he or she may become involved, by reason of his or her being or having been a director or officer of the Association, or any settlement thereof, whether or not he or she is a director or officer at the time such expenses are incurred, except for any of the following: (i) receipt of a financial benefit to which the person is not entitled (ii) intentional infliction of harm on the Association and (iii) an intentional violation of criminal law; provided that in the event of a settlement the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

11. Agent to Receive Services of Process. The following person, who is a resident of the State of Iowa, is designated as agent to receive service of process upon the Association:

<u>Name</u>	<u>Address</u>
Bill Wittig, in his capacity as Member of Prairie Equity Group, LLC	130 S Dubuque St Ste 105 Solon, IA 52333

ARTICLE VIII

MAINTENANCE, ALTERATION AND IMPROVEMENT

1. Definitions. Certain terms used in this Article shall have a meaning as follows, provided any dispute over meanings shall be conclusively decided by the Board of Directors of the Association.

- a. “Maintenance” or “repair” shall mean the act of maintaining, restoration, renovation, reconstruction, replacement, rebuilding and similar work necessary to preserve a Unit or the property in its original condition as completed.
- b. “Improvement” shall mean the addition of a new structure, element or facility, other than a structure, element or facility otherwise provided for by this Declaration or any Supplementary Declaration.

2. Maintenance by Association.
- a. The Association shall maintain all Common Elements, whether Limited or General, and shall make assessments therefor as a common expense except where maintenance has been specifically made the responsibility of each Unit.
 - b. The Association shall repair incidental damage caused to a Unit through maintenance by the Association and shall assess the cost thereof as a common expense.
 - c. If a Unit Owner defaults on his or her responsibilities and shall assess the cost thereof against the Unit of such Owner and such assessment shall be collectible as if it were an assessment for common expenses.
 - d. The Association may, in its discretion, assume responsibility for any maintenance project which requires reconstruction, repair, rebuilding, conservation, restoration or similar work to more than one Unit and the cost thereof may be in the discretion of the Association either assessed against each Unit on which such costs were incurred or assessed against all Units as a common expense according to the circumstances.
3. Maintenance by Owner.
- a. Each Unit Owner at his or her own expense shall maintain the interior, including the boundary surfaces, of such Unit and its equipment, shall keep such interior in a clean and sanitary condition, shall do all redecorating, painting and other finishing which may at any time be necessary to maintain his or her Unit, and shall be responsible for the maintenance of all personally including Carpets, furnishings, and appliances within such Unit.
 - b. The Owner of each Unit shall be responsible for maintaining the plumbing fixtures within the Unit and heating and air conditioning unit serving such Unit and all other utilities or portions thereof located within the boundaries of his or her Unit. The Owner shall also, at his or her own expense, keep his or her Unit in a clean and sanitary condition.

Each Unit on the first floor has its own HVAC system. The Units located on the second, third, and fourth floor share three HVAC systems located on the rooftop. The Units with the shared system shall share the cost of repair.

When we experience very cold weather (or very hot), the heat pumps no longer can operate exclusively from the building’s solar panels. At that point, an

auxiliary electric element operates to meet the demand of the Unit's owner and charges the Unit owner's Alliant Energy bill accordingly.

This auxiliary electric element is in each Unit's air handling unit due to the demands required by the weather to produce heating and cooling when the solar panels are unable to produce enough electricity.

In moderate temperatures the heating and cooling are supplied by the building's solar panels at no charge to the Unit owner.

- c. The unit Owner shall maintain, at his or her expense, any improvement or other alteration made by him or her.
- d. The Owner of each Unit shall promptly report to the Association any defects or other maintenance needs which are the responsibility of the Association.

4. Alterations and Improvements by Owner. No Unit Owner shall make or permit to be made any structural alteration to a Unit or to a Building without first obtaining written consent of the Board of Directors of the Association (which consent may be given by a general rule or regulation) which shall determine the proper insurance of such improvement or other alteration, and the effect of such improvement or alteration on insurance of other property of the Regime. The Board of Directors of the Association shall arrange with such Unit owner for the payment of the cost of any additional insurance thereby required. Alterations to the exterior of any Building or Common Element shall not be made if, in the opinion of the Board of Directors of the Association, such alteration would be detrimental to the integrity or appearance of the Regime as a whole. Such owner shall do no act or work which will impair the structural soundness or integrity of the Building or safety of the property or impair any easement. The improvement or alteration of a Unit shall cause no increase or decrease in the number of ownership interests appurtenant to such Unit.

5. Alterations or Improvements by the Association. Whenever in the judgment of the Board of Directors of the Common Elements shall require additions, alterations or improvements, the Board of Directors shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a common charge.

ARTICLE IX

CONDITIONS OF AND RESTRICTIONS ON OWNERSHIP, USE, AND ENJOYMENT

1. Subjection of the Property to Certain Provisions. The ownership, use, occupation, and enjoyment of each Unit and of the Common Elements of the Regime shall not be subject to the provisions of the Bylaws and Articles of Incorporation of the Association, and this Declaration, all of which provisions irrespective of where set forth or classified shall have equal status and shall be enforceable and binding as a covenant, condition, restriction, or requirement running with the land and shall be binding on and enforceable against each and all Units and the Owners thereof and their respective assigns, lessees, tenants, occupants and successors in interest.

2. Use of Property. The use of the property shall be in accordance with and subject to the following provisions:

(a) A commercial Unit shall only be used for commercial purposes authorized under applicable zoning laws. A residential Unit shall be used or occupied for living or dwelling purposes.

(b) A commercial Unit may be rented or leased by the Owner or his or her lessee, in whole or in part. A residential Unit may be rented or leased by the Owner or his or lessee, provided the entire Unit is rented. No lease shall relieve the Owner as against the Association and other Owners from any responsibility or liability imposed by the Condominium Documents.

(c) Nothing shall be altered in, constructed in, or removed from, the Common Elements, Limited or General, except upon written consent of the Board of Directors of the Association, which may be given through regulations of the Association, and further provided that any holder of a first mortgage which acquires possession of a Unit by foreclosure or by deed in lieu of foreclosure shall have the right to post signs for the sale or rental of such Unit until such Unit is sold or a lease is entered into.

(d) No activity shall be allowed which unduly interferes with the peaceful possession and use of the property by the Unit Owners nor shall any fire hazard or unsightly accumulation of refuse be allowed.

- (e) If applicable, no Unit Owner, guest or invitee thereof shall block vehicular access to the parking lots. Each Unit Owner's guests or invitees will park their own vehicles only on the parking spaces provided within the Regime doing the same in such a manner as to not violate the provisions of this subparagraph. Parking of vehicles shall only be allowed in unreserved parking spaces as provided herein. The Association may choose to reserve parking spaces for specific Units. On street parking is allowed other than on Short Street. The parking spaces on Short Street in front of the building (on the North side of the building) are not to be used for Unit owners or their guests except for loading and unloading, in which case a 15-minute time limit applies.
- (f) Nothing shall be done or kept in any Unit or in the common area which will increase the rate of insurance on the common area, without prior written consent of the Association. No Owner shall permit anything to be done or kept in his or her Unit or in the common area which will result in the cancellation of insurance on any Unit or any part of the common area, or which would be in violation of any law.
- (g) The Association shall have the authority to adopt rules and regulations governing the use of the property and such rules shall be observed and obeyed by the Owners, their guests and invitees. Such rules must be approved by at least two-thirds (2/3) of the Unit owners.
- (h) Agents of or contractors hired by the Association may enter any Unit when necessary in connection with any maintenance, landscaping, or construction for which the Association is responsible, provided such entry shall be made with as little inconvenience to the Owners as practicable.
- (i) A Unit Owner shall give notice to the Association of every lien against his or her Unit other than permitted mortgages, taxes, and Association assessments, and of any suit or other proceeding which may affect the title to his or her Unit, within ten (10) days after the lien attaches or the Owner receives notice of such suit.
- (j) A Unit Owner shall be liable to the Association for the expense of any maintenance, repair, or replacement rendered necessary by his or her act, neglect, or carelessness, or by that of his or her family, guests, employees, agents or lessees, which liability shall include any increase in insurance rates resulting therefrom.
- (k) No Unit Owner shall be permitted to erect a radio, TV antenna, TV satellite dish, or any other fixture, item, wiring or appurtenance.

3. No Waiver. Failure of the Association or any Owner to enforce any covenant, condition, restriction or other provision of Chapter 499B of the Code of Iowa (2015), as amended, this Declaration, the Articles of Incorporation or Bylaws of the Association, or the rules and regulations adopted pursuant thereto, shall not constitute a waiver of the right to enforce the same thereafter.

4. Pet Policy. Any Unit Owners must complete and abide by the following:

PET(S). The Association allows Unit Owners to have one (1) dog on the premises, not to weigh over 35 pounds at maturity. No pets of any other type are allowed.

FEE. For the right to have a dog on the Premises, the Unit owner shall be required to pay the Association a non-refundable fee of \$250.00 (US Dollars) and is responsible for any damage related to the dog or additional cleaning before moving out.

UNIT OWNER LIABILITY. The Unit owner is responsible for all damage, including but not limited to walls, floors, carpets, or stains that any pet causes, regardless of ownership of said pet and agrees to restore the property to its original condition at their expense. The Unit owner shall always have the dog under control and exercise respective due care. The Unit owner agrees to clean and remove all dog waste, inside or outside the Property. The Unit owner agrees to comply with all applicable laws, ordinances and regulations governing dogs. The Unit owner agrees not to leave food or water for their dog or any other animal outside their dwelling where it may attract other animals.

*There shall be no allowing your dog to urinate or defecate on the Auditorium Lofts properties. See site plan. All waste must be bagged. This specifically includes the west grassy areas by the large steps.

NOISE. The Unit owner/Tenant(s) agrees to keep their dog from being unnecessarily noisy or aggressive and causing any annoyance or discomfort to others and will remedy immediately any complaints made by the Tenants, Owners, or Manager.

All complaints about pets must be made to the HOA. The HOA has the authority to evict the pet from the premises upon Unit owner/Tenant(s) being provided notice of three complaints within the span of twelve (12) months.

Guests of the Owner cannot bring a dog or house a dog on the premises.

Unit owners must get written consent from the Association prior to leasing to a tenant with a dog.

Association and Unit owner agree to the above conditions on this _____
and hereby swear that the information provided is accurate and true:

Unit Owner's Signature

Association Representative Signature

ARTICLE X
INSURANCE AND CASUALTY

1. General Liability and Property Damage. Comprehensive general liability and property damage insurance shall be purchased by the Board as promptly as possible following its election, and shall be maintained in force at all times, the premiums thereon to be paid by assessments. Prior to the organizational meeting, such insurance shall be procured by Declarant. The insurance shall be carried with reputable companies authorized to do business in the State of Iowa in such amounts as the Board may determine. The policy or policies shall name as insured all the Owners and the Association. Declarant shall be named as an additional insured on such policy or policies until such time as Declarant shall have conveyed all of the Condominium Units in the Project. The policy or policies shall insure against loss arising from perils in the common areas and the Units and shall include contractual liability coverage to protect against such liabilities as may arise under the contractual exposures of the Association, and/or the Board.

2. Fire and Casualty. Fire and other hazard insurance shall be purchased by the Board as promptly as possible following its election and shall thereafter be maintained in force at all times, the premiums thereon to be paid out of Association assessments. Policies shall provide for the issuance of certificates or such endorsement evidencing the insurance as may be required by the respective mortgagees. The policy, and certificates so issued, will bear a mortgage clause naming the mortgagees interested in said property. The policy or policies shall insure against loss from perils therein covered to all of the improvements in the Project, except as may be separately

insured. Such policy or policies shall contain extended coverage, vandalism, and malicious mischief endorsements. The improvements to be insured under this clause shall be continually insured to value, and the policy or policies shall contain replacement cost insurance. If reasonably available, the policy or policies shall contain a stipulated amount clause, or determinable cash adjustment clause, or similar clause to permit a cash settlement covering specified value in the event of destruction and a decision not to rebuild. The policy or policies shall name as insured all of the Owners, the Association and Declarant, so long as Declarant is the Owner of any of the Units in the Project. The Declarant shall notify the insurance carrier of any change in the ownership of a Unit until such time as the organizational meeting of the Unit Owners is held, at which time it shall be the responsibility of the Association to notify the insurance carrier of a change in the ownership of any Unit. The policy or policies shall also cover personal property owned in common, and shall further contain waiver of subrogation rights by the carrier as to negligent owners.

3. Fire and Casualty on Individual Units. Except as expressly provided in this clause and in clause 4, no Owner shall separately insure his Condominium or any part thereof against loss by fire or other casualty covered by the insurance carrier under clause 2. Should any Owner violate this provision, any diminution in insurance proceeds resulting from the existence of such other insurance, shall be chargeable to the Owner who acquired such other insurance, who shall be liable to the Association to the extent of any such diminution and/or loss of proceeds.

4. Personal Liability on Individual Units. An Owner may carry such personal liability insurance, in addition to that herein required, as he or she may desire. In addition, such fixtures and mechanical equipment located within a Unit such as plumbing fixtures, electrical lighting fixtures, kitchen and bathroom cabinets and counter tops, and air-conditioning together with additions thereto and replacements thereof, as well as personal property of the Unit owner, may be separately insured by such Owner, such insurance to be limited to the type and nature of coverage often referred to as "Condominium Unit-Owners Insurance". All such insurance separately carried shall contain waiver of subrogation rights by the carrier as to negligent Owners.

5. Additional Coverage. The Board may purchase and maintain in force, at the expense of the maintenance fund, debris removal insurance, fidelity bonds, and other insurance and/or bonds that it deems necessary. The Board shall purchase and maintain workmen's compensation insurance to the extent that the same shall be required by law respecting employees of the Association. The Board shall also maintain "all risk" insurance coverage on the Project to insure against water damage and like kind of casualties.

6. Loss Adjustment. The Board hereby appointed the attorney-in-fact for all Owners to negotiate loss adjustment on the policy or policies carried by the Association.

7. Association as Trustee for Proceeds. In the event of damage or destruction by fire or other casualty affecting a Unit or Units, and/or if any portion of the common area is damaged or destroyed by fire or other casualty, all insurance proceeds paid in satisfaction of claims for said loss or losses shall be segregated according to losses suffered by each Unit or Units and/or the common area, and shall be paid to the Association as trustee for the Owner or Owners and for the encumbrancer or encumbrancers, as their interest may appear. Said insurance proceeds, and the proceeds of any special assessment as hereinafter provided, whether or not subject to liens of mortgages or deeds of trust, shall be collected and disbursed by said trustee through a separate trust account on the following terms and conditions:

a. Partial Destruction of Common Elements. If the damaged improvement is a Common Element, the Board of Directors of the Association may without further authorization contract to repair or rebuild the damaged portion of the Common Element substantially in accordance with the original plans and specifications thereof.

b. Partial Destruction of Units and Common Elements. In the event of damage to, or destruction of, any Unit or Units with accompanying damage to the Common Elements but the total destruction of damage does not represent sixty percent (60%) or more of the Building and the cost of repairing or rebuilding said damaged area does not exceed the amount available insurance proceeds for said loss by more than \$15,000.00, the Board of Directors of the Association shall immediately contract to repair or rebuild the damaged portion of the Unit or Units and the Common Elements substantially in accordance with the original plans and specifications. If the cost to repair or rebuild exceeds available insurance by \$15,000.00, then Owners of the individual Units, by a unanimous vote of those present and entitled to vote, in person or by proxy, at a duly constituted Owners' meeting held within thirty (30) days from the date of such damage or destruction, shall determine whether the Board of Directors shall be authorized to proceed with repair or reconstruction.

c. Total Destruction. In the event of sixty percent (60%) or more damage to, or destruction of, the Building by fire or other casualty, the Owners of the Individual Units, by a unanimous vote of those present and entitled to vote, in person or by proxy, at a duly constituted Owners' meeting held within thirty (30) days from the date of such damage or destruction, shall determine whether the Board of Directors shall be authorized to proceed with repair or reconstruction, or whether said Project shall be sold; provided,

however, that such determination shall be subject to the express written approval of all record owners of mortgages upon any part of the Regime.

In the event of a determination to rebuild or repair, the Board shall have prepared the necessary plans, specifications and maps and shall execute the necessary documents to effect such a reconstruction or repair as promptly as practicable and in a lawful and workmanlike manner.

In the event of a determination not to rebuild, the Board shall offer the Project for sale forthwith, at the highest and best price obtainable, either in its damaged condition, or after damaged structures have been razed, the net proceeds of such sale, and other proceeds, if any, of insurance carried by the Association, and/or by the Owners as a whole on the Project, including coverage on the Units and the common area, except for Unit coverages under Clause 4 of this ARTICLE X, shall be distributed proportionately to the Unit Owners in the same proportion that the Unit in which they have an interest shares in the Common Elements, except that where there is a mortgage of record or other valid encumbrance on any one Unit then, and in that event, with respect to said Unit the Association will distribute said proceeds which would otherwise have been distributable to such Unit Owner as follows: first to the record owner of mortgages upon Units and Common Elements in the Regime in satisfaction of the balance currently due on said encumbrances and then the remaining proceeds, if any, to the Unit Owner of record.

d. In the event that the common area is repaired or reconstructed pursuant to the provisions of (a), (b), or (c) of this clause and there is any deficiency between the insurance proceeds and the contract price for repairing or rebuilding the common area, the Board shall levy a special assessment against each Owner in proportion to his or her percentage of ownership in the common area to make up such deficiency. If any Owner shall fail to pay said special assessment or assessments within thirty (30) days after the levy thereof, the Board shall make up the deficiency by payment from the maintenance fund, and the remaining Owners shall be entitled to the same remedies as those provided in ARTICLE VII of this Declaration, covering a default of any Owner in the payment of maintenance charges.

e. In the event of a dispute among the Owners and/or mortgagees respecting the provisions of this clause, any such party may cause the same to be referred to arbitration in accordance with the then prevailing rules of the American Arbitration Association.

In the event of arbitration, the party requesting the arbitration will give immediate notice thereof to the Board, which shall notify all other Owners and mortgagees as promptly as

possible after the reference to arbitration is made, giving all such parties an opportunity to appear at such arbitration proceeding. The decision of the arbitrator in this matter shall be final and conclusive upon all of the parties. The arbitrator may include in his or her determination an award for costs and/or attorney fees against any one or more parties to the arbitration.

8. Abatement of Common Expenses. The Board is authorized to provide coverage for payment of maintenance charges which are abated hereunder on behalf of an Owner whose Unit is rendered uninhabitable for a peril insured against.

9. Review of Insurance Needs. Insurance coverages will be analyzed by the Board, or its representative, at least every year from the date hereof and the insurance program revised accordingly.

ARTICLE XI

MORTGAGEE PROTECTION

1. Right to Mortgage. Each Unit Owner shall have the right, subject to these provisions, to grant separate mortgages for his or her Unit together with the respective ownership interest in the Common Elements. No Unit Owner shall have the right or authority to make or create or cause to be made or created from the date hereof any mortgage or other lien on or affecting the property or any part thereof, except only to the extent of his or her Unit and the respective ownership interest in the Common Elements appurtenant thereto.

2. Lien Subordination. The lien for common expenses payable by a Unit Owner shall be subordinate to the lien of a prior recorded first mortgage on the interest of such a Unit Owner. This paragraph shall not be amended, changed or modified, or rescinded without the prior written consent of all mortgages of record holding a lien against all or a part of the project.

3. Mortgagee's Rights. Upon written request, any mortgagee or insurer or guarantor of any first mortgage will be entitled to:

a. inspect the books and records of the Association during normal business hours.

b. receive an audited financial statement of the Association within ninety (90) days following the end of any fiscal year of the Project; and

c. receive written notice of all meetings of the Association and designate a representative to attend all such meeting.

4. Insurance Proceeds Upon Damage. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the mortgagee of a Unit will be entitled to timely written notice of such damage or destruction, and no provision of this Declaration or any other document establishing the Project will entitle the Unit Owner or other party to priority over such mortgagee with respect to the distribution of any insurance proceeds. Any proceeds from settlement shall be payable to the Owners' Association, for the benefit of the Unit Owners and their mortgage holders as more specifically set forth in ARTICLE X.

5. Condemnation. If any Unit or portion thereof of the Common Elements or any portion thereof is made the subject matter of any condemnation of eminent domain proceeding, or is otherwise thought to be acquired by a condemning authority, the mortgagee of a Unit will be entitled to timely written notice of any such proceedings or proposed acquisition, and no provisions of this Declaration or any other document establishing the Project shall entitle the Unit Owner or other party to priority over such mortgagee with respect to the distribution of the proceeds of any award or settlement. Any proceeds from settlement shall be payable to the Owners' Association, for the benefit of the Unit Owners and their mortgage holders.

6. Rights of Mortgagees Under Foreclosure. Each mortgagee who takes possession of a Unit by virtue of foreclosure of the mortgage or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, will take the Unit free of any claims for unpaid assessments and charges against the Unit which accrue prior to the time such holder takes possession of the Unit, except for claims for a pro rata reallocation of such assessment or charges to all Units including mortgaged Unit.

7. Notice to Mortgagee. The holder of a first mortgage shall be entitled to prompt written notice from the Association of any default in the performance of any obligation under this Declaration, the Articles of Incorporation, the Bylaws, or the Rules and Regulations of the Association, which default is not cured by the Unit Owner within thirty (30) days; notice of lapse, cancellation or material modification of any insurance policy or infidelity bond maintained by the Association, and any proposed action that requires the consent of a specified percentage of eligible mortgage holders.

ARTICLE XII
CONDEMNATION

1. Condemnation; General. If all or part of the Project is taken or threatened to be taken by condemnation, the Board shall act on behalf of the Association, to represent the Unit Owners in any proceedings, negotiations, settlements, or agreements. Each Unit Owner hereby appoints the Association as attorney-in-fact for this purpose. The expense of participation in such proceedings by the Board shall be a common expense. The Board may obtain and pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses, and other persons as the Board deems necessary or advisable to aid or advise it in matters relating to such proceedings. All damages or awards for any such taking shall be deposited with the Board, acting as trustee, and such damages or awards shall be applied or paid as provided herein.
2. Condemnation of Common Elements. If any action is brought to condemn a portion of the Common Elements, the Board shall have the sole authority to determine whether to defend or resist such action, to make any settlement with respect thereto, or to convey such property to the condemning authority in lieu of condemnation. After the damages or awards for such taking are determined, such damages or awards shall be paid to each Unit Owner in proportion to his or her ownership interest. The Board may call a meeting of the Association, at which meeting the members by vote of at least a majority of those entitled to vote, in person or by proxy, in which a quorum is present may decide whether to replace or restore insofar as possible the Common Elements so taken or damaged.
3. Payment of Awards and Damages. Any damages or awards paid to or for the account of any Unit Owner by the Board, acting as trustee, shall be paid to the Association, for the benefit of the Unit Owners and their mortgage holders. Any awards shall be applied first to the payment of any taxes or assessments by governmental authority past due and unpaid with respect to that Unit; secondly, to amounts due under any mortgages; thirdly, to the payment of any unpaid common expenses or special assessments charged to or made against the Unit; and finally to the Unit Owner.

ARTICLE XIII

TERMINATION

1. Procedure. The Condominium may be terminated in the following manner, in addition to the manner provided by the Horizontal Property Act:
 - a. Destruction. In the event it is determined in the manner elsewhere provided that the Building shall not be reconstructed because of major damage, the Condominium plan of ownership will be thereby terminated in compliance to the provisions of Section 499B.8 of the Code of Iowa (2015), as amended.
 - b. Agreement. The Condominium may be terminated at any time by the approval in writing of all of the owners of the Condominium and by holders of all liens affecting any of the Units by filing an instrument to that effect, duly recorded, as provided in Section 499B.8 of the Code of Iowa (2015). It shall be the duty of every Unit Owner and his or her respective lien holder to execute and deliver such instrument and to perform all acts as in manner and form may be necessary to effect the sale of the Project when at a meeting duly convened of the Association, the Owners of 100% of the voting power, and all record owners of the mortgages upon Units in the Regime, elect to terminate and/or sell the Project.
 - c. Certificate. The termination of the Condominium in either of the foregoing manners shall be evidenced by a certificate of the Association executed by all members of the Association and their respective holders of all liens affecting their interests in the Condominium, certifying as to facts effecting the termination, which certificates shall become effective upon being recorded in the office of the Johnson County Recorder in Iowa City, Iowa.
2. Form of Ownership after Termination. After termination of the Condominium, the Project will be held as follows:
 - a. The property (land and improvements) shall be deemed to be owned in common by the Owners.
 - b. The undivided interest in the property owned in common which shall appertain to each Unit Owner shall be the percentage of undivided interest previously owned by such Owner in the common area and facilities.

- c. Any liens affecting any of the Condominiums shall be deemed to be transferred in accordance with the existing priorities to the undivided interest of the Owner in that property.
- d. After termination, the net proceeds of sale, together with the net proceeds of the insurance on the property, if any, shall be considered as one fund and shall be divided among all the Owners in a percentage equal to the percentage of undivided interest owned by each Owner in the Common Elements; after first paying out of the respective shares of the Owners, to the extent sufficient for that purpose, all liens on the undivided interest in the property owned by each Owner.

ARTICLE XIV

AMENDMENTS AND MISCELLANEOUS

- 1. Procedure. Except as otherwise provided in this Declaration, this Declaration may be amended and such amendment shall be made in the following manner:
 - a. Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered. Holders of a first mortgage of record shall receive notice of such proposed amendment as provided in the Bylaws of the Association.
 - b. Resolution. A resolution adopting a proposed amendment may be proposed by either the Board of Directors or by any member of the Association. Except as provided elsewhere, the resolution must be adopted by a vote of at least fifty percent (50%) of all Owners entitled to vote, in person and by proxy; provided, however, no amendment effecting a substantial change in this Declaration or the Bylaws of the Association shall affect the rights of the holder of any such mortgage recorded prior to recordation of such amendment who does not join in the execution thereof and who does not approve said amendment in writing.
 - c. Bylaws. In the case of an amendment to this Declaration by reason of an amendment to the Bylaws of the Association, then in the manner specified in such Bylaws.
 - d. Execution and Recording. An amendment adopted pursuant to (b) or (c) above shall be executed by an officer specifically delegated to do so with the formalities

required by Chapter 499B of the Code of Iowa (2015), as amended. Upon the recordation of such instrument in the office of the Johnson County Recorder, the same shall be effective against any persons owning interest in a Unit of the Regime.

2. Amendment of Ownership Interest. No amendment shall change the percentage of ownership in the Common Elements appurtenant to a Unit, nor increase the Owner's share of the common elements unless the record owner of the Unit concerned and all record owners of mortgages thereon shall affirmatively join in the adoption of such amendment.

3. Condemnation and Obsolescence. The contingencies of condemnation and long-term obsolescence have not been provided for in this Declaration and may be governed by appropriate amendments to this Declaration and/or by Bylaws as the case may be.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be duly executed this 5th day of February, 2026.

Prairie Equity Group, LLC

By: Bill Wittig
Bill Wittig, Member

STATE OF IOWA)
) ss:
COUNTY OF JOHNSON)

This instrument was acknowledged before me on this 5th day of February, 2026, by Bill Wittig, as Member of Prairie Equity Group, LLC.

Tammy Swast
Notary Public in and for the State of Iowa
My commission expires:

