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Johnson County Iowa
Kimberly A. Painter County Recorder
BK **3784** PG **868-931**

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**DECLARATION OF SUBMISSION OF PROPERTY
TO HORIZONTAL REGIME ESTABLISHING A
PLAN FOR CONDOMINIUM OWNERSHIP
OF PREMISES**

This Declaration of Submission of Property to the Horizontal Regime, is made and executed in Coralville, Iowa, the 19th day of August, 2004, by Chad Freeman Construction, Inc., an Iowa Corporation, hereinafter referred to as "Declarant" pursuant to the provisions of the Horizontal Property Act, Chapter 499B, of the 2003 Code of Iowa.

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property located in Oxford, Iowa, and more particularly described as follows:

Lot 1, Oxford Heights Subdivision - Part One, Oxford, Johnson County, Iowa, according to the Amended Final Plat thereof recorded in Book 42, Page 324, Plat Records of Johnson County, Iowa.

WHEREAS, Declarant is the owner of the above-described real estate and buildings and other improvements to be constructed upon said real estate and it is the desire and the intention of the Declarant to divide the project into condominiums and to sell and convey the same to various purchasers, pursuant to the provisions of the aforesaid Horizontal Property Act, and to impose upon said property mutually beneficial restrictions, covenants, and conditions; and

WHEREAS, Declarant desires and intends by filing this Declaration to submit the above described property and buildings and other improvements constructed thereon, together with all appurtenances thereto, to the provisions of the aforesaid Act as a condominium project,

NOW, THEREFORE, the Declarant does hereby publish and declare that all property described above is held and shall be held and conveyed subject to the following covenants, conditions, uses, limitations and obligations, all of which are declared and agreed to be in furtherance of a plan for the improvement of said property and the division thereof into condominiums and shall be deemed to run with the land and shall be a burden and a benefit to Declarant, its successors and assigns and any person acquiring or owning an interest in the real property and improvements, their grantees, successors, heirs, executors, administrators, devisees and assigns. **The name of the Condominiums shall be Oxford Heights Condominiums Phase I.**

ARTICLE 1. DEFINITIONS

1.01 Act. The "Act" means the Horizontal Property Act of the State of Iowa, Chapter 499B of the Iowa Code of 2003, as amended.

1.02 Articles. The "Articles" or "Articles of Association" mean the Articles of Incorporation of the Oxford Heights Condominiums Phase I Owners Association attached as **Exhibit "F"**, as amended from time to time.

1.03 Association. The term "Association" means the Oxford Heights Condominiums Phase I Owners Association and its successors.

1.04 Board. The "Board" means the Board of Directors of the Association.

1.05 Building. The term "Building" or "Buildings" as used herein, shall have the meaning set out in 499B.2(2) of the Act, and shall include the structures constructed on the real estate hereinafter described.

1.06 Common Elements. The term "Common Elements" shall mean all common aspects of the Regime whether identified as "General Common Elements" or as "Limited Common Elements" as more particularly described in **Article 4**.

1.07 Common Expenses. "Common Expenses" means and includes:

- (a) All sums lawfully assessed against the Common Elements by the Board.
- (b) Expenses agreed upon as Common Expenses by the Unit Owners.
- (c) Expenses declared to be Common Expenses by this Declaration or by the Bylaws.

1.08 Condominium Documents. This Declaration and all Exhibits (including Articles and Bylaws) attached hereto and by which the Oxford Heights Condominiums Phase I are established, constitute the "Condominium Documents". Said Condominium Documents shall be filed of record as required by the Act in the office of the Johnson County (hereafter "this County") Recorder.

1.09 Condominium. The terms "Condominium" or "the Property" include all property, real, personal or mixed, including such as are sometimes referred to as "facilities" submitted now or hereinafter to the Regime, or owned by the Association, if context requires, other than the sole personal property of Declarant or any Unit Owner. The term also includes an undivided interest in the Limited Common Elements.

1.10 Declarant. "Declarant" means Chad Freeman Construction, Inc. which has made and executed this Declaration, its successors and assigns, provided such successors or assigns are

designated in writing by the Declarant as successors or assigns of the rights of the Declarant set forth in this Declaration.

1.11 Declaration. The term "Declaration" shall mean this instrument by which Oxford Heights Condominiums Phase I is established as provided under the Act.

1.12 Dwelling Unit. The term "dwelling unit" (see also "Unit") means that portion of the building located within each unit intended for occupancy by a single family.

1.13 Garage. The term "Garage" means that part of the Unit abutting a driveway and intended for, but not limited to, the storage of an automobile.

1.14 General Common Element. "General Common Element" shall have the meaning set out in 499B.2(4) of the Act as further defined in **Article 4**.

1.15 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.

1.16 Limited Common Elements. The term "Limited Common Elements" shall have the meaning set out in 499B.2(5) of the Act, as amended and as further defined in **Article 4**.

1.17 Mortgage. "Mortgage" means a security interest, mortgage, or lien granted by a Unit Owner in, to, or against a Unit to secure payment of an indebtedness and duly recorded in the Johnson County Recorder's office.

1.18 Mortgagee. "Mortgagee" means a person who holds a Mortgage as security for payment of an indebtedness.

1.19 Occupant. "Occupant" means a person or persons in possession of a Unit, regardless of whether the person is a Unit Owner.

1.20 Party Wall. "Party Wall" or "Common Wall" shall have the same meaning as "Walls in Common" and, except to the extent superceded by this Declaration, shall be governed by Iowa Code Chapter 563 and related case law defining the rights and obligations of the owners of walls in common.

1.21 Person. "Person" means a natural individual, corporation, partnership, trustee, or other legal entity capable of holding title to real property.

1.22 Plat. "Plat" means the Building Location Plat attached as **Exhibit "A"**.

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1.23 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.

1.24 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.

1.25 Regime. The term "Horizontal Property Regime" or simply "Regime" shall have the meaning established by the Act and shall include the Property and its improvements, the Declaration and all exhibits thereto, as well as all other components, amendments or modifications (as the context requires) to constitute a condominium project under the Act.

1.26 Successors. Reference to Declarant, Owner or to any entity or association shall include the respective successors, grantees and assigns thereof.

1.27 Unit. "Unit" means a substantially completed enclosed space consisting of one or more rooms and adjacent walls occupying all or part of a floor or floors in a Building, which enclosed space is not owned in common with the Unit Owners of the other Units. "Unit" includes the appurtenant Garage. Each Unit is numbered as shown on the Plat, and the boundaries of each Unit shall be the interior surfaces of its perimeter walls, bearing walls, floors, ceilings, windows and window frames, doors and door frames, and trim, and includes the portions of the building so described and the air space so encompassed.

Any Unit may be jointly or commonly owned by more than one person. The term "Unit" shall have the same meaning as the term "Apartment" as used in the Act and "Dwelling Unit" as used in this Declaration.

1.28 Unit Owner or Owner. The term "Unit Owner" or "Owner" means the person or persons who individually or collectively own or are purchasing by recorded contract the aggregate fee simple title to a Unit and the undivided interest in the Limited Common Elements appurtenant thereto, but shall not include those having an interest in a Unit merely as security for the performance of an obligation. Unless specifically provided otherwise herein, the Declarant shall be deemed a Unit Owner so long as it is the legal title holder of any substantially completed Unit. The term "Unit Owner" shall have the same meaning as the term "Co-Owner" as used in the Act. Collectively, all the Unit Owners operating through membership in and ownership of the Association shall act as and have the same meaning as the Council of Co-owners under the Act.

ARTICLE 2. DESCRIPTION OF LAND, BUILDING AND UNITS

2.01 Description of Land. The land submitted to the regime is located in Tiffin, Johnson County, Iowa as particularly described in **Exhibit "A"**.

2.02 Plat and Site Plan. There is attached hereto as **Exhibit "A"** pursuant to Section 499B.6 of the Act a Plat of Survey of Land submitted to the Regime. Said **Exhibit "A"** shows graphically the land submitted to the Regime. Said **Exhibit "A"** also shows the location and dimensions of the Buildings hereby submitted and proposed to be submitted to the Regime. All areas not identified as "12 plex" or "6 stall garage" are Common Elements either as they now exist or as they are proposed.

2.03 Access. **Exhibit "A"** shows the location of James Boulevard which is a public street in the City of Oxford, Iowa, and provides ingress to and egress from the Buildings and Project. The condominium shows driveway access onto James Boulevard with the owners of Lot 2, Oxford Heights Subdivision.

2.04 Description of Building. The Building will consist of a twelve (12) unit condominium with Garages. All Units are one story, and consists of two (2) bedrooms, one bathroom, kitchen and living room. The Building will be built to the specifications set out in the attached **Exhibit "B"**.

2.05 Description of the Units. The location of each Unit within the Building, the number of rooms for each Unit and the dimensions thereof, and the area of the Units, the Common Area to which each Unit has access, the particulars of the Building and the dimensions, area and location of all Common Elements affording access to each Unit or otherwise are all shown and depicted by survey, plans and/or graphically, insofar as possible, by the following Exhibits attached hereto:

Exhibit "A" Plat

Exhibit "B" Complete Building Plans and Site Plan

2.06 Complete Plans and Certificate. There is also attached hereto, as **Exhibit "B"**, pursuant to Section 499B.6 of the Act, a full and exact copy of the complete plans of the Building, and **Exhibit "C"** attached hereto is a Certificate of the Land Surveyor that **Exhibits "A" and "B (1-5)"** constitute a correct representation and legal description of the land, Building and other improvements of the Condominium, and that there can be determined therefrom the identification, location and dimensions and sizes, insofar as possible, of each Unit and/or the Common Elements of the Condominium Regime.

2.07 Identification of Units by Number and/or Letter. Each Unit is identified and described by a street address and Unit number assigned to it, and such designation, the location of each Unit and the approximate area of each Unit, is set forth in **Exhibits "A" and "B"**. Each Unit Owner shall have an undivided one-twelfth (1/12) interest in the land and other Common Elements

of the Regime, as explained in detail in **Article 3**. Appurtenant to each unit is a garage which corresponds to the Unit number assigned to it. Garage number 1, assigned to Unit number 1 is the Northeastern most garage of the Northwestern 6 stall garage. The garages are then numbered consecutively (1-6) from Northeast to Southwest. The garage assigned to Unit 7 is the Southwestern most stall of the Southeastern most 6 stall garage. The garages are then numbered consecutively (7-12) from Southwest to Northeast.

ARTICLE 3. OWNERSHIP INTERESTS

3.01 Exclusive Ownership and Possession by Owner. Each Unit Owner shall be entitled to exclusive ownership and possession of his or her Unit. Each Unit Owner shall be entitled to an undivided one-twelfth (1/12) interest in the Common Elements. The percentage of the undivided interest of each Unit Owner in the Common Elements shall have a permanent character and shall not be altered without the consent of the Unit Owner expressed in an amended declaration adopted pursuant to the term of this Declaration and 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 Unit 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 Unit Owners. An Owner shall not be deemed to own the real estate upon which the building is located.

3.02 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.

3.03 General Common Elements. The exclusive use by Owners of the General Common Elements shall include all portions of the project (land and improvements thereon) not included within any unit except such portions of the project which are defined as limited common elements in the following Article.

3.04 Limited Common Elements. The exclusive use by Owners of the Limited Common Elements shall be deemed an appurtenance of the Unit or Units for which said elements are reserved provided such use and enjoyment shall be limited to the uses permitted by the Condominium Documents.

3.05 Association Membership and Voting Rights. Appurtenant to each Unit shall be membership in the Association and one 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 actions of the Association shall be deemed the actions of the Owners; and such

actions, when taken in accordance with the Bylaws of the Association and this Declaration shall be final and conclusive upon all Unit Owners.

3.06 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 required as follows:

(a) **Ingress, Egress and Maintenance.** Easements are reserved for ingress and egress through the Common Elements for access to the Units and through the Common Elements and the Units for purposes of maintenance, repair, replacement or reconstruction of each as authorized;

(b) **Support.** Every portion of a Unit contributing to the support of the Building, is burdened with an easement of support for the benefit of the other Units and the Common Elements in or of the Building;

(c) **Utility and Other Services.** Easements are reserved through the Units and Common Elements for conduits, ducts, plumbing, wiring, piping and other facilities for the furnishing of utility or other services and facilities to the other Units and Common Elements, provided such easements through a Unit shall be only according to the plans and specifications for the Building as and if varied during construction as herein permitted, unless otherwise agreed by the Unit Owner.

3.07 No Partition. The Common Elements and Units shall remain undivided and shall not be the object of an action for partition or division of the co-ownership thereof so long as suitable for a Horizontal Property Regime, and, in any event, all Mortgages must be paid in full or the prior written approval of all Mortgagees must be obtained prior to bringing an action for partition.

3.08 Subdivision. No Unit shall be subdivided.

ARTICLE 4. COMMON ELEMENTS

4.01 General Common Elements. The General Common Elements include, but are not limited to, the following:

(a) The land on which the building is erected.

(b) The foundations, basements, floors, exterior walls of each unit and of the buildings, ceilings, and roofs, common halls, lobbies, stairways, entrances and exits, communication ways, and in general all devices or installations existing for common use, except as are included in the definition of Limited Common Elements.

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(c) Installations for public utilities, including electric, gas, telephone, communication cable, and cold water for common use.

(d) Recreational greens, plantings, and walks.

4.02 Limited Common Elements. The term "Limited Common Elements" shall mean and such elements shall consist of the following: (a) the real estate and all improvements thereon immediately adjacent to each Unit including decks, porches, patios, as well as a three foot area immediately adjacent thereto, on which gas grills or related equipment may be installed, stoops, and driveways; all Units that share a common driveway shall have an undivided appurtenant interest in the entire driveway serving the units, but Unit Owners shall be prohibited from interfering with the other Unit Owners' use of the common driveways; (b) that portion of the Party Wall located within a Unit; (c) mailboxes, utility rooms and storage areas, if any, designated to a particular unit or units; (d) that part of all sewer, water, electrical, gas, telephone, communication cable, 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; (e) the air conditioner pads, compressors and equipment appurtenant to each unit; and (f) all elements which are structural to a Unit are reserved for that Unit.

4.03 Exception. Notwithstanding the reservation made by this Article, the design of the building located within each Unit, the grounds and integrity and appearance of the regime as a whole are General Common Elements and as such shall be subject to the following covenants and restrictions:

(a) **Party Wall.** The walls dividing the Units shall be Party Walls with at least a two-hour fire rating and the Owner of each Unit shall have the right to use said wall(s) jointly with the Owner(s) of the adjoining Unit(s) as provided by Iowa law.

(b) **Party Utilities.** All Common Elements, including but not limited to utilities, water, sanitary sewer, storm sewer, easements and driveway, shall be party utilities and easements and each Owner of a Unit shall have the right to use such Common Elements, up to the point of their division, jointly with each Owner of the adjoining Unit(s).

(c) **Encroachments.** If any existing portion of a Unit or driveway encroaches upon an adjoining Unit, or Common Elements, or if any such encroachment shall hereafter arise because of settling or shifting of the building or other unintentional cause, there shall be deemed to be an easement in favor of the Owner of the encroaching Unit or driveway to the extent of such encroachment so long as the same shall exist.

ARTICLE 5. DECLARANT'S RESERVED RIGHTS AND POWERS

5.01 Declarant's Activities. Declarant is irrevocably and perpetually empowered, notwithstanding any use, restriction or other provision hereof to the contrary, until all Units have been sold, to sell, lease or rent Units to any person and shall have the right to transact on the Project any business relating to construction, repair, remodeling, sale, lease, management or rental of Units, including but not limited to, the right to maintain signs, employees, independent contractors and equipment and materials on the premises, and to use Limited Common Elements to show Units. All signs and all items and equipment pertaining to sales, management, or rentals or construction and any Unit furnished by the Declarant for sales purpose shall not be considered Common Elements and shall remain its separate property. Declarant retains the right to be and remain the Owner of a completed but Unsold Unit under the same terms and conditions as the other Owner, including membership in the Association.

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

5.03 Designation of Association Directors. Declarant shall have the right to name all members of the Board until the first annual members' meeting of said Association which shall be held as provided for in the Bylaws. Thereafter the Board shall be selected in the manner specified in the Bylaws of the Association.

5.04 Power to Amend. Declarant reserves the right to file a final amendment containing the "as built" certificate from the project surveyor. By accepting a deed to a Unit within this regime, the Unit Owner shall irrevocably empower Declarant to amend this Declaration to include the revised Exhibits identified above. Any such amendment shall be in substantial conformity to and without material deviation from this Declaration and its Exhibits. Each mortgagee expressly consents to Declarant's amendment as above described.

ARTICLE 6. MANAGEMENT OF PROJECT

6.01 The Association. The operation of the condominium shall be by a nonprofit membership association. The name of the Association shall be Oxford Heights Condominiums Phase I Owners Association. Copies of its Articles and Bylaws are attached hereto as **Exhibits "F" and "G"** 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 Council of Co-owners whenever such action is permitted or required herein or by the "Act".

6.02 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 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.

6.03 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 Unit Owners as a group by the "Act", and such as are more particularly set forth in the Condominium Documents.

6.04 Membership, Voting Rights. The members of the Association shall consist of all of the Owners of Units. Change of membership in the Association shall be established by recording in the public records of this County, a deed or other instrument establishing a record title to a Unit. The membership of the prior Owner shall be thereby terminated. A member of the Association shall be entitled to cast one vote for each Unit owned by such member.

6.05 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.

6.06 Board of Directors. The affairs of the Association shall be conducted by a Board of Directors who shall be designated in the manner provided in the By-Laws. The Board may employ a manager of managerial service company and delegate various responsibilities to such person as more particularly described in the By-Laws. The management fee shall be a common expense.

6.07 Limitation of Association's Liability. The Association shall not be liable for any injury or damage to property whatsoever unless caused by the gross negligence of the Association. No diminution or abatement of common expense assessments 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 government authority.

6.08 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 legal fees, reasonably incurred by or imposed upon him/her in connection with any proceeding to which he/she may be a party, or in which he/she may become involved, by reason of his/her being or having been a director or officer of the Association, or any settlement thereof, whether or not he/she is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his/her duties; 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 for 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.

ARTICLE 7. MAINTENANCE

7.01 Maintenance of Units. Responsibility for the maintenance of the Units and restrictions upon the alteration and improvement thereof, shall be as provided in this Article.

7.02 Maintenance By Association. The Association shall have no obligation to maintain, repair, or replace any portion of the Units, however,

(a) **Common Elements.** 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) **Incidental Damage.** 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) **Owner Default.** If a unit owner defaults on his/her responsibilities of maintenance, the Association shall assume such responsibilities and shall assess the costs thereof against the unit of such owner and such assessment shall be collectible as if it were an assessment for common expenses.

(d) **Discretionary Repairs.** The Association may, in its discretion, assume responsibility for any maintenance project which requires re-construction, repair, re-building, conservation, restoration or similar work to more than one unit and the costs 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.

7.03 Maintenance By Unit Owners. The Unit Owner shall:

(a) **Unit.** At his or her own expense maintain his or her Unit, keep the interior in a clean and sanitary condition, do all redecorating, painting and other finishing which may at any time be necessary to maintain his or her Unit, and be responsible for the maintenance of all personalty including carpets, furnishings, and appliances within such Unit, as well as such maintenance as is required in paragraph 7.06 below.

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(b) **Plumbing.** Be responsible for maintaining the plumbing fixtures within the Unit and the furnace and air conditioning unit serving such Unit together with heating ducts 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 in a clean and sanitary condition his or her Unit, and its appurtenances.

(c) **Improvements.** Maintain at his or her expense, any improvement or other alteration made by the Owner.

(d) **Limited Common Elements.** Be responsible for the routine cleaning and maintenance of the Limited Common Elements appurtenant to his or her Unit.

(e) **Exterior.** Keep the exterior of his or her Dwelling Unit in good and clean condition at all times.

7.04 Alterations or Improvements by Owner. No Unit Owner shall make or permit to be made any structural alteration to the common walls separating the Units, or any other structural part of the building without first obtaining written consent of the Board. Alterations to the exterior of the Building shall only be made in accordance with the covenants and restrictions set forth in this **Article 7.** Unit Owners 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.

7.05 Mechanic's Liens. Each Owner agrees to indemnify and hold harmless the Association and all other Owners from any mechanic's liens arising from work done or material supplied for repairs, replacements or improvements solely to their own Dwelling Unit.

7.06 Maintenance of Common Wall. The following provisions shall govern repair, maintenance and alteration of the Common Elements:

(a) **Repair of Common Elements.** Should the Common Walls or any Common Element, including but not limited to utilities, water, sanitary sewer, storm sewer, easements or driveway be destroyed or damaged or require maintenance or repair for any reason, the Owners shall be jointly and severally liable for the cost reasonably necessary for replacement, maintenance and/or repair, except as may otherwise be set forth herein, provided that any sum received from insurance coverage shall first be applied to such replacements, maintenance and repairs. Provided however, that in the event replacement, maintenance and/or repairs are required because of the sole negligence of one of the Owners of a Dwelling Unit or said Owner's family or invitees, the cost thereof shall be at such Owner's sole expense.

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(b) **Damage to a Common Wall.** If a common wall between two Dwelling Units is damaged or destroyed by fire or other casualty or by physical deterioration, the Association may restore the common wall, and shall have an easement over the adjoining Dwelling Unit reasonably necessary for such restoration.

(c) **Modification of Common Wall.** No Owner shall in any way alter or change a Common Wall, interior decorations excepted, or any of the pipes, conduits, ducts, insulation or special components located therein without the written consent of the Board.

ARTICLE 8. INSURANCE, RECONSTRUCTION AND CONDEMNATION

8.01 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 of monthly condominium association fees. 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 in such amounts as the Board may determine. The policy or policies shall name as insured 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 condominiums in the project. The policy or policies shall insure against loss arising from perils in both 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.

8.02 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 the monthly condominium Association fees. Policies shall provide for the issuance of certificates or such endorsement evidencing the insurance as it 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 be named 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 ownership of a unit until such time as the Declarant shall no longer own ten percent(10%) or more of the units at which

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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.

8.03 Fire and Casualty on Individual Units. Except as expressly provided in this paragraph and in **paragraph 8.04**, no owner shall separately insure his condominium or any part hereof against loss by fire or other casualty covered by the insurance carrier under **paragraph 8.02**. Should any owner violate this provision, any diminution in insurance proceeds resulting from the existence of such other insurance, and or failure to have the proceeds of such other insurance payable pursuant to the provisions of **paragraph 8.02**, 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.

8.04 Personal Property in Individual Units. An owner may carry such personal liability insurance, in addition to that herein required, as he/she may desire. In addition, all real property interests of the owner in the unit including, but not limited to, fixtures and mechanical equipment located within a unit such as plumbing fixtures, electrical lighting fixtures, kitchen and bathroom cabinets and counter tops, furnace, air conditioning and water heater, together with additions thereto and replacements thereof, as well as the personal property of the unit owner, shall 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.

8.05 Additional Coverage. The Board may purchase and maintain in force at the expense of the common maintenance fund, debris removal insurance, fidelity bonds, and other insurance and/or bonds that it deems necessary. The Board shall purchase and maintain workers'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, if such insurance would be reasonably available.

8.06 Loss Adjustment. The Board is hereby appointed the attorney-in-fact for all owners to negotiate loss adjustments on the policy or policies carried by the Association.

8.07 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 of encumbrancers, as their respective interest may appear. Said insurance proceeds,

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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 re-build the damaged portion of the common elements 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 or damage does not represent sixty percent (60%) or more of the buildings in the regime and the costs of repairing or rebuilding said damaged area does not exceed the amount of available insurance proceeds for said loss by more than \$20,000.00, the Board of Directors of the Association shall immediately contract to repair or re-build 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 re-build exceeds available insurance by \$20,000.00, then owners of the individual units, by vote of not less than a majority 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 buildings in the regime by fire or other casualty, the owners of the individual units, by vote of not less than a majority 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 re-build or repair, the Board shall have prepared the necessary plans, specifications and maps and shall execute the necessary documents to effect such reconstruction or repair as promptly as practicable and in a lawful and workmanlike manner.

In the event of a determination not to re-build, 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 the 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 in the common

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area, except for unit coverages under **paragraph 8.04** of this **Article 8** 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 as follows: First to the record holder of the 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) **Deficiency Assessments.** In the event that the common area is repaired or reconstructed pursuant to the provisions of **subparagraphs (a), (b) or (c)** of this **paragraph 8.07** and there is any deficiency between the insurance proceeds paid for the damage to the common area and the contract price for repairing or re-building the common area, the Board shall levy a special assessment against each owner in proportion to his/her fractional interest 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 7** of this Declaration, covering a default of any owner in the payment of maintenance charges.

(e) **Arbitration.** 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 Chapter 679A of the Code of Iowa.

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 proceedings. The decision of the arbitrator in this matter shall be final and conclusive upon all of the parties. The arbitrator may include in his/her determination an award for costs and/or attorney fees against any one or more parties to the arbitration.

8.08 Abatement of Common Expenses. The Board is authorized to provide coverage for payment of maintenance charges which are abated hereunder in behalf of an owner whose unit is rendered uninhabitable for a peril insured against.

8.09 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.

8.10 Plans and Specifications. Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original Building, or, if not in accordance with

said plan, then according to plans and specifications approved by all of the Unit Owners and by all of the holders of First Mortgages affected thereby.

8.11 Condemnation General. If all or part of the Project is taken or threatened to be taken by condemnation, each Unit Owner shall be entitled to participate in proceedings incident thereto at their respective expense.

ARTICLE 9. USE AND OCCUPANCY RESTRICTIONS

9.01 Use of Units. Subject to the provisions of this Declaration and the Bylaws, no part of the Project may be used for purposes other than as a single-family dwelling and the related common purposes for which the Project was designed. Each Unit shall be used as a single-family dwelling or such other use permitted by this Declaration and for no other purpose, except that a professional and quasi-professional person may use his or her Unit as an ancillary or secondary facility to an office established elsewhere. The foregoing restrictions as to residence shall not be construed to prohibit a Unit Owner from: (a) maintaining a personal professional library; (b) keeping personal business or professional records or accounts; or (c) handling personal business or professional telephone calls or correspondence. Such uses are expressly declared customarily incidental to the principal residential use and not in violation of these restrictions.

9.02 Specific Restrictions. Without limiting the generality of **paragraphs 9.01**, use of the Project by the Unit Owners shall be subject to the following restrictions:

(a) **Insurance.** Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance for the Project without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in his or her Unit or in or on the Common Elements which will result in the cancellation of insurance on any Unit or any part of the Common Elements or which will be in violation of any law.

(b) **Waste.** No waste shall be committed in or on the Common Elements.

(c) **Signs.** Subject to the Declarant's rights under **paragraph 5.01** of this Declaration, no sign of any kind shall be displayed to the public view on or from any Unit or the Common Elements without the prior written consent of the Board.

(d) **Nuisance.** No noxious or offensive activity shall be carried on in any Unit or on or in the Common Elements, and nothing shall be done therein which may be or become an annoyance or nuisance to other Unit Owners.

(e) **Common Elements.** Except as otherwise expressly provided, nothing shall be altered or constructed in or removed from the Common Elements, except upon the written consent of the Board.

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(f) **Structures.** No structure of a temporary character, trailer, tent, shack, garage, barn, or other outbuildings shall be permitted on the Project at any time, temporarily or permanently, except with the prior written consent of the Board; provided, however, that temporary structures may be erected for use in connection with the construction, repair, or rebuilding of the Building or any portion thereof.

(g) **Clothes Drying.** Outdoor drying of clothes shall not be permitted.

(h) **Parking.** Parking of vehicles in driveways shall be subject to the rules and regulations of the Board. Each Unit Owner shall have the right to use the space immediately in front of the Unit's garage door as a parking space for at least one automobile. However, automobiles may be parked only in the areas provided for that purpose. Campers, boats or other recreational or similar non-automobile vehicles shall be parked on the premises for no more than 48 hours without the written consent of the Board.

(i) **Planting; Fences.** Except within individual Units, no planting, transplanting, or gardening shall be done, and no fences, hedges, or walls shall be erected or maintained upon the Project, except as approved by the Board.

(j) **Vehicles.** Motorcycles, motorbikes, motor scooters, or other similar vehicles shall not be operated within the Project except for the purpose of transportation directly from a garage to a point outside the Project or from a point outside the Project into a garage.

(k) **Leases.** A Unit Owner may lease his or her Unit, subject to the following conditions: (1) the entire Unit must be leased; (2) the lease must be in writing; (3) the lease agreement must provide that its terms are subject to the provisions of the Condominium Documents and that failure by the tenant to comply with such Documents shall constitute a default under the lease; (4) the lease shall also contain an acknowledgment signed by the tenant that the tenant has received true copies of the Declaration and the Bylaws; (5) no Units may be leased for transient or hotel purposes, except by a lender in possession of a Unit following default in a first Mortgage, a foreclosure proceeding, or any deed or other arrangement in lieu of foreclosure; (6) the initial term of any such lease must be not less than six (6) months; and (7) such reasonable rules and regulations as the Board may establish from time to time.

(l) **Animals.** No animals shall be raised, bred, or kept in any Unit for any commercial purposes. An occupant may have either one dog, or a maximum of two cats, but not both a dog and one or more cats. No other household pets shall be allowed. Permitted pets must be kept in strict accordance with rules and regulations adopted by the Board.

(m) **Rules and Regulations.** 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 licensees.

(n) **Drapes.** In order to enhance the exterior appearance of the Building, all drapes, having an exterior exposure, shall be lined in white or covered with white venetian blinds unless the Board otherwise permits.

ARTICLE 10. GENERAL PROVISIONS

10.01 Rights and Obligations. Each grantee of the Declarant, by the acceptance of the deed of conveyance or contract of purchase from the Declarant, accepts the same subject to all restrictions, conditions, covenants, reservations, liens, and charges, and the jurisdiction, rights, and powers created or reserved by this Declaration and the Bylaws. All rights, benefits, and privileges of every character imposed by this Declaration shall be covenants running with the Land, shall bind any person having at any time any interest or estate in the Land, and shall inure to the benefit of such grantee or contract purchaser in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance or contract of purchase.

10.02 Inspection; Waiver. Each purchaser of a Unit shall have full opportunity and shall be under a duty to inspect and examine the Unit to be purchased prior to closing of the transaction and agrees that the Unit is purchased as it actually and physically exists, so long as any deviation from the plans and Exhibits are in substantial conformity to and without material deviation from said plans and Exhibits. By recording a deed or purchase contract, each purchaser of a Unit agrees that the undivided one-twelfth (1/12) interests in the Common Elements are appropriate even though one unit may be larger than another because there are other factors leading to the assignment of such interests, and that the assigned interests are not based on relative square footage only. The Declarant does not warrant, guarantee, or represent that any Unit contains precisely the square footage, or dimensions shown by the Plat. Each purchaser of a Unit expressly waives any claim or demand of any kind or nature against the Declarant on account of dimensions actually and physically existing, as compared to those shown on the plat, so long as such variations do not substantially or materially affect the value or use of the Unit. In interpreting deeds, mortgages, deeds of trust, and other instruments for any purpose whatsoever, the existing physical boundaries of any Unit shall be conclusively presumed to be the boundaries regardless of settling, rising, or lateral movements of the Building and regardless of variances between boundaries shown on the Plat and the actual boundaries of the Building.

ARTICLE 11. TERMINATION

11.01 Procedure. The Condominium may be terminated in the following manner in addition to the manner provided by the 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 with the provisions of Section 499B.8 of the Act.

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(b) **Agreement.** The Condominium may be terminated at any time by the approval in writing of all of the Owners 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 Act. It shall be the duty of each Unit Owner and his 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 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 interest in the Condominium, certifying as to facts effecting the termination, which certificate shall become effective upon being recorded in the office of the County Recorder in this County.

11.02 Form of Ownership after Termination. After termination of the Condominium, the project will be held as follows:

(a) **Tenants in Common.** The property (land and improvements) shall be deemed to be owned in common by the Owners;

(b) **Share of Each Owner.** 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 Elements;

(c) **Liens Transferred.** Any liens affecting any of the Units shall be deemed to be transferred in accordance with the existing priorities to the undivided interest of the Owner in the Property.

(d) **Pooled Fund.** 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 Unit Owners in accordance with the ratio of current appraised value of the respective units to the total appraised value of the Project; 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 Unit Owner.

ARTICLE 12. AMENDMENTS AND MISCELLANEOUS

12.01 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 or by any member of the Association. Except as provided elsewhere, the resolution must be adopted by at least seventy five percent (75%) of the Unit Owners.

(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) **Limitation.** Subject to the provisions of this paragraph, the provisions of this Declaration shall not be materially amended, including but not limited to an amendment which would change the boundaries of any Unit, the undivided interest in the Common Elements appurtenant to any Unit, the number of votes in the Association allocated to any Unit, except by the affirmative vote of the Unit Owners and the prior written approval of all of the holders of all first Mortgages on Units.

(e) **Signatures.** If the Act, this Declaration, or the Bylaws require the consent or agreement of all Unit Owners or of all Mortgagees, or both, for any action specified in the Act or in this Declaration, any instrument amending, modifying, or rescinding any provision of this Declaration with respect to such action shall be signed by all Unit Owners or all Mortgagees, or both, as the case may be, as required by the Act, this Declaration, or the Bylaws.

(f) **Recording.** Any amendment, modification, or rescission of this Declaration pursuant to this paragraph or any other provision of this Declaration or of the Act shall be valid and effective only upon the recording of same with the County Recorder of this County.

(g) **Execution and Recording.** An amendment adopted pursuant to **paragraph 12.01 (b) or (c)** above shall be executed by an officer specifically delegated to do so with the formalities required by the Act. Upon the recordation of such instrument in the office of the County Recorder, the same shall be effective against any persons owning an interest in a Unit or the Regime.

12.02 Amendment of Ownership Interest. No amendment shall change the percentage of ownership in the Common Elements appurtenant to a Unit, unless the Unit Owner concerned and all Mortgagees thereon shall affirmatively join in the adoption of such amendment.

12.03 Notices. Any written notice given pursuant to this Declaration shall be by personal service in the same manner as for an original notice or by registered or certified mail, return receipt requested, addressed to the person entitled thereto at such person's address as indicated on the records of the Association. Notice by mail shall be deemed to be delivered when deposited in the United States mail properly addressed with postage prepaid.

12.04 Severability. If a court of competent jurisdiction shall adjudge to be invalid any provision of this Declaration, such judgment shall not affect, impair, invalidate, or nullify any other provisions of this Declaration, but the affect thereof shall be confined in the provision adjudged invalid and shall be confined to the person, place, and situation with respect of which such judgment is rendered.

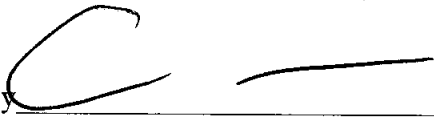
12.05 Perpetuities and Restraints on Alienation. If any of the options, privileges, covenants, or rights created by this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, such provision shall continue only until 21 years after the death of the survivor of the now living descendants of the Governor of Iowa, Tom Vilsack.

12.06 Non-Waiver. Failure by either party to enforce at any time or for any period of time any of the provisions of this Declaration or to exercise any right or remedy shall not constitute a waiver of such provision, right, or remedy, and shall not prevent such person thereafter from enforcing all or any provisions of this Declaration and exercising any or all rights or remedies.

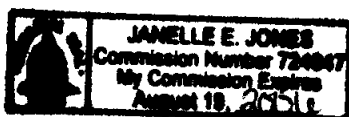
12.07 Interpretation. This Declaration shall be governed by and construed in accordance with the laws of the State of Iowa. The table of contents and captions of this Declaration are for convenience only and shall have no effect on its interpretation.

Executed at Coralville, Iowa, on the date first stated above.

Chad Freeman Construction, Inc.

By 
Chad Freeman, President and Secretary

On this 19th day of August, 2004, before me, the undersigned, a Notary Public in and for said County and said State, personally appeared Chad Freeman, to me personally known, who being by me duly sworn did say that he is the president and secretary of said corporation executing the within and foregoing instrument; that no seal has been procured by the corporation; that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and that Chad Freeman as such officers, acknowledged the execution of the foregoing instrument to be the voluntary act and deed of said corporation, by it and by him voluntarily executed.



Janell Jones
Notary Public in and for the State of Iowa

Exhibit "A"

Plat of Survey

- 1. **Plat.** See the plat attached.

- 2. **Description of Land.** The real estate submitted to the Horizontal Property Regime is described as follows:

Lot 1, Oxford Heights Subdivision - Part One, Oxford, Johnson County, Iowa, according to the Amended Final Plat thereof recorded in Book 42, Page 324, Plat Records of Johnson County, Iowa.



Exhibit "B"
Plans and Specifications

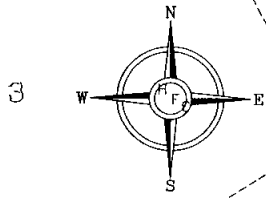
See Plans attached.

EXHIBIT "A"

OXFORD HEIGHTS CONDOMINIUMS

PHASE I

H_FC HART - FREDERICK CONSULTANTS P.C. 510 East State Street
P.O. Box 580
TIFFIN, IOWA 52340-0580
Phone (319) 545-7215



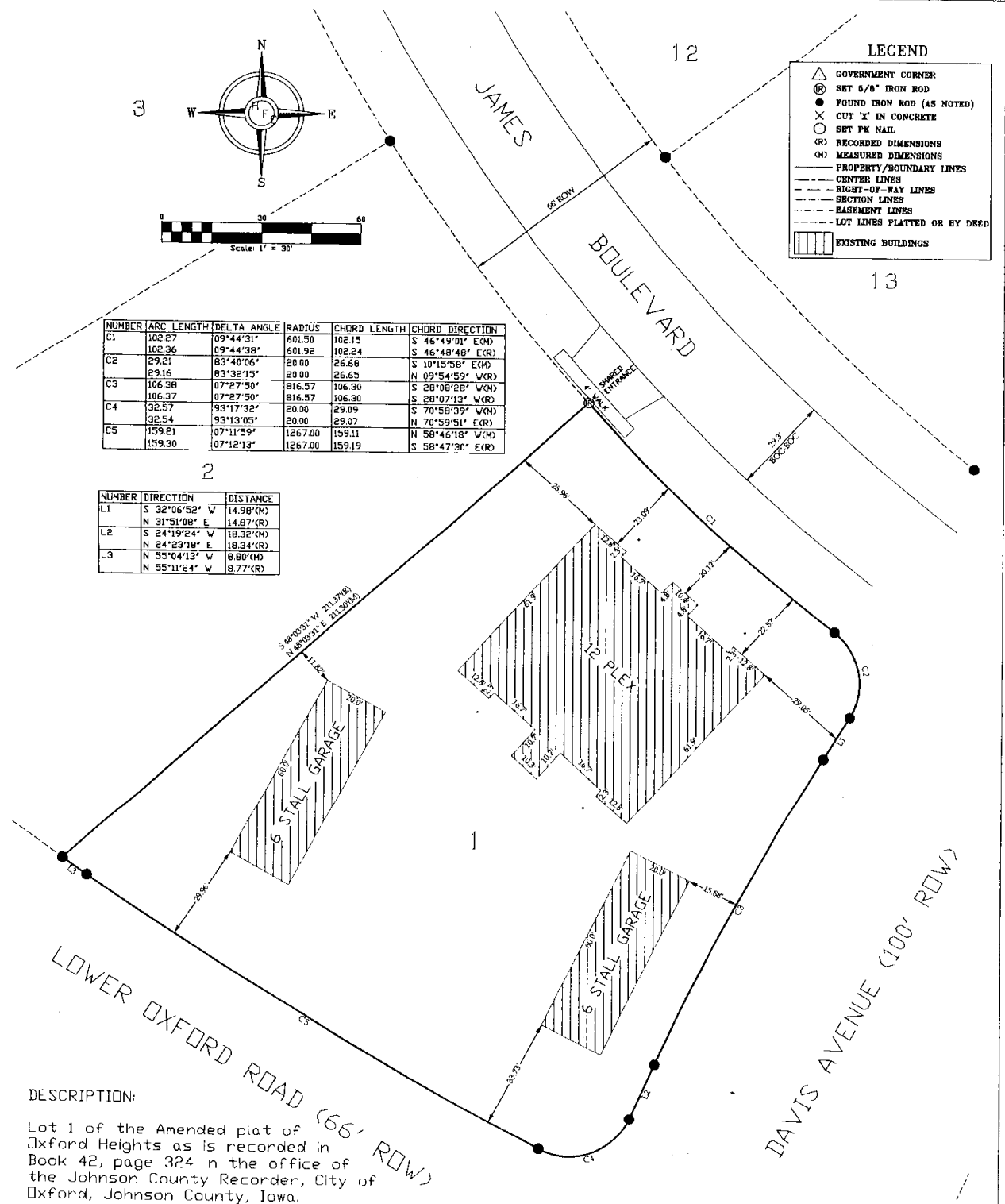
LEGEND

△	GOVERNMENT CORNER
⊙	SET 5/8" IRON ROD
●	FOUND IRON ROD (AS NOTED)
×	CUT 'X' IN CONCRETE
○	SET PK NAIL
(R)	RECORDED DIMENSIONS
(M)	MEASURED DIMENSIONS
---	PROPERTY/BOUNDARY LINES
---	CENTER LINES
---	RIGHT-OF-WAY LINES
---	SECTION LINES
---	EASEMENT LINES
---	LOT LINES PLATTED OR BY DEED
[Hatched Box]	EXISTING BUILDINGS

NUMBER	ARC LENGTH	DELTA ANGLE	RADIUS	CHORD LENGTH	CHORD DIRECTION
C1	102.27	09°44'31"	601.50	102.15	S 46°49'01" E(M)
	102.36	09°44'38"	601.92	102.24	S 46°48'48" E(R)
C2	29.21	83°40'06"	20.00	26.68	S 10°15'58" E(M)
	29.16	83°32'15"	20.00	26.65	N 09°54'59" W(R)
C3	106.38	07°27'50"	816.57	106.30	S 28°08'28" W(M)
	106.37	07°27'50"	816.57	106.30	S 28°07'13" W(R)
C4	32.57	93°17'32"	20.00	29.09	S 70°58'39" W(M)
	32.54	93°13'05"	20.00	29.07	N 70°59'51" E(R)
C5	159.21	07°11'59"	1267.00	159.11	N 58°46'18" W(M)
	159.30	07°12'13"	1267.00	159.19	S 58°47'30" E(R)

2

NUMBER	DIRECTION	DISTANCE
L1	S 32°06'52" W	14.98'(M)
	N 31°51'08" E	14.87'(R)
L2	S 24°19'24" W	18.32'(M)
	N 24°23'18" E	18.34'(R)
L3	N 55°04'13" W	8.60'(M)
	N 55°11'24" W	8.77'(R)

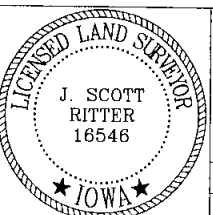


DESCRIPTION:

Lot 1 of the Amended plat of Oxford Heights as is recorded in Book 42, page 324 in the office of the Johnson County Recorder, City of Oxford, Johnson County, Iowa.

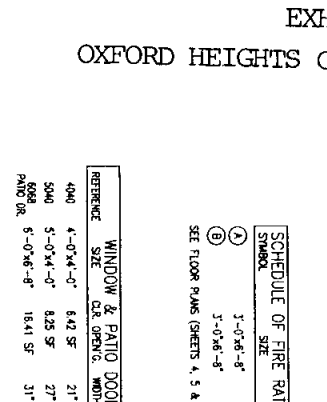
I hereby certify that this land surveying document was prepared and the related survey work was performed by me or under my direct personal supervision and that I am a duly licensed Professional Land Surveyor under the laws of the State of Iowa.

J. Scott Ritter 7/20/04
J. Scott Ritter, L.L.S. Date
Iowa License Number: 16546
My license renewal date is December 31, 2004.
Pages covered by this seal: THIS SHEET ONLY

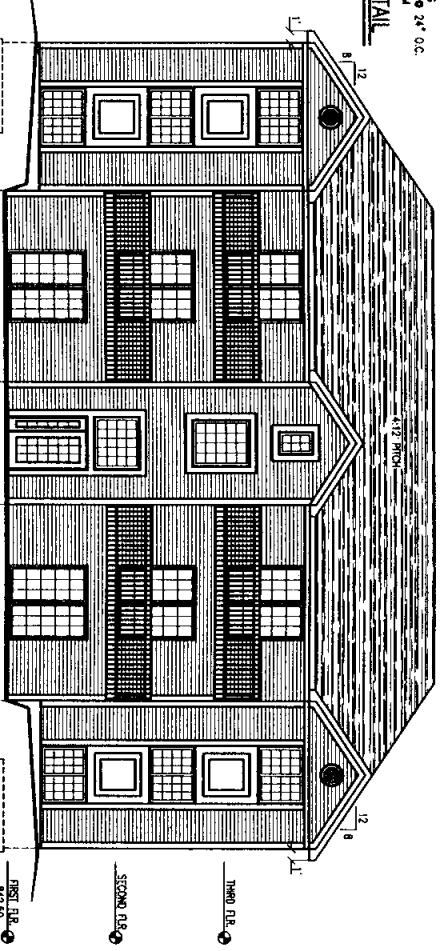
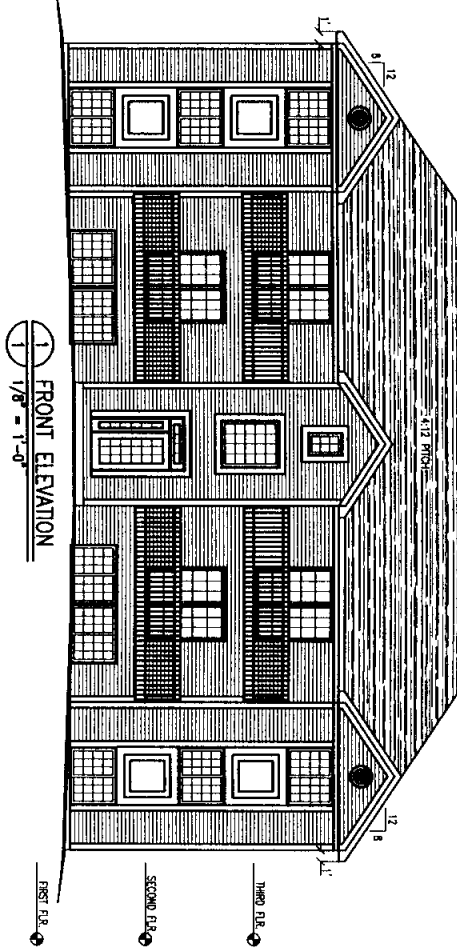
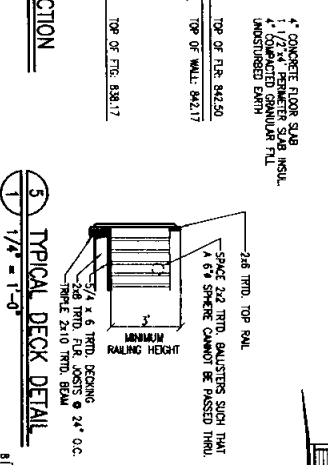


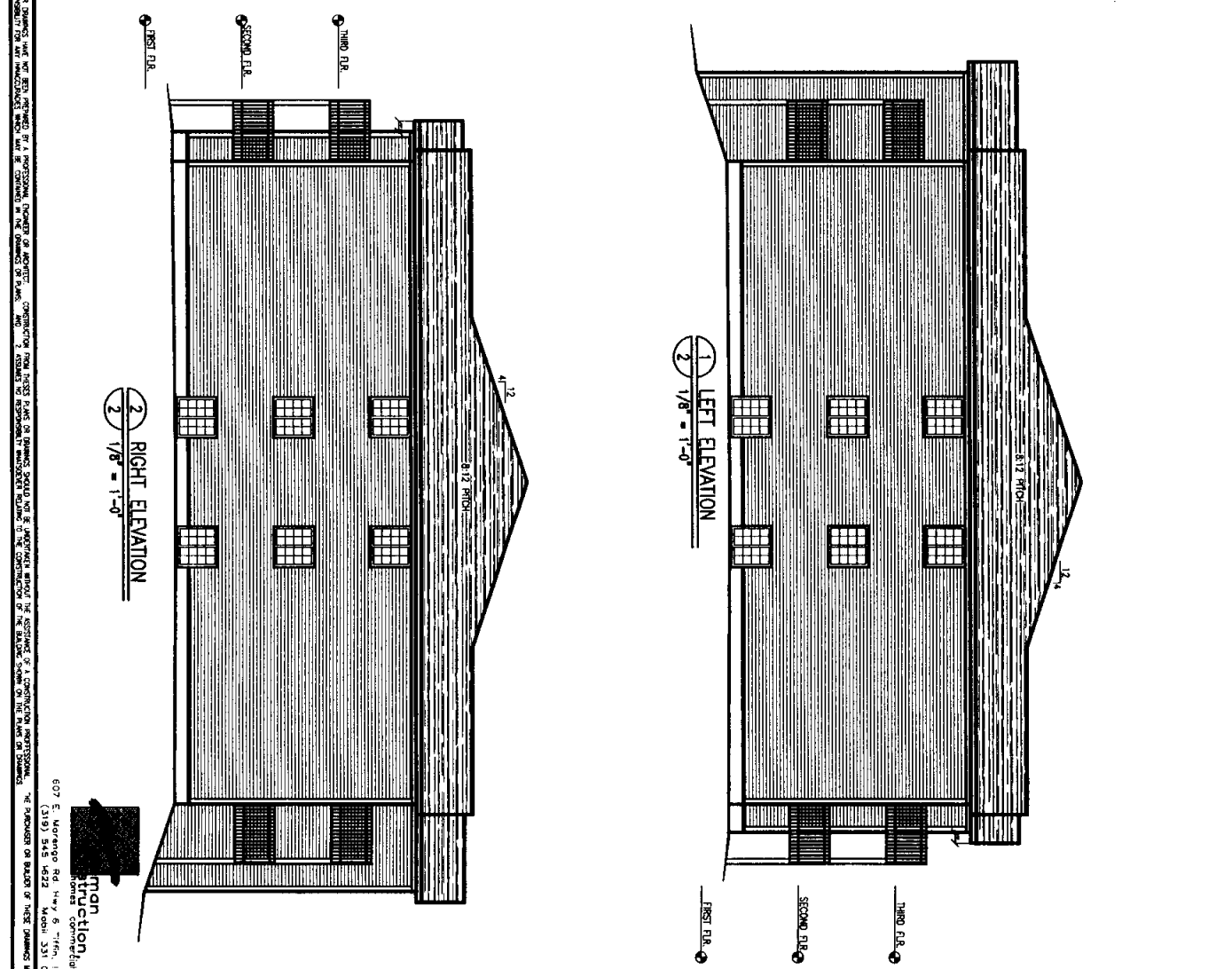
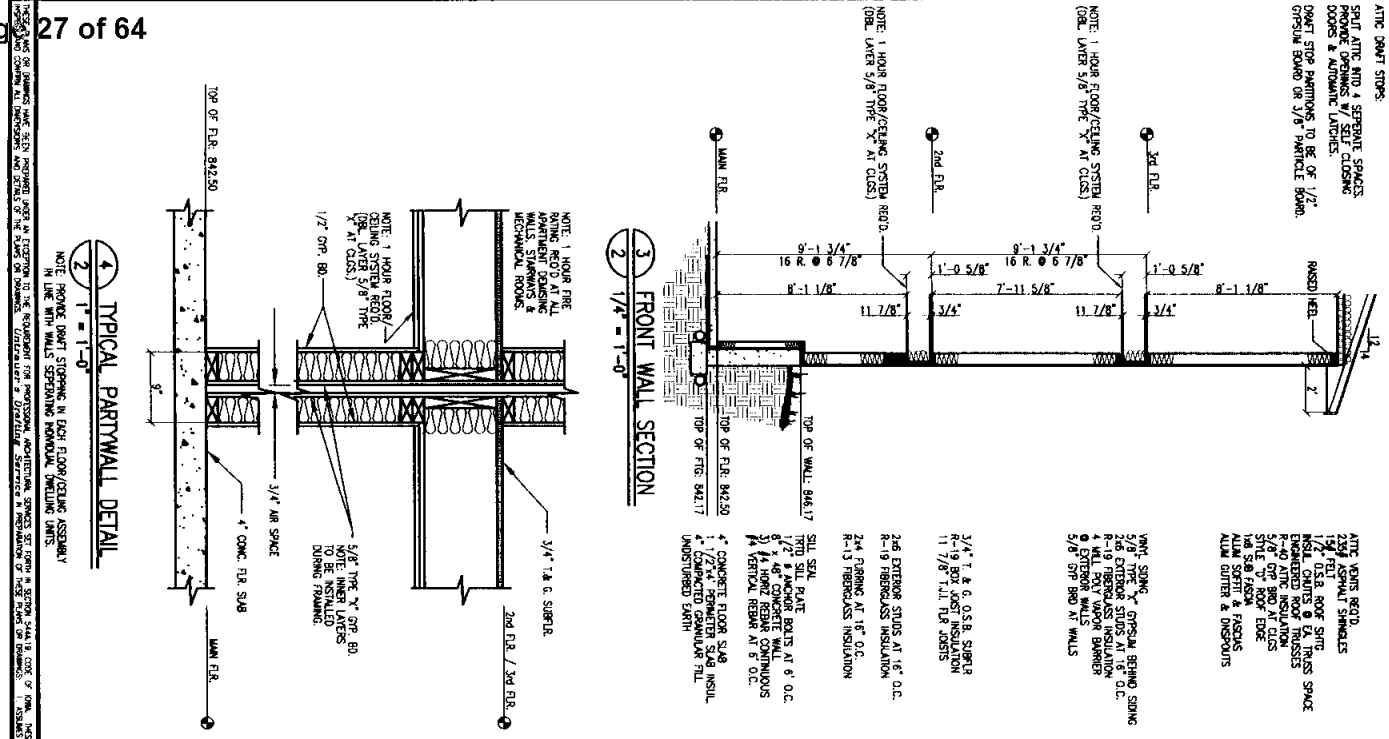
CONDOMINIUM LOCATION PLAT
LOT 1
AMENDED PLAT OF OXFORD HEIGHTS
OXFORD, IOWA

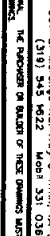
DATE:	07/04	DRN.	JSR	APP.	DPF
FLD.BK.	87	PROJ.NO.	04190 29		



DOORS	
FIRE RATING	
1 HOUR	
1/2 HOUR	
FOR LOCATION	
SCHEDULE	
TECH GLASS	VENT
44" 12.34 SF 6.11 SF	
44" 15.93 SF 7.94 SF	
75" 12.77 SF 15.41 SF	



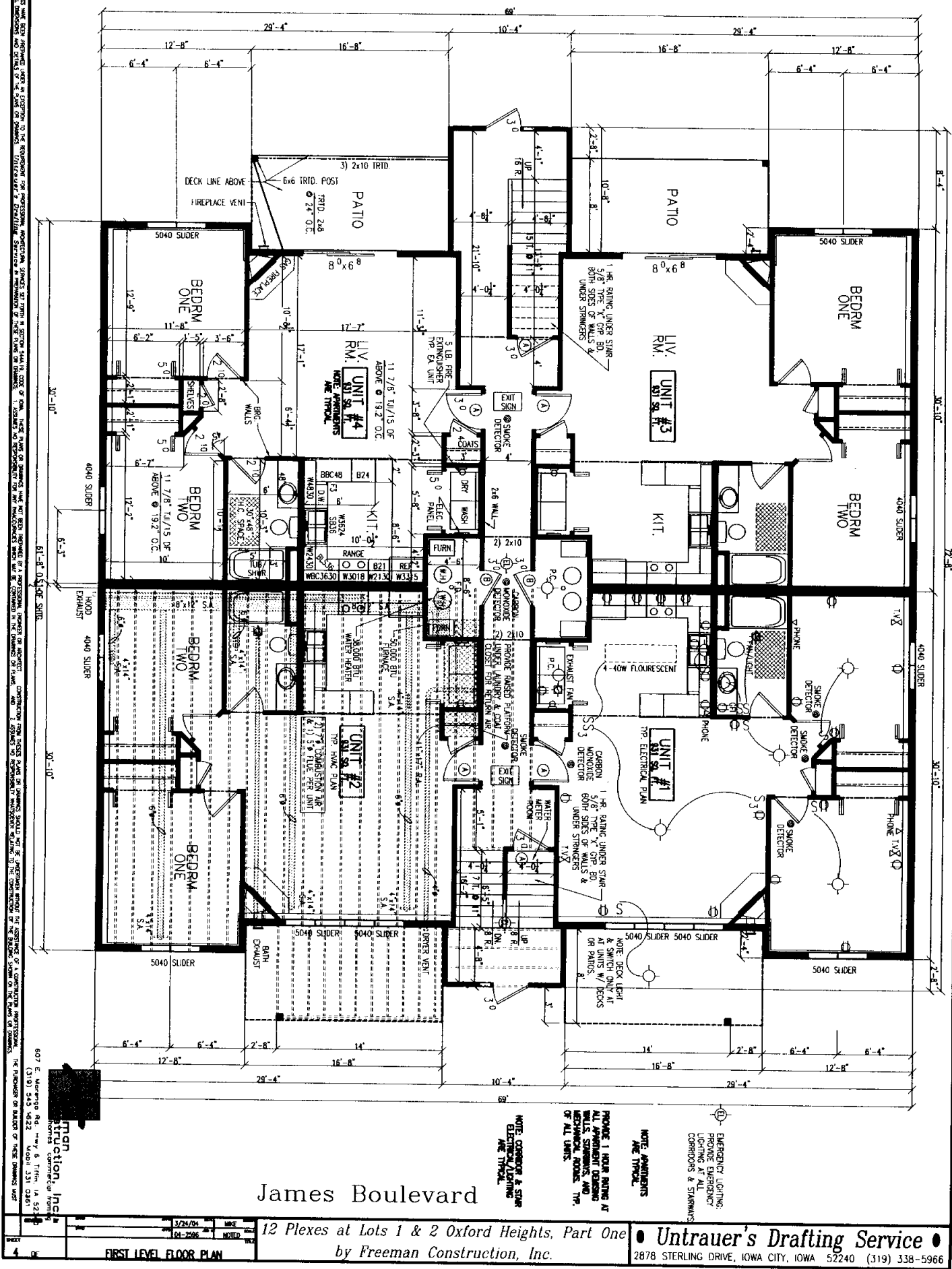




BR. Hwy 6 Tiffin, IA 52321

3/24/04	MIKE
04-2503	NOTED

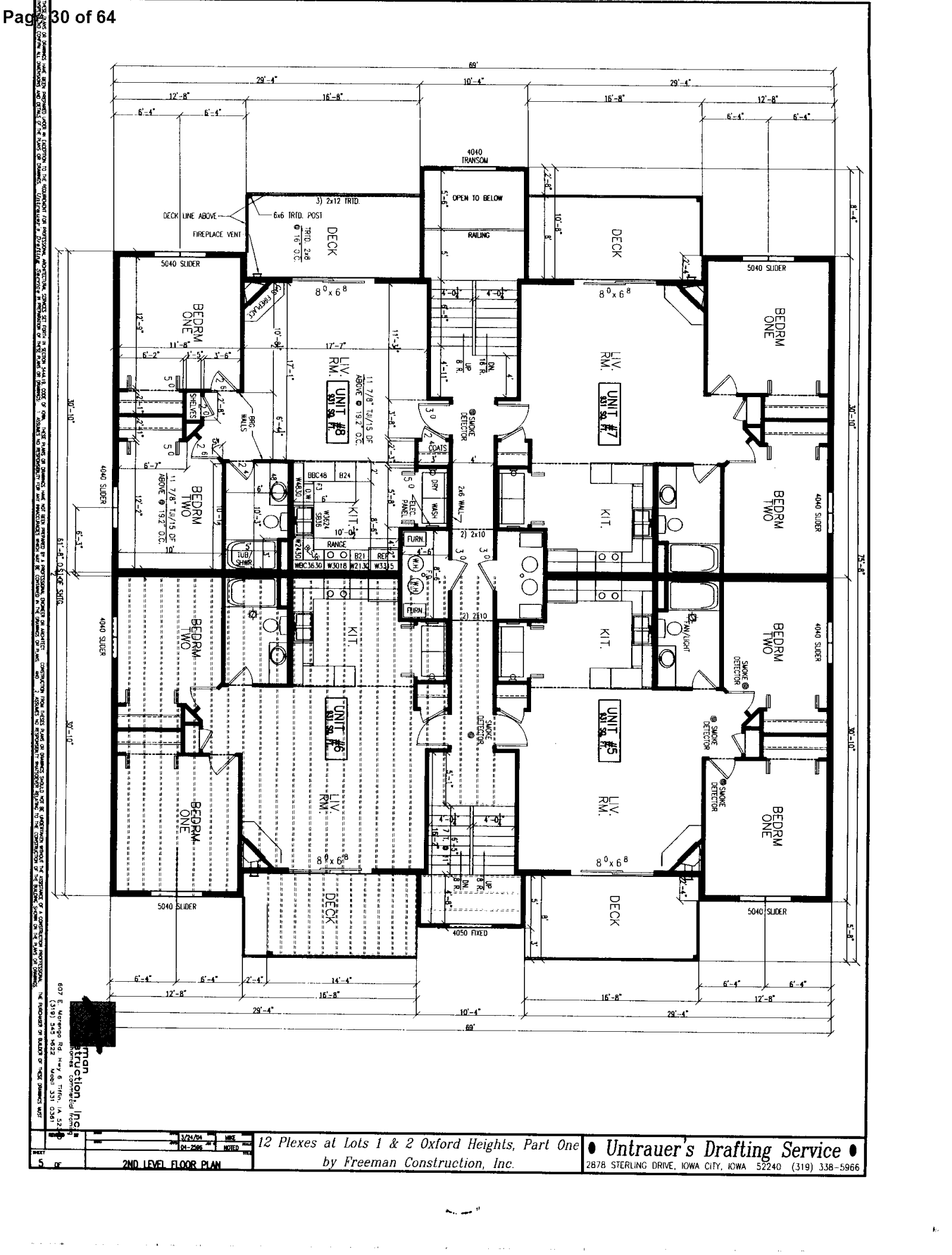
● *Untrauer's Drafting Service* ●
2878 STERLING DRIVE, IOWA CITY, IOWA 52240 (319) 338-5966

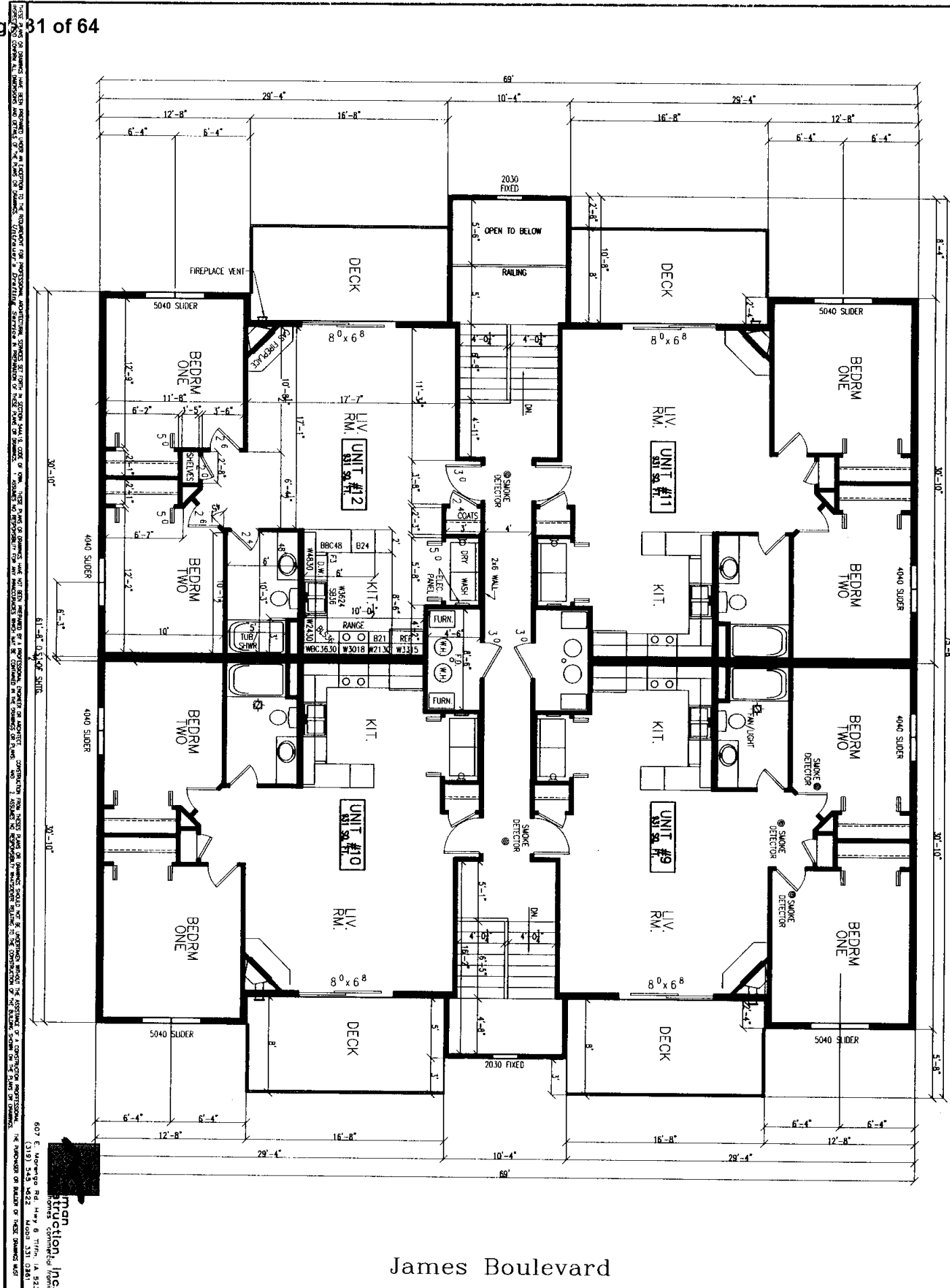


James Boulevard

12 Plexes at Lots 1 & 2 Oxford Heights, Part One
by Freeman Construction, Inc.

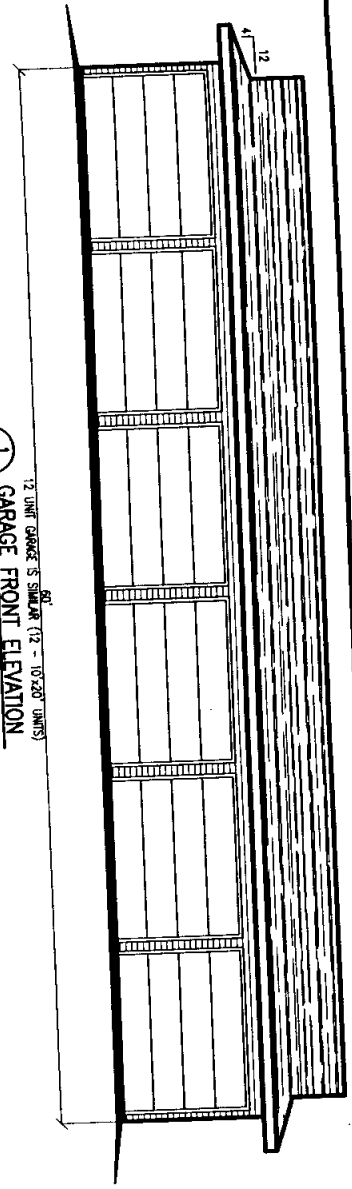
● **Untrauer's Drafting Service** ●
2878 STERLING DRIVE, IOWA CITY, IOWA 52240 (319) 338-5966



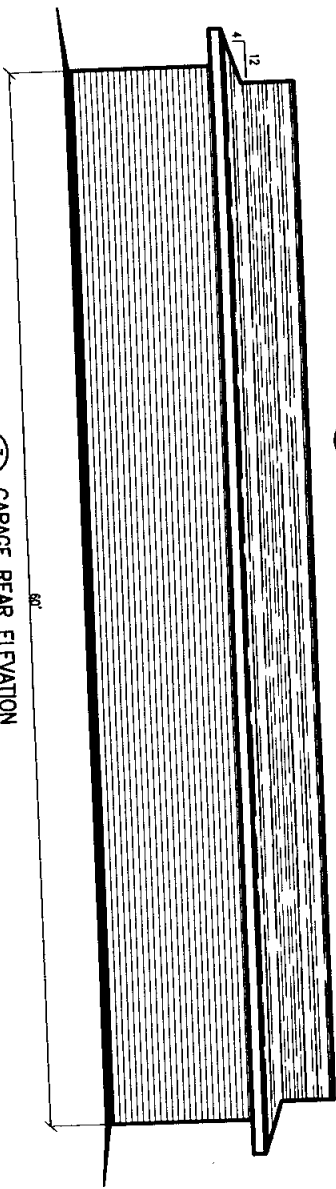


James Boulevard

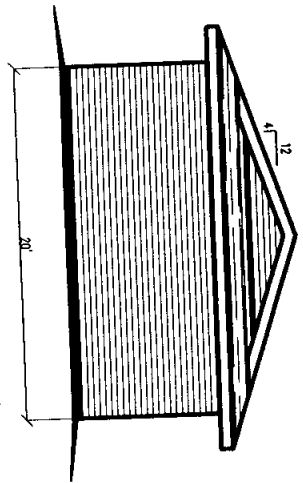
1 GARAGE FRONT ELEVATION
12 UNIT GARAGE IS SIMILAR (12 - 10'x20' UNITS)
5/8" = 1'-0"



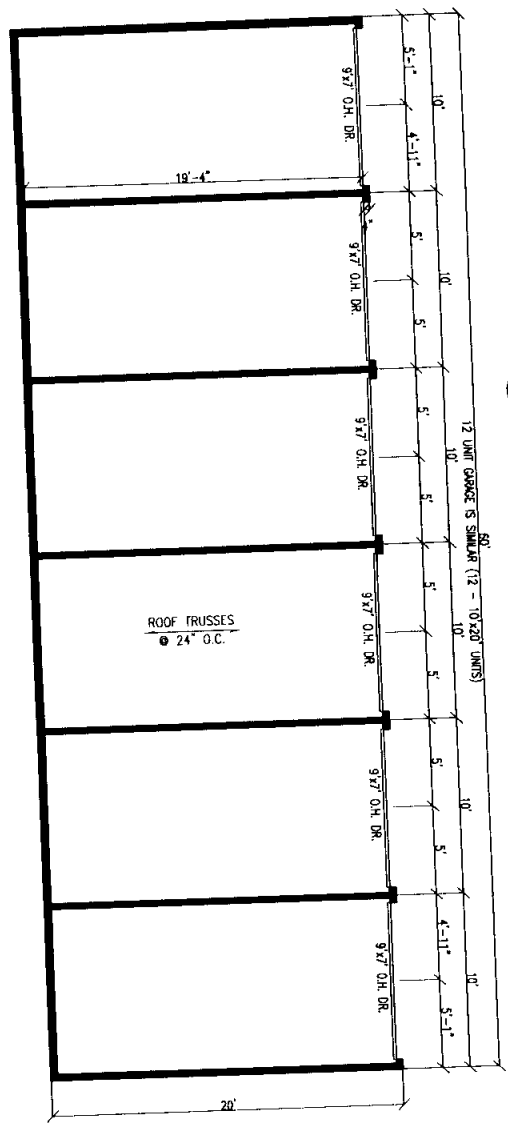
3 GARAGE REAR ELEVATION
5/8" = 1'-0"



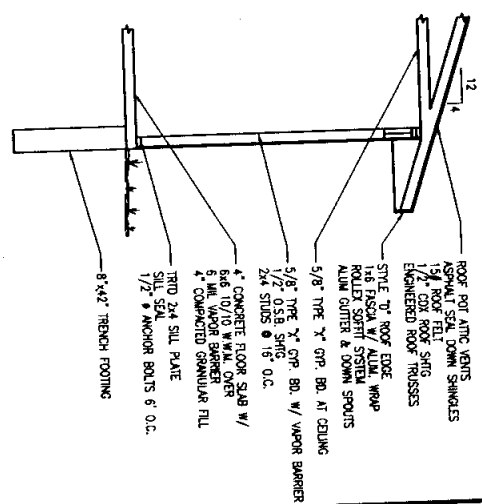
2 GARAGE TYP. SIDE ELEVATION
5/8" = 1'-0"



4 GARAGE FLOOR PLAN
5/8" = 1'-0"



5 TYP. GARAGE WALL SECTION
5/8" = 1'-0"



12 Plexes at Lots 1 & 2 Oxford Heights, Part One
by Freeman Construction, Inc.

Untrauer's Drafting Service
2878 STERLING DRIVE, IOWA CITY, IOWA 52240 (319) 338-5966

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607 E. UNIVERSITY RD. HWY 6 TRF. 1A 52340
(319) 343-1822 FAX (319) 331-0261

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GARAGE ELEVATIONS, PLAN & SECTION

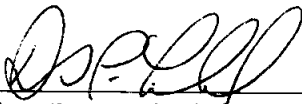
EXHIBIT "C"
Twelve Plex Unit
Lot 1 Amended Plat of Oxford Heights

ENGINEERS CERTIFICATE

State of Iowa)
) SS:
County of Johnson)

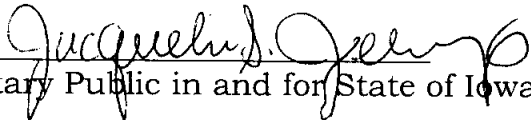
I, Douglas P. Frederick, being first duly sworn, do upon oath depose and state that I am a Licensed Professional Engineer authorized and licensed to practice my profession in the State of Iowa. My Iowa license number is 10896 and is renewable 12/31/2005.

I hereby certify that in July, 2004, the Twelve Plex Unit as built on Lot 1 of Amended Plat of Oxford Heights was physically examined against the building plans for said Twelve Plex unit as prepared by Untrauer's Drafting Service showing a date of 3/24/04. I hereby certify that the Building is substantially of the dimensions and details as is diagrammatically represented in said plans, insofar as is reasonably possible by use of non-destructive measurement techniques. I further certify that the Twelve Plex unit and common elements and limited common elements shown on Exhibit A attached has, in fact, been constructed on said Lot 1.



Douglas P. Frederick, PE, PLS
Iowa License Number 10896
My license is renewable 12/31/05

Subscribed and sworn to before me by Douglas P. Frederick, this 20th day of July, 2004.



Notary Public in and for State of Iowa

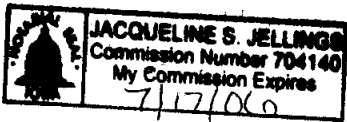


Exhibit D

BUILDING SPECIFICATIONS FOR OXFORD HEIGHTS CONDOMINIUMS.

Twelve Units, 2 Bedroom, Single Car Garage
931 Square Feet Finished

FOOTINGS AND FOUNDATION: Poured concrete constructed per plan. Using 8" Thick Concrete walls. ADS 4" drainage tile to be place around outside of foundation. Hydrocide water proofing will be applied from footing to finished grade. 2 X 4 exterior walls.

FRAMING LUMBER: Will be spruce or white wood for 2 X 4's and 2 X 6's with #2 or better fir for larger members. All exterior walls to be 2 X 6 on first floor and 2 X 4 on 2nd and 3rd Floor construction. 2 X 4 construction on all interior walls, with 2 X 6 used for plumbing walls. Floor framing to be 11 7/8 TJI F.L.R. joists 19.2 on center, to use engineered roof trusses 24" on center, with 1/2" OSB sheathing, H clips, 15# felt, Winterguard and 30 year asphalt shingles. The peak will be capped with vent-a-ridge for attic ventilation.

EXTERIOR WALLS: Exterior walls sheathed with 1/2" OSB behind siding and wrapped with "Tyvek" air infiltration barrier. Siding to be vinyl double horizontal, with vinyl corners. Fascia and overhangs will be finished with aluminum to make the exterior virtually maintenance free.

WINDOWS: Vinyl with insulated glass with screens. Vinyl window jamb interior and vinyl exterior finish.

EXTERIOR DOORS: Steel metal, insulated. Garage door will be insulated metal. Exterior door trim will be metal.

INSULATION: 2 X 6 exterior walls will be R19 rating, 2nd and 3rd floors 2 X 4 exterior walls to have R13 rating. Ceiling on 3rd floor to be blown cellulose to an R430 rating. Party walls, 3 1/2" sound batts.

DRYWALL: One layer of 5/8" on ceiling with acoustical spray finish; 5/8" on walls, with orange peel finish. Garage sheet rocked with 5/8" fire code and finished with tapecoat.

INTERIOR DOOR AND TRIM: Interior doors casing and base to be oak. Vinyl wrapped wire closet shelving. Drywall wrapped windows on 3 side and bottom on window to be oak.

CABINETS AND VANITIES: Oak frame and veneer paneled doors.

HEATING AND AIR CONDITIONING: Forced air, natural gas furnace (80% efficient) and central air conditioning, as per Building Code requirements.

PLUMBING: All underground lines will be service weight bell hub cast iron, with plush gaskets. All waste and vent lines will be Sch40 plastic. All waterlines will be type "M" copper, with lead free solder.

Bathrooms:

- 1-Aqua Glass 8966 White fiberglass tubs, with Delta 642 tub/shower faucets
- 1-Mansfield #130 white stools with K4716 seats, and supplies with stops.
- 1-Mansfield 19 X 16 SRO white labs with Delta 2522 faucets, supplies with stops.

Kitchens:

- 1-Dayton 3321 33X2 I stainless steel sinks, with Delat 2402 faucets, In-Sink-Erator Badger V Garbage Disposals, Dishwasher hook ups, supplies with stops.

Provisions for washer hook ups, with I Guy Gray box in-wall installations

- 2-Floor drains in basement furnace room
- 2-Woodford #65 frostproofsillcocks, set-up for 12 apartment meters, and 1 house meter.
- 1-40 gallon water heaters, with gas and vent from furnace supply gas piping from meters to 1 furnaces, and fireplaces

ELECTRICAL: 100 amp circuit panel feeding service minimum, breaker type with underground entrance. All wiring No.14 or better. Included are smoke detectors, three (3) T.V. plugs, and three (3) phone plugs per unit. Wiring for garage door opener is opener included (garage door opener is an extra).

PAINTING AND WALL COVERING: Two coats of laytex paint applied to ceiling (off white). All metal door finished with enamel. The garage will not be painted.

GUTTERS AND DOWNSPOUTS: Included as required.

CONCRETE FLAT WORK:

- Basement: 4" concrete compacted fill with .004 poly beneath concrete.
- Garage: 4" Concrete with wire mesh or 1/2" ReRod. Floor to slope 3" minimum from rear garage front.
- Drive and parking lot: Asphalt
- All city service walks to be as per code.

GYPCRETE FLOOR: On the 2nd and 3rd floors only and to be 3/4" thick. The 1st floor is to be concrete.

MISCELLANEOUS:

- Seller to pay for permits and fees.
- All utility connections included in bid.
- Treated wood deck to be 8" X 14" without down steps.
- Unit and property will be cleaned and ready for occupancy.
- Buyers/Sellers are responsible for all utilities as of possession date and are responsible for having the service transferred to their name upon possession.

SODDING: From side lot line to side lot line, street curb to front lot line.

BATH ACCESSORIES: Will include two (2) towel bars, paper holder, mirror, and shower curtain rod for the bathrooms.

COUNTER TOPS: To be selected from stock supply at Briskey Cabinets in Coralville.

EXHIBIT "E"

RULES AND REGULATIONS FOR

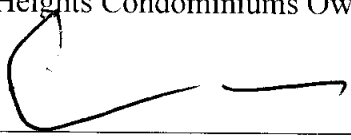
OXFORD HEIGHTS CONDOMINIUMS OWNERS ASSOCIATION

1. No radio or television antenna, satellite dish or other similar device or any wiring for any purpose may be installed on the exterior of the building without the written consent of the Board.
2. An Owner may identify his Unit with a name plate of a type and size approved by the Board and mounted in a place and manner approved by the Board. No other signs may be displayed except "for sale" or "for rent" signs approved by the Association and "for sale" signs in connection with the initial sale or rent of the Units.
3. No Unit Owner shall make or permit any disturbing noises in the buildings, or do or permit anything to be done therein which will interfere with the rights, comforts, or conveniences, of other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument or operate or permit to be operated a phonograph or radio or television or other loudspeaker in such Owners' Unit between the hours of 12:00 midnight and the following 6:00 A.M., if the same shall disturb or annoy other occupants of the Building.
4. Each Unit Owner shall keep his Unit in a good state of presentation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof of any dirt or other substance.
5. No vehicle belonging to a Unit Owner or to a member of the family or guest, tenant or employee of a Unit Owner shall be parked in such a manner as to impede or prevent ready access to any entrance to or exit from the property by another vehicle.
6. Complaints regarding the services of the Building shall be made in writing to the Board or to the managing agent or to the manager.
7. Unit Owners shall not cause or permit any unusual or objectionable noises or odors to be produced upon or to emanate from their respective Units.
8. No Unit Owner or any of his or her agents, visitors or employees shall, at any time, place into or keep in his or her Unit any inflammable, combustible, or explosive fluid, material, chemical or substance, except for normal household use.
9. Any consent or approval given under these rules and regulations may be added to, amended or repealed at any time by resolution of the Board.

These rules and regulations may be amended, modified or altered only as provided in the Bylaws.

These rules and regulations have been approved by the Board of Directors of Oxford Heights
Condominiums Owners Association on the 19th day of ~~July~~ August, 2004.

Oxford Heights Condominiums Owners Association

By 
Chad Freeman, President and Secretary

“EXHIBIT F”

ARTICLES OF INCORPORATION
OF

OXFORD HEIGHTS CONDOMINIUMS PHASE I OWNERS ASSOCIATION

The undersigned, acting as incorporator of a corporation under the Iowa Nonprofit Corporation Act, Iowa Code Chapter 504A (2003), adopts the following Articles of Incorporation for such Corporation:

ARTICLE 1.

Section 1.01. **Name.** The name of the Corporation is Oxford Heights Condominiums Phase I Owners Association. The Corporation is referred to in these Articles of Incorporation as the "Association".

ARTICLE 2.

Section 2.01. **Duration.** The Association shall have perpetual duration.

ARTICLE 3.

Section 3.01. **Purposes.** The purpose for which the Association is organized is to manage, administer, enforce, and implement the maintenance and operation of Oxford Heights Condominiums Phase I, a residential project located in Oxford, Johnson County, Iowa, and established pursuant to the Iowa Horizontal Property Act; to exercise and perform all the functions of a "council of Co-owners" as that term is defined in said Act; and to perform all functions and do any and all things permitted or required by the Declaration establishing Oxford Heights Condominiums Phase I pursuant to the Act.

ARTICLE 4.

Section 4.01. **Powers.** The Association shall have unlimited power to engage in and to do any lawful act concerning any or all lawful purposes for which corporations may be organized under the Iowa Nonprofit Corporation Act.

ARTICLE 5.

Section 5.01. **Registered Office and Agent.** The address of the initial registered office of the Association is 1150 5th Street, Suite 280, Coralville, Iowa, and the name of its initial registered agent at such address is Dell A. Richard.

ARTICLE 6.

Section 6.01. **Initial Board of Directors.** The number of directors constituting the initial Board of Directors of the corporation is one (1), and the name and address of the person who is to serve as the initial director is:

<u>NAME</u>	<u>ADDRESS</u>
Chad Freeman	607 Marengo Road, Tiffin, Iowa 52340

Section 6.02. **Number of Directors.** The number of Directors shall be fixed by the Bylaws, except the initial Board of Directors. The Bylaws may fix the number of Directors either by stating the number or by providing that the number of Directors shall be the number determined by the members from time to time as provided in the Bylaws.

Section 6.03. **Removal of Directors.** At any meeting of Directors, if the notice of the meeting includes a statement to the effect that the purpose or one of the purposes for which the meeting is called is to remove one or more named Directors, the Directors may remove any or all such named Directors, with or without cause, by the affirmative vote of two-thirds (2/3) of the full number of Directors. In addition, the Bylaws may provide that the failure of a Director to attend a specified number of meetings of the Board of Directors, or other acts or omissions specified in the Bylaws, shall constitute resignation from the Board of Directors. The Bylaws may provide for exceptions, procedures, and additional provisions regarding the foregoing matters. Any vacancy or vacancies in the Board of Directors caused by any such removal may be filled as provided in the Bylaws.

Section 6.04. **Indemnification.** This corporation shall indemnify any present or former director, officer, employee, member or volunteer of this corporation, and each such person who is serving or who has served, at the request of this corporation as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, other enterprise or employee benefit plan to the fullest extent possible against expenses, including attorneys' fees, judgments, fines, settlements and reasonable expenses, actually incurred by such person relating to his conduct as a director, officer, employee, member or volunteer of this corporation or as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, other enterprise or employee benefit plan, except that the mandatory indemnification required by this sentence shall not apply (i) to a breach of the duty of loyalty to the corporation, (ii) for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, or (iii) for a transaction from which such person derived an improper personal benefit.

ARTICLE 7.

Section 7.01. **Incorporator.** The incorporator is Chad Freeman

ARTICLE 8.

Section 8.01. **Restrictions.** All the purposes and powers stated in these Articles of Incorporation shall be subject to the following restrictions:

- (a) The Association shall be operated exclusively for the purposes stated in **Article 3**.
- (b) The Association shall not be conducted for profit, and no part of its net earnings or assets shall inure to the benefit of any member, Director, officer, or other private individual.
- (c) No member, Director, or officer of the Association shall receive any dividend, distribution, or compensation from the Association, except reasonable compensation for personal services actually rendered and reasonable reimbursement for authorized expenditures actually incurred.

Section 8.02. **Legislative and Political Activities.** No substantial part of the activities of the Association shall be carrying on propaganda or otherwise attempting to influence legislation, and the Association shall not participate in nor intervene in (including the publishing or distribution of statements) any political campaigns on behalf of or in opposition to any candidate for public office.

Section 8.03. **Disposition of Assets.** The assets of the Association are dedicated to the purposes stated in **Article 3**. In the event of liquidation or dissolution of the Association, its assets shall be applied and distributed as provided by law. However, to the maximum extent permitted by law, such assets shall be distributed exclusively for purposes substantially similar to those stated in **Article 3** and within the meaning of Section 5.01(c) of the Internal Revenue Code and applicable regulations. Such purposes shall be selected by the Board of Directors or by a court of competent jurisdiction if the Board of Directors fails to make such selection. In the event of liquidation or dissolution, such assets shall not be distributed to any corporation or any organization operated for profit.

Section 8.04. **Exempt Property.** Private property of members, Directors, officers, and employees of the Association shall not be liable for debts of the Association. This provision shall not be amended except with the unanimous vote of the members and Board of Directors.

ARTICLE 9.

Section 9.01. **Amendments to Articles of Incorporation.** These Articles of Incorporation may be amended by the affirmative vote of two-thirds (2/3) of the members of the Association.

Signed on August 19, 2004.



Chad Freeman
Incorporator

EXHIBIT "G"

BYLAWS

OF

OXFORD HEIGHTS CONDOMINIUMS PHASE I OWNERS ASSOCIATION

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ARTICLE 1. SCOPE AND DEFINITIONS

Section 1.01 **Declaration.** These are the Bylaws of the Oxford Heights Condominiums Phase I Owners Association (hereinafter referred to as "Association") a corporation organized pursuant to Chapter 504A of the 2003 Code of Iowa, as amended, for the purpose of administering Oxford Heights Condominiums Phase I Owners Association, a Horizontal Property Regime (condominium) established pursuant to Chapter 499B of the 2003 Code of Iowa, as amended, located on certain portions of the following land in the City of Oxford, Johnson County, Iowa:

Lot 1, Oxford Heights Subdivision - Part One, Oxford, Johnson County, Iowa, according to the Amended Final Plat thereof recorded in Book 42, Page 324, Plat Records of Johnson County, Iowa.

Section 1.02 **Definitions.** The terms used herein, except to the extent provided otherwise, shall have the same meaning as those terms set out in the Declaration of Condominium establishing the Regime contemplated by these Bylaws.

ARTICLE 2. OFFICES AND PLACES OF BUSINESS

Section 2.01. **Registered Office.** The registered office of the Association required by the Iowa Nonprofit Corporation Act to be maintained in the State of Iowa may be, but need not be, the same as its principal place of business. The registered office may be changed from time to time by the Board of Directors as provided by law.

Section 2.02. **Principal Place of Business.** The principal place of business of the Association shall be located at the place, within or without the State of Iowa, fixed by (or pursuant to authority granted by) the Board of Directors from time to time.

Section 2.03. **Other Places.** The Association may conduct its business, carry on its operations, have offices, carry out any or all of its purposes, and exercise any or all of its powers anywhere in the world, within or without the State of Iowa.

ARTICLE 3. MEMBERS

Section 3.01. **Identity.** The members of the Association shall consist of the respective Unit Owners of the property known as Oxford Heights Condominiums Phase I Owners Association in Oxford, Iowa. The words "member" or "members" as used in these Bylaws mean and refer to "Owner" or "Unit Owners", as the case may be, as defined in the Condominium Declaration. If an Owner is an entity other than a natural person, it shall, within 30 days after recording the deed or other document of title, designate in writing its representative. Membership shall be appurtenant to and shall not be separated from the ownership of any Unit.

Section 3.02. **Succession.** The membership of each Owner shall terminate when he or she ceases to be a Unit Owner, and upon the sale, transfer, or other disposition of an ownership interest in the Project, his or her membership in the Association shall automatically be transferred to the new Owner succeeding to such ownership interest. Upon the transfer of ownership of a Unit, however accomplished, the new Owner acquiring or succeeding to such ownership shall provide the Secretary of the Association with a copy of the recorded deed or document of title and a copy of the mortgage, deed of trust, or lien thereon, if any, created in connection with such transfer of title, whereupon such new Owner shall automatically become a member of the Association.

Section 3.03. **Co-Ownership of Unit.** If more than one person owns an interest in the same Unit, all such persons shall be members and remain jointly and severally liable for all membership obligations. In such cases, or if more than one fiduciary or other official is acting in the premises, the votes entitled to be cast by the Owners of that Unit shall be cast by the person or persons named on a Certificate signed by all Owners of that Unit or fiduciaries or other officials. If such Certificate is not executed and filed with the Association, the number of votes entitled to be cast with respect to that Unit shall not be counted or voted for purposes of a quorum or in determining the outcome of any vote unless all Owners of the Unit or fiduciaries, or officials, are present and concur in the casting of such votes. This restriction, however, shall not affect the total number of votes outstanding and entitled to be cast which shall remain Four (4), nor shall it affect any percentage of such total number of votes as is required for any purpose as set forth in any of the Condominium Documents.

Section 3.04. **Annual Meetings.**

(a) **First Annual Meeting.** The first annual meeting of members of the Association shall be held on a date determined by the Board not less than 30 days nor more than 120 days after the date on which the Declarant has consummated the sale of twelve (12) Units, but, in any event, not later than December 31, 2005. However, the Declarant may call the first annual meeting of the members of the Association at any time prior to such date. Subject to the provisions of **Section 4.02**, the members shall elect Directors at the first annual meeting.

(b) **Regular Annual Meetings.** Subsequent to the first annual meeting, the regular annual meeting of the Association shall be held each year for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. The exact date, time, and place of the regular annual meeting shall be determined by the Board.

Section 3.05. **Special Meetings.** Special meetings of the members may be called, and a time and place fixed by the President, by one third (1/3) of the Directors, or by at least twenty-five percent (25%) of the entire membership.

Section 3.06. **Place of Meetings.** Any meeting of the members may be held at any place within or without the State of Iowa. If no other place is fixed for a meeting of the members, the meeting place shall be the principal place of business of the Association in the State of Iowa.

Section 3.07. **Notice.** It shall be the duty of the Secretary or their designate to give written notice to members of the time and place of the annual meeting. The person or persons calling a special meeting, pursuant to **Section 3.05**, shall give like written notice of the time and place of such special meeting. All notices shall set forth the purpose or purposes for which the meeting will be held and no action shall be taken at a special meeting which is not directly related to the purpose of the special meeting as defined in said notice. Notice shall be given by mailing or delivering the same not less than ten (10) nor more than thirty (30) days prior to the date of the meeting. If mailed, the notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his or her address as it appears on the records of the Association with postage prepaid.

Section 3.08. **Voting.** Each Unit shall be entitled to one vote in any election or on any issue upon which a vote is allowed or required. The Unit Owner shall cast the vote, and multiple Owners shall act according to **Section 3.03**. No fractional votes shall be permitted. A Unit Owner's right to vote shall be automatically suspended for failure to pay when due the assessments levied in accordance with these Bylaws if the failure continued for ten (10) days after written notice of delinquency.

Section 3.09. **Voting Lists.** At least three (3) days before each meeting of members, a complete list of members entitled to vote at the meeting shall be prepared by the Secretary of the Association, listing the members in alphabetical order with the address of each member shown. The list shall be kept on file at the office of the Association and shall be subject to inspection by any member at any time during usual business hours. The list shall also be available at the time and place of the meeting and shall be subject to the inspection by any member during the meeting.

Section 3.10. **Quorum.** A quorum at a members' meeting shall consist of the presence of members in person or by proxy, representing a majority of the Units. The acts carried or approved by a vote of a majority of the Units represented at a meeting at which a quorum is present shall constitute the acts of the membership unless a different rule is provided herein or by the Articles of Incorporation, the Declaration or other agreement to which the Association is a party. If neither the President nor the Vice President is able to preside, a chairman shall be elected by the members present at such meeting.

Section 3.11. **Adjourned Meetings.** Any meeting of the members may be adjourned from time to time and to any place, with notice to all members, by the affirmative vote of a majority of the members present at a meeting, even if less than a quorum (notwithstanding **Section 3.10**) is present. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the original meeting with a quorum present. In the event a quorum is not present at an adjourned meeting, the members present, though less than a quorum, may give notice to all members of an adjourned meeting, and, at such adjourned meeting, ten percent of the members shall constitute a quorum.

Section 3.12. **Proxies.** At any membership meeting, a person holding a member's proxy to vote shall be permitted to participate in such meeting and shall be permitted to cast such member's vote on all questions properly coming before such meeting, provided such proxy must be in writing and signed by a member or other person entitled to cast votes, and shall set forth the Unit with respect to which such rights are appurtenant, and the period which the proxy is to be in force and effect. A decision of the Board of Directors as to the sufficiency of any proxy for recognition shall be final and not subject to appeal to the members.

Section 3.13. **Rules and Order of Business.** Except as otherwise expressly required by law, the Declaration, the Articles of Incorporation, or these Bylaws, Meetings of members shall be conducted in accordance with Robert's Rules of Order, Revised (as further revised from time to time). Unless otherwise determined by the Board of Directors, the order of business at meetings of members, to the extent applicable, shall be as follows:

- (a) Election of Chairman, if required.
- (b) Calling roll and certification of proxies.
- (c) Proof of notice of meeting or waiver of notice.
- (d) Reading and disposal of any unapproved minutes.
- (e) Reports of officers, if applicable.
- (f) Reports of committees, if applicable.
- (g) Election of Directors, if applicable.
- (h) Unfinished business.
- (i) New Business.
- (j) Adjournment.

Failure to comply with this Section shall not affect the validity of any action taken at any meeting unless specific and timely objection is made at the meeting and the person complaining sustains direct and material damage because of such failure.

ARTICLE 4. BOARD OF DIRECTORS

Section 4.01. **General Powers.** All of the powers and duties of the corporation (including those existing under the common law and statutes, the Articles of Incorporation and the Condominium Documents shall be exercised by the Board. Such powers and duties of the Directors shall be exercised in accordance with the provisions of the Declaration which governs the use of the land, and shall include in addition to those elsewhere provided for, but shall not be limited to, the following:

- a. **Assessments.** To make and collect assessments against members for all common expenses.
- b. **Exercise of Powers.** To use the proceeds of assessments in the exercise of its powers and duties.

c. **Maintenance of the Project.** The maintenance, repair, replacement and operation of the Condominium property, including all Common Elements, Units, Garages and Storage Cubicles, as applicable, and the construction of new improvements or alterations, if authorized, and making and providing for payment for all such work and approving or delegating to the Treasurer authority to approve vouchers therefor.

d. **Maintenance Grounds.** To maintain the lawn and all trees and shrubs at a normally acceptable level which shall include regular watering, fertilizing and mowing. Any trees and shrubs which die shall be replaced with equivalent nursery stock as soon as practical.

e. **Casualty Reconstruction.** The reconstruction, repair, restoration, or rebuilding of the Condominium Property, and of any Units as applicable after casualty or otherwise.

f. **Regulations.** To make and amend regulations restricting the use and occupancy of the Property and in their discretion to permit or forbid an action or conduct as discretion is committed to them in the Condominium Documents.

g. **Enforce Regulations.** To enforce by legal means the provisions of the Condominium Documents.

h. **Hire Management Agent.** To contract for management of the Condominium and to delegate to such "Management Agent" all powers and duties of the corporation except such as are specifically required by the Condominium Documents to have approval of the Board of Directors or the membership of the corporation; to employ, designate and remove any personnel necessary for the maintenance, repair and replacement of the Common Elements.

i. **Pay Taxes, etc.** To pay taxes and assessments which are liens against any part of the Condominium other than individual Units, Garages and Storage Cubicles, and the appurtenances thereto, and to assess the same against the Units subject to such liens.

j. **Insurance.** To carry insurance for the protection of Members of the corporation against casualty, liabilities and other contingencies.

k. **Pay Utilities.** To pay the cost of all the utility or other services rendered to any of the Condominium property which is not billed directly to Unit Owners.

l. **Resolve Disputes re: Interpretation.** To interpret and apply the provisions of the Condominium Documents in matters of dispute between Unit Owners or between Unit Owners and the Association, which determination shall be binding on the Owners.

m. **Supervise Actions of the Members.** To conduct or supervise all votes or determinations by members other than a membership meeting.

n. **Own Property.** To acquire title to and ownership of, in the name of the Association, Units within the Regime upon judicial sale or otherwise as permitted in the Declaration, and on behalf of all Owners to sell, lease or mortgage such Units and to borrow funds for any legitimate purpose and to assign as security therefor the assessment receivables due the Association, provided the Board may in no manner affect or encumber the Common Elements of the Regime or any Unit or the percentage interest appurtenant to such Unit (except such Units and the appurtenant interests thereto as the Association has acquired upon judicial sale or otherwise as allowed), and provided further, the authority of the Board to borrow in excess of Five Thousand Dollars (\$5,000.00) other than in connection with the mortgage of an acquired Unit to the amount of the loan value thereof shall be exercised only in the event of approval of Unit Owners entitled to cast seventy-five percent (75%) of the total number of votes outstanding and entitled to be cast. For purposes of permitted conveyance, lease or encumbrance of Units or assessments receivables, the Board shall be regarded as the irrevocable agent and attorney-in-fact for all Unit Owners and members.

o. **Committees.** Appoint committees of the Board and delegate to such committees the Board's authority to carry out certain duties of the Board.

p. **Fiscal Year.** Determine the fiscal year of the Association and change the fiscal year from time to time as the Board deems advisable.

q. **Annual Budget.** Estimate the amount of the annual budget and provide the manner of assessing and collecting from the members their respective shares of such estimated expenses, as provided in these Bylaws.

r. **Other Powers.** Exercise all other powers and duties of the Council of Co-owners referred to in the Act and all powers and duties of a Board of Directors referred to in the Declaration, these Bylaws, and the Iowa Nonprofit Corporation Act.

Section 4.02. **Initial Board.** The affairs of the Association shall be managed by an initial Board of one (1) Director. The initial Board shall consist of such person as the Declarant may appoint pursuant to the Declaration and need not be a member of the Association. The initial Board shall serve until the first annual members' meeting. From and after the first annual meeting of members, the Board shall be selected from the members of the Association. An officer or designated agent of a partnership or corporate member shall qualify to serve as a Director.

Section 4.03. **Number and Election.** From and after the first annual meeting, the Board shall be three (3) in number, and at the first meeting, the term of the initial Board shall expire and the full compliment of three (3) Directors shall be elected. Thereafter, the term of office for each Director shall be two (2) years, except that at the first annual meeting, one (1) Director shall be elected for a one (1) year term, one (1) Director shall be elected for a two (2) year term, and one (1) Director shall be elected for a three (3) year term, so that at each annual meeting subsequent to the first annual meeting, the terms of office of one (1) of the Board shall expire and new Directors shall

be elected accordingly, but there shall be no limitation on the number of terms during which a Director may serve. All Directors shall serve until their successors are duly designated and qualified. Until all Units are sold by the Declarant, the Declarant may appoint two (2) Directors to sit as a member of the Board in addition to the Directors elected by the members. Directors appointed by the Declarant shall have the same voting rights as Directors elected by the members.

Section 4.04. **Election by Ballot.** Each Director shall be elected by ballot (unless such requirement is waived by unanimous consent) and by a plurality of the votes cast at the annual meeting of the members of the Association. Each person entitled to vote shall be entitled to vote for as many nominees as there are vacancies to be filled by election and each director shall be elected by a separate ballot unless provided otherwise by unanimous consent of the members.

Section 4.05. **Resignation of Director.** Any Director may resign at any time by filing his or her written resignation with the President or Secretary. Resignation shall take effect immediately upon such filing, unless a later effective date is stated therein.

Section 4.06. **Vacancies.** Any vacancy occurring in the Board for any reason and any Directorship to be filled by reason of an increase in the number of Directors may be filled by the affirmative vote of a majority of the Directors then in office, even if less than a quorum. The Board shall have sole authority to determine whether a vacancy exists. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 4.07. **Removal of Directors.** The initial Directors shall be subject to removal only by the Declarant. In addition to the provisions of **Section 6.03** of the Articles of Incorporation, any elected Director or Directors may be removed for any cause after notice and hearing or reasonable opportunity for hearing, by the affirmative vote of sixty percent (60%) of the full number of members at any regular or special meeting of the members.

Section 4.08. **Annual and Regular Meetings.** The annual meeting of the Board shall be held within ten (10) days following the annual meeting of members each year for the purpose of electing officers and for the transaction of such other business as may come before the meeting. The exact date, time, and place of the annual meeting shall be determined by the Board or the President. Regular meetings of the Board may be held at the times (but at least every calendar quarter) and places fixed by (or pursuant to authority granted by) resolution or motion adopted by the Board from time to time, without notice other than such resolution or motion. However, unless both the time and place of such a regular meeting are fixed by the Board, notice of the meeting shall be given as provided in **Section 4.11**.

Section 4.09. **Special Meetings.** Special meetings of the Board may be called, and a time and place fixed, by the President, the Secretary, or any two Directors.

Section 4.10. **Place of Board Meetings.** Any meeting of the Board may be held at any place, within or without the State of Iowa. The place of each meeting of the Board shall be fixed as

provided in these Bylaws, or by a waiver or waivers of notice fixing the place of the meeting and signed by all Directors then in office. If no other place is fixed for a meeting of the Board, the meeting place shall be the principal place of business of the Association.

Section 4.11. **Notice.** Notice of any meeting of the Board shall be given at least seventy-two (72) hours prior thereto in the case of regular meetings and at least forty-eight (48) hours prior thereto in the case of special meetings by written notice delivered personally or mailed to each Director or by oral communication. If mailed, the notice shall be deemed to be delivered when deposited in the United States mail addressed to the Director at his or her address as it appears on the records of the Association with postage prepaid.

Section 4.12. **Quorum.** Except as otherwise expressly provided by the Articles or these Bylaws, a majority of the number of Directors fixed by **Section 4.03** shall constitute a quorum at any meeting of the Board.

Section 4.13. **Adjourned Board Meetings.** Any meeting of the Board may be adjourned from time to time and to any place, without further notice, by the affirmative vote of a majority of the Directors present at the meeting, even if less than a quorum (notwithstanding **Section 4.12** and **3.14**) is present. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the original meeting with a quorum present.

Section 4.14. **Vote Required for Board Action.** Except as otherwise expressly provided in these Bylaws, the affirmative vote of a majority of the Directors present at a meeting at which a quorum is present shall be required and shall be sufficient to adopt any motion or resolution or take any action at any meeting of the Board. However, the following actions may be taken by the affirmative vote of a majority of the Directors present at the meeting, even if a quorum is not present (notwithstanding **Section 4.12**): election or appointment of a temporary chairman or temporary secretary for the meeting (if necessary), or adoption of any motion to adjourn or recess the meeting or any proper amendment to any such motion. Whenever the minutes of any meeting of the Board state that any motion or resolution was adopted or that any action was taken at the meeting, the minutes shall be prima facie evidence that the motion or resolution was duly adopted or that the action was duly taken by the required vote. The minutes need not state the number of Directors voting for and against the motion, resolution, or action.

Section 4.15. **Directors' Voting Rights.** Each Director (including, without limitation, any Director who is also an officer of the Association and any Director presiding at a meeting) may vote on any question at any meeting of the Board except as otherwise expressly provided in these Bylaws.

Section 4.16. **Organization.** The President, or a Vice-President, as provided in these Bylaws, shall preside at each meeting of the Board. If the President and each Vice-President are absent or decline to preside, the Board may elect or appoint a temporary chairman to preside at the meeting. The Secretary or an Assistant Secretary, as provided in these Bylaws, shall act as secretary

of each meeting of the Board. If the Secretary and each Assistant Secretary are absent or decline to act, the Board may elect or appoint a temporary secretary for the meeting.

Section 4.17. Rules and Order of Business. The Board may adopt any rules, not inconsistent with applicable law or the Articles or these Bylaws, which the Board deems advisable for the conduct of its meetings. Except as otherwise expressly required by law, the Declaration, the Articles of Incorporation, these Bylaws, or such rules, meetings of the Board shall be conducted in accordance with *Robert's Rules of Order*, Revised (as further revised from time to time). Unless otherwise determined by the Board the order of business at its first meeting held after each annual meeting of members, and at other meetings of the Board to the extent applicable, shall be:

- (1) Roll call or other determination of attendance and quorum.
- (2) Proof of notice of meeting or waiver of notice.
- (3) Reading and disposal of any unapproved minutes.
- (4) Reports of officers and committees.
- (5) Election of officers.
- (6) Unfinished business.
- (7) New business.
- (8) Adjournment.

Failure to comply with this Section shall not affect the validity of any action taken at any meeting unless (a) specific and timely objection is made at the meeting and (b) the person complaining sustains direct and material damage because of such failure.

Section 4.18. Presumption of Assent. A Director who is present at a meeting of the Board (or a committee of Directors) at which action on any corporate matter is taken, shall be presumed to have assented to the action taken unless his or her dissent or abstention is entered in the minutes of the meeting or unless the Director files a written dissent or abstention with the person acting as secretary of the meeting before its adjournment or forwards the dissent or abstention by registered or certified mail to the Secretary of the Association immediately after adjournment of the meeting. The right to dissent or abstain from voting shall not apply to a Director who voted in favor of the action.

Section 4.19. Waiver of Notice by Directors. Whenever any notice is required to be given to any Director under any provision of law, the Declaration, the Articles, or these Bylaws, a waiver thereof in writing signed by the Director or Directors entitled to the notice, whether signed before or after the time of the meeting or event of which notice is required, shall be equivalent to the giving of the notice. Neither the business to be transacted at, nor the purpose of any meeting of the Board need be specified in any waiver of notice of the meeting. The attendance of any Director at any meeting of the Board shall constitute a waiver by the Director of any notice of the meeting to which he or she would otherwise be entitled, and shall constitute consent by the Director to the time and place of the meeting and the transaction of all business which may come before the meeting. However, a Director's attendance shall not constitute a waiver if the Director attends the meeting for

the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened and if he or she expressly states such objection promptly after the meeting begins.

Section 4.20. Informal Action by Directors. Any action required by law, the Declaration, the Articles, or these Bylaws to be taken by vote of or at a meeting of the Board (or a committee of Directors), or any action which may or could be taken at a meeting of the Board (or a committee of Directors), may be taken without a meeting if a consent in writing setting forth the action taken is signed by all Directors then in office (or all members of the committee, as the case may be). Such consent shall have the same force and effect as a unanimous vote, and any officer may state or certify that the action was taken by a unanimous vote. The signing by each Director (or each member of the committee) of any one of several duplicate originals or copies of the written consent shall be sufficient. The written consent shall be filed with the Secretary as part of the minutes of the Association. The action shall be deemed to be taken on the date of the written consent as stated therein or on the date of filing with the Secretary, whichever of these two dates occurs first.

Section 4.21. Compensation. A Director may be paid for his or her actual reasonable expenses in the performance of his or her duties. However, no Director shall receive compensation for attending meetings of the Board, unless expressly provided for in resolutions duly adopted by a majority of the members of the Association. However, nothing shall preclude any Director from serving the Association in any other capacity and receiving compensation therefor.

ARTICLE 5. OFFICERS

Section 5.01. Required and Optional Officers. The officers of the Association shall be a President, one or more Vice-Presidents (the number to be determined by the Board from time to time), a Secretary, and a Treasurer. The Board may also elect or appoint one or more Assistant Secretaries, one or more Assistant Treasurers, and any other officers which the Board deems advisable.

Section 5.02. Election or Appointment of Officers. At its first meeting following the annual meeting, the Board shall elect the officers required by **Section 5.01** and may elect or appoint any other officers and agents which the Board deems advisable. If in any year the election of officers does not take place at such meeting, the election shall be held as soon thereafter as is convenient. Any election may be conducted by written ballot, but need not be conducted by written ballot unless required by a rule or motion adopted by the Board. Failure to hold one or more annual elections of officers shall not end the term of any officer, shall not cause any vacancy, and shall not affect the validity of any act of the Association or of any officer; and the term of each officer shall continue as provided in **Section 5.03**.

Section 5.03. Terms and Qualifications of Officers. The term of each officer shall begin at the time of his or her election, unless otherwise ordered by the Board. Unless sooner removed as

provided in **Section 5.04** or unless the office is abolished, each officer shall serve for a term ending at the time of the next election of officers referred to in the first two sentences of **Section 5.02**. However, any officer may resign at any time by delivering a written resignation to the President or Secretary of the Association. The resignation shall take effect immediately upon delivery, unless it states a later effective date. Except for the President and Vice-Presidents, officers need not be Directors of the Association. Any two or more offices may be held by the same person.

Section 5.04. Removal of Officers. Any officer or agent of the Association may be removed by the Board whenever in its judgment the best interests of the Association will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 5.05. Vacancies. Any vacancy occurring in any office for any reason may be filled by the Board, or the Board may authorize any officer or committee to fill the vacancy. An officer elected or appointed to fill a vacancy shall serve for a term as provided in **Section 5.03**. However, if an officer is elected or appointed to fill a vacancy caused by the resignation of a predecessor whose resignation has not yet become effective, the new officer's term shall begin when the predecessor's resignation becomes effective.

Section 5.06. Duties and Powers of Officers. Except as otherwise expressly provided by law or the Articles, the duties and powers of all officers and agents of the Association may be determined and defined from time to time by the Board. Unless otherwise determined by the Board, the officers referred to in the following Sections shall have the duties and powers stated in the following Sections, in addition to all duties and powers prescribed by law, the Declaration, the Articles, or other provisions of these Bylaws. However, the Board at any time may change, add to, limit, transfer to another officer or agent, or abolish any or all of the duties and powers of any officer or agent of the Association (including, without limitation, the duties and powers stated in the following Sections and in other provisions of these Bylaws). Any person who holds two or more offices at the same time may perform or exercise any or all duties and powers of either or both offices in either or both capacities.

Section 5.07. President. The President shall be the principal executive officer of the Corporation and, subject to the control of the Board shall in general supervise and control all the business and affairs of the Association. He or she shall, when present, preside at all meetings of the Board and the members. The President shall have authority to sign, execute, and acknowledge on behalf of the Corporation, all deeds, mortgages, bonds, contracts, leases, reports, and all other documents or instruments necessary or proper to be executed in the course of the Association's regular business, or which shall be authorized by resolution of the Board; and, except as otherwise provided by law or the Board, may authorize the Vice-President(s) or other officer(s) or agent(s) of the Association to sign, execute, and acknowledge such documents or instruments in his or her place. In general the President shall perform all duties incident to the office of President and such other duties as may be prescribed from time to time by the Board.

Section 5.08. **Vice-Presidents.** Subject to **Section 5.06**, in the absence of the President or in event of his or her death or inability to act, the Vice-President (if more than one, the Vice-Presidents in the order designated by the Board or, in the absence of any designation, in the order in which their names appear in the minutes showing their election) shall perform the duties and exercise the powers of the President (including, without limitation, all duties and powers of the President under all provisions of the Articles and these Bylaws or prescribed by the Board, or arising in any other way). Each Vice-President shall also have any other duties and powers prescribed by the Board or the President.

Section 5.09. **Secretary.** Subject to **Section 5.06**, the Secretary shall:

- (a) when present, act as secretary of each meeting of members and of the Board;
- (b) keep minutes of all meetings of members and of the Board in minute books;
- (c) see that all notices are given and that records are made and filed as required by law and the Articles and these Bylaws;
- (d) be the custodian of the Association's records;
- (e) have all the usual duties and powers of the Secretary of a corporation and any other duties and powers prescribed by the Board or the President.

Section 5.10. **Treasurer.** Subject to **Section 5.06**, the Treasurer shall:

- (a) have charge of all funds, securities, and evidences of indebtedness belonging to the Association;
- (b) receive and give receipts for money payable to the Association;
- (c) cause the Association's funds to be deposited in the name of and to the credit of the Association in depositories designated by or pursuant to authority granted by the Board;
- (d) cause the Association's funds to be disbursed when and as authorized;
- (e) see that correct and complete books and records of account are kept, in accordance with generally accepted accounting principles uniformly and consistently applied;
- (f) see that correct financial statements are prepared and presented to the Board from time to time, in accordance with generally accepted accounting principles uniformly and consistently applied; and

(g) have all the usual duties and powers of the Treasurer of a corporation and any other duties and powers prescribed by the Board or the President.

Section 5.11. **Assistant Secretaries.** Subject to **Section 5.06**, in the absence of the Secretary or in event of his or her death or inability or refusal to act, the Assistant Secretary (if more than one, the Assistant Secretaries in the order designated by the Board or, in the absence of any designation, in the order in which their names appear in the minutes showing their election or appointment) shall perform the duties and exercise the powers of the Secretary. Each Assistant Secretary shall also have any other duties and powers prescribed by the Board, the President, or the Secretary.

Section 5.12. **Assistant Treasurers.** Subject to **Section 5.06**, in the absence of the Treasurer or in event of his death or inability or refusal to act, the Assistant Treasurer (if more than one, the Assistant Treasurers in the order designated by the Board or, in the absence of any designation, in the order in which their names appear in the minutes showing their election or appointment) shall perform the duties and exercise the powers of the Treasurer. Each Assistant Treasurer shall also have any other duties and powers prescribed by the Board, the President, or the Treasurer.

Section 5.13. **Compensation.** An officer may be paid for his or her actual reasonable expenses in the performance of his or her duties. However, no officer shall receive compensation for attending meetings of the Board, unless expressly provided for in resolutions duly adopted at an Association members' meeting. However, nothing shall preclude any officer from serving the Association in any other capacity and receiving compensation therefor.

ARTICLE 6. COMMITTEES

Section 6.01. **Executive Committee.** The Board may elect or appoint an Executive Committee consisting of the President, a Vice-President, and one or more other members of the Board. Except as otherwise provided by law, the Executive Committee shall have and may exercise all the duties and powers of the Board in the interim between meetings of the Board. However, the Executive Committee shall have no duties or powers to elect or remove officers; adopt, alter, amend, or repeal Bylaws; or fill vacancies on the Board. Any action taken by the Executive Committee shall be reported to the Board after such action is taken, and the Board shall ratify, modify, or disaffirm the acts of the Executive Committee.

Section 6.02. **Nominating Committee.** At least thirty 30 days prior to the annual meeting of members, the President shall appoint, subject to approval of the Board, a Nominating Committee of at least two members. At least 15 days prior to the annual meeting, the Nominating Committee shall submit in writing to the members the names of nominees for each Directorship to be filled. Additional nominations may be made from the floor at the annual meeting.

Section 6.03. **Other Committees.** The Board may provide for and appoint such additional committees as the Board deems necessary to achieve the purposes of the Association. The Board

at any time may increase or decrease the number of members of, remove any member of, adopt rules and regulations for, change the functions of, or terminate the existence of any such committee.

ARTICLE 7. BUDGET AND ASSESSMENTS

Section 7.01. **Annual Budget.** The Board of Directors shall prepare or cause to be prepared for each fiscal year (a) an annual budget of estimated Common Expenses and (b) assessments to be levied against each Unit. The annual budget shall take into account the estimated Common Expenses and cash requirements for the year, including, without limitation, salaries, wages, payroll taxes, legal and accounting fees, working capital fund, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power, and similar items. The annual budget shall also take into account any surplus or deficit from the current fiscal year and the estimated available cash income from the lease, operation, or use of the Common Elements. The annual budget shall provide for a reserve for contingencies and a reserve for replacements in such amounts as may be determined by the Board.

Section 7.02. **Adoption of Budget.** The Board shall adopt an annual budget and shall levy assessments against each Unit. After the annual budget and assessments are adopted by the Board, copies shall be distributed to each member at least 30 days prior to the beginning of the fiscal year to which the budget and assessments apply. The annual budget and the assessments shall become effective unless disapproved by a vote of a majority of the total members of the Association prior to the first day of the new fiscal year. In the event the membership disapproves the annual budget or assessments or the Board fails for any reason to adopt a budget or assessments for the succeeding fiscal year, the budget or assessments in effect for the current year shall be repeated for the succeeding fiscal year until such time as an annual budget and assessments are approved for such succeeding year.

Section 7.03. **Assessments.** The annual budget shall include assessments for each member, and each member shall pay on or before the first day of each month his or her proportionate share of the Common Expenses for each year as shown by the annual budget. Payment shall be in monthly installments of 1/12 of the member's proportionate share. However, until all units are sold, the Board shall have the power to assess unoccupied units a different amount from those units which are occupied.

Section 7.04. **Proration.** If the first or any succeeding fiscal year shall be less than a full year, assessments for each member shall be proportionate to the number of months and days in such fiscal year.

Section 7.05. **Annual Report.** Within one hundred twenty (120) days after the end of each fiscal year or as soon thereafter as is practicable, the Board shall furnish to each member a statement for the preceding fiscal year, showing receipts and expenditures and such other information as the Board may determine.

Section 7.06. **Supplemental Budget.** If it shall appear to the Board at any time that the assessments, determined in accordance with the annual budget for the year, are or will be insufficient to cover the estimated Common Expenses for the remainder of such year, the Board may prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year. Copies of such supplemental budget shall be distributed to each member. The supplemental budget and the assessments made in the supplemental budget shall become effective unless disapproved by a vote of a majority of the total members of the Association within fifteen (15) days after copies are mailed to members.

Section 7.07. **Liens.** If any member fails or refuses to pay the monthly assessment when due, the amount thereof, together with interest thereon at the maximum lawful rate in the State of Iowa from and after the date the assessment is due and payable, shall constitute a lien on the interest of such member as provided in the Declaration.

Section 7.08. **Records and Statements of Account.** The Board shall cause records required by the Act and the Declaration to be kept, including detailed and accurate records of the receipts and expenditures affecting the Common Elements and Limited Common Elements. Payment vouchers may be approved in such manner as the Board may determine. Upon written request and payment of a reasonable fee, the Board shall furnish to any member a statement of his or her account setting forth the amount of any unpaid assessments or other charges due and owing from such member, which statement of account shall be conclusive evidence of the amount of unpaid assessments or other charges due as of the date of such statement.

Section 7.09. **Holding of Funds.** All funds collected pursuant to the Declaration and these Bylaws shall be held and expended for the purposes outlined in said documents, and, except for special assessments that may be levied against less than all the members and for such adjustments as may be required to reflect delinquent or prepaid assessments, shall be held for the benefit, use, and account of all members. Any person who handles funds of the Association shall be subject to **Section 8.08.**

Section 7.10. **Reserves.** The Board shall establish reserve funds as required by the Declaration.

Section 7.11. **Mortgage Foreclosures.** Where a Mortgagee or purchaser of a Unit obtains title as a result of foreclosure of a first mortgage, such Mortgagee or purchaser, its successors and assigns, shall not be liable for the assessments chargeable to such Unit due prior to the acquisition of title and such unpaid assessment shall thereafter be deemed to be a Common Expense collectible from all Unit Owners, including the Mortgagee or purchaser, its successors and assigns. The Owner of a Unit pursuant to a voluntary conveyance or by inheritance or devise shall be jointly and severally liable with the grantor or prior Unit Owner for all unpaid assessments, whether generally or "specially" levied against said Unit and the grantor or prior Unit Owner thereof, but without prejudice to the right of such grantee or devisee to recover from the prior Owner the amounts paid therefor.

Section 7.12. **Additional Remedies.** If any installment of any assessment of any kind or character is in default for more than thirty (30) days, the Board of Directors may accelerate the remaining installments and declare the entire amount thereof due and payable within twenty (20) days after written notice thereof is mailed to the Owner in default at his address carried upon the corporate records.

ARTICLE 8. GENERAL PROVISIONS

Section 8.01. **Seal.** The Association shall have no seal unless otherwise ordered by the Board. The Board may decide at any time that the Association shall have a seal, and thereafter the Association shall have a seal until otherwise ordered by the Board.

Section 8.02. **Fiscal Year.** The fiscal year of the Association shall be determined by the Board from time to time.

Section 8.03. **Execution of Documents and Instruments.** All deeds and conveyances of real estate, mortgages of real estate, and leases of real estate (for an initial term of five years or more) to be executed by the Association shall be signed in the name of the Association by the President, or a Vice-President and signed or attested by the Secretary or an Assistant Secretary. All other documents or instruments to be executed by the Association (including, without limitation, contracts, agreements, bonds, reports, releases, promissory notes, and evidences of indebtedness; and deeds, conveyances, mortgages, and leases other than those referred to in the preceding sentence) shall be signed in the name of the Association by any one or more officers of the Association. However, from time to time the Board or President may change, add to, limit, transfer to another officer or agent, or abolish the authority of any officer or officers to sign any or all documents or instruments, or may authorize the execution of any document or instrument by any person or persons. Such action may be either general or continued to specific instances.

Section 8.04. **Borrowing.** No money shall be borrowed on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by (or pursuant to authority granted by) the Board. Authorization may be either general or confined to specific instances.

Section 8.05. **Checks and Drafts.** All checks and drafts issued in the name of the Association shall be signed by the person or persons and in the manner authorized by (or pursuant to authority granted by) the Board.

Section 8.06. **Indemnification.** The Association may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he or she is or was a Director, officer, member, employee, or agent of the Association, or is or was serving at the request of the Association as a Director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or enterprise, against expenses (including attorneys' fees),

judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit, or proceeding, in the manner and to the extent provided in this Section.

(a) **According to Law.** Indemnification may be made in the manner and to the extent provided by Iowa law.

(b) **Good Faith.** Indemnification may be made if and to the extent that either the Board or independent legal counsel (in a written opinion) determines that the person to be indemnified acted in good faith and in the manner he or she believed to be in or not opposed to the best interests of the Association. The Board may make this determination (notwithstanding **Sections 4.12 and 4.14**) by a vote or consent which includes either (1) the votes or consents of a majority of a quorum consisting of Directors who were not parties to the action, suit, or proceeding, or (2) a unanimous vote or consent of all Directors who were not parties to the action, suit, or proceeding (whether or not constituting a quorum) if there is at least one such Director.

(c) **By Agreement.** Indemnification may be made in accordance with any agreement authorized by the Board before the commencement of the action, suit, or proceeding.

(d) **Agreement Supercedes Law.** Subsections (a), (b), and (c) of this Section provide independent and alternative methods of indemnification. Restrictions, prohibitions, and unfavorable presumptions contained in the law governing indemnification referred to in Subsection (a) shall not apply to indemnification under Subsection (b) or (c).

(e) **Expenses Paid by Association.** Expenses incurred in defending any action, suit, or proceeding referred to in this Section may be paid by the Association in advance of the final disposition of the action, suit, or proceeding, upon authorization by any of the methods referred to in this Section and upon receipt of an undertaking by or on behalf of the person to be indemnified to repay such amount unless it is ultimately determined that he or she is entitled to be indemnified by the Association as provided in this Section.

(f) **Success of Defense.** To the extent that a person referred to in this Section has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in this Section or in defense of any claim, issue, or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred in connection therewith.

(g) **General Comments.** Any indemnification of a person may be both as to action in his or her official capacity and as to action in another capacity while holding such official capacity; shall continue as to a person who has ceased to be a Director, officer, member, employee, or agent; and shall inure to the benefit of the heirs, executors, and administrators of the person.

(h) **Special Assessment.** The Association and the Board shall have the power and responsibility for raising, by special assessment or otherwise, any sums required to discharge the

obligations under this Section; provided, however, that the liability of any member shall be limited to such proportion of the total liability hereunder as the member's fractional share of interest in the Common Elements bears to the total interest of all the members in the Common Elements.

Section 8.07. Limitation of Liability. No Director or officer of the Association shall be liable to the Association for any act, omission, or negligence, except that he or she shall be liable for loss directly resulting from his or her willful or reckless misconduct. This Section is in addition to all other limitations of liability contained in applicable law, the Declaration, the Articles, or other provisions of these Bylaws. The liability of Directors and officers shall be limited or removed to the maximum extent provided either by this Section or by other provisions of these Bylaws or the Articles or by applicable law; and these Bylaws shall be liberally construed to carry out this purpose.

Section 8.08. Bonds. The Board shall require Fidelity Bonds from all Directors, officers or agents handling or responsible for Association funds in all cases required by FHA 1st mortgage insurance, except any insurance trustee, and shall procure an audit of the accounts and financial records of the Association not less than every two (2) years. The expenses of such matters, including required bonds, shall be Common Expenses of the Association.

Section 8.09. Authority to Carry Out Resolutions and Motions. Each resolution or motion adopted by the Board shall be deemed to include the following provision, unless the resolution or motion expressly negates this provision: "The officers of the Association are severally authorized on behalf of the Association to do all acts and things which may be necessary or convenient to carry out the intent of this resolution (motion), including, without limitation, the authority to make, execute, deliver, file, and perform all appropriate contracts, agreements, certificates, documents, and instruments." The foregoing provision shall automatically be a part of the resolution or motion even though not stated in the minutes; and any officer may state or certify that the foregoing provision is included in the resolution or motion.

Section 8.10. Effect of Partial Invalidity. If a court of competent jurisdiction adjudges to be invalid any clause, sentence, paragraph, section, or part of the Articles or these Bylaws, the judgment or decree shall not affect, impair, invalidate, or nullify the remainder of the Articles or these Bylaws; but the effect shall be confined to the clause, sentence, paragraph, section, or part adjudged to be invalid.

Section 8.11. Enforcement Proceedings. Except as provided in **Section 3.08**, the Board shall not impose a fine, suspend voting rights, or infringe upon any other rights of a member or occupant for violations of restrictions, conditions, covenants, rules or regulations unless and until the following procedure is completed:

(a) **Demand.** Written demand to cease and desist an alleged violation shall be served upon the alleged violator specifying the alleged violation, the action required to abate the violation, and a time period not less than ten (10) days during which the violation may be abated without further

sanction, if such violation is a continuing one or a statement that any further violation of the same nature may result in the imposition of sanction after notice if the violation is not continuing.

(b) **Notice.** Within twelve (12) months of such demand, if the violation continues past the period stated in the demand for abatement without penalty, or if the same violation subsequently occurs, the Board shall serve the violator with written notice of a hearing to be held by the Board. The notice shall contain the nature of the alleged violation, the time and place of the hearing, which shall be not less than ten (10) days from the giving of the notice, an invitation to attend the hearing and produce any statement, evidence, and witnesses on his or her behalf, and the proposed sanction to be imposed.

(c) **Hearing.** The hearing shall be held in executive session pursuant to the notice affording the Member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice together with a statement of the date and manner of delivery is entered by the officer or Director who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction imposed, if any. The person subject the procedure and hearing set forth herein shall have the right to present evidence (the formal rules of evidence shall not apply to the hearing) and to be represented by counsel at his or her own expense.

ARTICLE 9. AMENDMENTS TO BYLAWS

Section 9.01. **Reservation of Right to Amend; Retroactive Effect.** The Association reserves the right from time to time to amend these Bylaws in the manner now or hereafter permitted by the Declaration, the Articles, and these Bylaws, whether or not the amendment constitutes or results in a fundamental change in the purposes or structure of the Association. The original Bylaws of the Association and each amendment to the Bylaws (unless otherwise expressly stated in the amendment or in the resolution adopting it) shall be effective retroactively to the beginning of the Association's existence and (to the maximum possible extent) shall apply to acts, transactions, and events occurring and rights and liabilities arising before adoption of the Bylaws or the amendment. The preceding sentence and the retroactive effect of the Bylaws and amendments shall not invalidate or impair any act or transaction which would otherwise be valid. Wherever used in these Bylaws with respect to the Bylaws, the word "amend", "amended", or "amendment" includes and applies to the amendment, alteration, or repeal of any or all provisions of the Bylaws or the adoption of new Bylaws.

Section 9.02. **Procedure to Amend; Board Action.** Subject to **Articles 9 and 14** of the Declaration, any amendment to these Bylaws may be adopted at any meeting of the Board of Directors by the affirmative vote of seventy-five percent (75%) of the number of Directors fixed by **Section 4.03**. Notice of any proposed amendment to the Bylaws and the time and place of the

meeting at which the proposed amendment is to be considered shall be given to all members at least ten (10) days prior to such meeting.

Executed at Coralville, Iowa, on August 19, 2004.

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a horizontal line.

Chad Freeman, Director

Bylaws.wpd