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DECLARATION

OF

SUBMISSION OF PROPERTY TO HORIZONTAL PROPERTY REGIME PURSUANT TO CHAPTER 499B OF THE CODE OF IOWA

NAME:	Churchill Square Condominiums
DECLARANT:	S.G.A., Inc. 100 N Calhoun P.O. Box 252 West Liberty, IA 52776
DATE OF DECLARATION:	July 20, 2017
LEGAL COUNSEL:	James D. Houghton Anderson & Houghton, L.L.P. 568 Highway 1 West Iowa City, IA 52246

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

This Declaration of Submission of Property to the Horizontal Property Regime established by Chapter 499B, The Code of Iowa, is made and executed in Johnson County, Iowa this 20th day of July, 2017, by S.G.A., Inc. (hereafter referred to as "Declarant").

W I T N E S S E T H:

WHEREAS, Declarant is the Owner of certain real property located in Johnson County, Iowa, legally described as follows:

> **Lot 10, Churchill Meadows, Iowa City, Johnson County, Iowa, according to the plat thereof recorded in Book 59, Page 244, Plat Records of Johnson County, Iowa; also Auditor's Parcel 2016084, being a portion of the Vacated Herbert Hoover Highway in the NW ¼ of the NE ¼ of Section 7, Township 79 North, Range 5 West of the 5th P.M., Iowa City, Johnson County, Iowa, according to the plat thereof recorded in Book 60, Page 301, Plat Records of Johnson County, Iowa.**

and;

WHEREAS, Declarant is the Owner of the above-described real estate and four (4) multi-family buildings and other improvements built, or to be built 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 condominium units to various purchasers pursuant to the provisions of the Horizontal Regime Property Act, and to impose upon said property mutually beneficial restrictions, covenants, and conditions; and

WHEREAS, Declarant desires and intends to submit all of the above-described property, buildings and improvements constructed thereon, together with all appurtenances, to the provisions of the Horizontal Regime Property Act as a condominium project.

NOW, THEREFORE, Declarant hereby publishes and declares 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 shall be deemed to run with the land and shall be a burden and a benefit to the Declarant, its successors and assigns and any person or entity acquiring or owning an interest in the real property and improvements, its grantees, successors, heirs, executors, administrators, devisees and assigns.

ARTICLE I
Definitions and Phases

1. **Definitions**

a) ***Declarant.*** The term "Declarant" shall mean S.G.A., Inc., the makers of this Declaration.

b) ***Declaration.*** The term "Declaration" shall mean this instrument by which Churchill Square Condominiums is established as provided under the Horizontal Regime Property Act.

c) ***Project.*** The term "project" shall mean the entire parcel of real property referred to in this Declaration to be divided into condominiums, including all structures thereon.

d) ***Units.*** The term "unit" shall mean one or more rooms occupying all or part of a floor or floors intended for use as a residence and not owned in common with other owners in the regime. The boundary lines of each unit are the interior surfaces of its perimeter walls, bearing walls, floors, ceilings, windows and window frames, doors and door frames, and trim, and includes the portions of the building so described and the air space so encompassed. There are or will be four (4) units in each building and the units in each building shall be designated as 4102, 4104, 4106, 4108, 4122, 4124, 4126, 4128 Unbridled Avenue and 4701, 4703, 4705, 4707, 4709, 4711, 4713 and 4715 Herbert Hoover Highway. The term "unit" also includes the garage serving said unit.

e) ***General Common Elements.*** The term "general common elements" shall have the meaning as defined in Article IV of this Declaration.

f) ***Limited Common Elements.*** The term "limited common elements" shall have the meaning as defined in Article V of this Declaration.

g) ***Building.*** The term "building" shall mean the structural improvements located on the land, forming part of the real estate and containing units as more particularly described in Section 2 of Article II of this Declaration.

h) ***Condominium.*** The term "condominium" means the entire estate in the real property owned by an Owner, consisting of an undivided interest in the Common Elements and ownership of a separate interest in a unit.

i) ***Owner.*** The term "Owner" means any person with an ownership interest in a unit in the project.

j) ***Council of Co-Owners.*** The term "council of co-owners" means all the co-owners of the units and is otherwise known and synonymous with the term "Association" and/or "Owners Association."

k) ***Association.*** The term "Association" if not otherwise designated, means the same as the "council of co-owners" as defined in subsection j hereof and refers to **Churchill Square Condominium Owners Association** and its successors.

l) ***Condominium Documents.*** The term "condominium documents" means this Declaration, all exhibits attached hereto including, but not limited to, the Articles and Bylaws of the Association.

m) ***Plural and Gender.*** Words and phrases herein shall be construed as in the singular or plural number, and as masculine, feminine or neuter, according to the context.

n) ***Severability.*** The invalidity of any covenant, restriction, agreement, undertaking, or other provision of any condominium document shall not affect the validity of the remaining portions thereof.

o) ***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.

2. **Development Phases.**

a) ***General.*** This project is being developed in phases. First Phase is for the Easterly Building on Unbridled Avenue containing Unit Nos. 4102, 4104, 4106 and 4108, and at the time of recording this document is completed; Second Phase is for the Westerly Building on Unbridled Avenue, consisting of Unit Nos. 4122, 4124, 4126 and 4128 and is projected to be completed by August 1, 2017; Third Phase is for the two Buildings on Herbert Hoover Highway, containing Unit Nos. 4701, 4703, 4705, 4707, 4709, 4711, 4713 and 4715 and is projected to be completed by September 1, 2017. Accordingly, the Declarant reserves the right to construct all of said additional buildings and/or improvements without the necessity of obtaining approval of the unit owners within the condominium project.

b) ***Special Provisions.*** (i) Until such time that the additional buildings and/or improvements are constructed upon Lot 10, Churchill Meadows, Iowa City, Iowa and a Certificate of Occupancy has been issued by the City of Iowa City, Iowa for said additional buildings and/or improvements, the units herein shall have the percentage interest in the common elements and the common expenses, as well as the number of votes in the Association, as expressed on Exhibit "A" attached hereto. Prior to or at such time as the Certificate of Occupancy is issued by the City of Iowa City, Iowa for additional buildings and/or improvements in the project, this Declaration shall be amended to reflect the additional building and/or improvements and to adjust each unit's ownership interest in the common elements and common expenses, as well as the number of votes in the Association Each unit owner's interest in the common elements and common expenses, as well as its votes in the Association, shall be determined on a per unit basis.

(ii) Further, because at the time of the filing of this Declaration, the additional buildings have not yet been fully constructed, the Declarant reserves the right to construct said buildings in a location and manner as set forth in Exhibits "B", "C" and "D". The Declarant shall have the right to construct such buildings without obtaining the approval of the owners of units in the condominium regime.

ARTICLE II
Description of Land, Buildings and Units

1. ***Description of Land.*** The land submitted to this regime abuts Unbridled Avenue and Herbert Hoover Highway all in Iowa City, Iowa. The exact legal description is as follows:

Lot 10, Churchill Meadows, Iowa City, Johnson County, Iowa, according to the plat thereof recorded in Book 59, Page 244, Plat Records of Johnson County,

Iowa; also Auditor's Parcel 2016084, being a portion of the Vacated Herbert Hoover Highway in the NW ¼ of the NE ¼ of Section 7, Township 79 North, Range 5 West of the 5th P.M., Iowa City, Johnson County, Iowa, according to the plat thereof recorded in Book 60, Page 301, Plat Records of Johnson County, Iowa.

2. ***Description of Buildings.*** The Condominium Regime consists or will consist of four (4) two-story buildings. The buildings will each contain four (4) units. The addresses of the buildings abutting Unbridled Avenue are 4102, 4104, 4106, 4108, 4122, 4124, 4126, 4128 Unbridled Avenue, Iowa City, IA 52240. The addresses of the buildings abutting Herbert Hoover Highway are 4701, 4703, 4705, 4707, 4709, 4711, 4713 and 4715 Herbert Hoover Highway, Iowa City, Iowa 52240. The eight (8) dwelling units on Unbridled Avenue and the eight (8) dwelling units on Herbert Hoover Highway have been designated as indicated on the attached Exhibit "B". The buildings have been or will be constructed to the general specifications attached as Exhibit "C" and pursuant to the building plans attached as Exhibit "D".

3. ***Description of Units.*** Annexed hereto and made a part hereof as Exhibit "A" is a list of all existing units, along with their unit designations, current percentage interest in each unit in their common elements, number of votes per unit in the Association, and pro rata share of common expenses. Annexed hereto and made a part hereof as Exhibit "B" is a site plan showing the location of the buildings and the units within each building, as well as the common elements to which each unit has immediate access. Annexed hereto and made a part hereof as Exhibit "C", is a copy of the building plans which include general specifications as well as the principal materials for Building, which together with the definition of the term "unit" in Article I show the dimensions and describe each unit. Buildings and/or improvements constructed in the future shall be described in an amendment hereto and/or supplemental Exhibits.

ARTICLE III
Ownership Interests

1. ***Exclusive Ownership and Possession by Owner.*** An Owner shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter and unit partition walls, ceilings, windows and doors bounding his/her unit, nor shall the owner be deemed to own the utilities running through his/her unit which are utilized for, or serve more than one unit, except as a fractional interest in the common elements. An owner, however, shall have the exclusive right to paint, repaint, tile, wax, paper or otherwise refinish and decorate the interior surfaces of the walls, floors, ceilings, windows and doors bounding his unit.

Each Owner shall be entitled to exclusive ownership and possession of his/her unit. Each owner shall be entitled to an undivided interest in the Common Elements in the fractional interest expressed in Exhibit "A" of this Declaration, as amended from time to time. The fractional interest in the Common Elements shall not be separated from the unit to which it appertains and shall be deemed to be conveyed or encumbered or released from liens with the unit even though such interest is not expressly mentioned or described in the conveyance or other instrument. Each Owner shall use the Common Elements in accordance with the purpose for which it is intended without hindering or encroaching upon the lawful rights of the other Owners.

2. ***Appurtenances.*** There shall pass with the Ownership of each unit as a part thereof, whether or not separately described, all appurtenances to such unit and no part of the appurtenant interest of the appurtenant interest of any unit may be sold, transferred or otherwise disposed of except in connection with the sale, transfer or other disposition of such unit itself or of all units in the regime.

3. ***Undivided Fractional Interest.*** An undivided interest in the land and other common elements of the regime shall be appurtenant to each unit. The amount of such undivided interest appurtenant to each unit is that fraction set forth in Exhibit "A", as amended from time to time.

4. ***General Common Elements.*** Appurtenant to each unit shall be a right to use and enjoy the general common elements.

5. ***Limited Common Elements.*** The exclusive use by Owners of the limited common elements shall be deemed an appurtenance of the unit or units for which said elements are reserved, provided, such use and enjoyment shall be limited to the uses permitted by this Declaration and other condominium documents.

6. ***Association Membership and Voting Rights.*** Appurtenant to each unit shall be membership in Churchill Square Condominium Owners Association and votes 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 Bylaws of the Association and of the other condominium documents. The number of votes appurtenant to each unit is set forth on Exhibit "A". The action of such Association shall be deemed the action of the Owners; and such action, when taken in accordance with the Bylaws of the Association and this Declaration, shall be final and conclusive upon all unit Owners.

7. ***Cross Easements.*** Appurtenant to each unit shall be easements from each unit Owner to each other unit Owner and to the Association and from the Association to the respective unit Owners as follows:

(a) For ingress and egress through the common areas and for maintenance, repair and replacement as authorized.

(b) Through the units and common facilities for maintenance, repair, replacement or reconstruction of common elements, but access to units shall be only during reasonable hours except in case of emergency.

(c) Through the units and common areas for conduits, ducts, plumbing, wiring, and other facilities for the furnishing of utility or other services to the other units or the common areas.

(d) Every portion of a unit contributing to the support of a building is burdened with an easement for such support for the benefit of said building.

ARTICLE IV
General Common Elements

1. ***Definition.*** The term "General Common Elements" shall mean and such elements shall consist of the real estate immediately adjacent to and under each unit which are not included in any unit. The General Common Elements include, but are not limited to, the following:

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

(b) Installations for public utilities, including electric, water, gas, cable TV and telephone for common use.

(c) The foundations, floors, exterior walls of each unit and of the buildings, ceilings, roofs, communication ways and in general all devices or installations existing for common use, except as limited in the next Article.

(d) All yards, plantings, landscaping, sidewalks and drives except as otherwise provided or stipulated.

(e) Common private drive between Unbridled Avenue Units and Herbert Hoover Highway Units.

ARTICLE V
Limited Common Elements

1. ***Definition.*** The term "limited common elements" shall mean and such elements shall consist of those common elements which are reserved for the use of one or more units by this Article and amendments hereto and such reservations shall be to the exclusion of all other units.

2. ***Reservation.*** The following common elements are reserved and shall constitute the limited common elements:

(a) All perimeter walls and partition walls segregating units from other units, interior load-bearing walls and all other elements which are structural to a unit are reserved for that unit (or units where partitions separate two units contained in a building).

(b) Mailboxes and storage areas, if any, designated to a particular unit.

(c) That part of all sewer, water, electrical, gas, telephone and other utility or service lines, wiring, ducts, conduits, piping, facilities, systems, fixtures and attachments serving just one unit and located entirely within the unit.

(d) Air conditioner pads, compressors and equipment serving just one unit shall be appurtenant to said unit.

(e) Entryways serving just one unit shall be appurtenant to said unit.

(f) Any deck, balcony or patio adjacent to any individual unit.

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

are the common interests of all Owners and, as such, shall remain a part of the general common elements.

4. ***Rights of Association.*** The reservation of the limited common elements herein shall not limit any right the Association and its agents may otherwise have to alter such limited common elements or enter upon such limited common elements.

ARTICLE VI
Declarant's Reserved Rights and Powers

1. ***Declarant's Activities.*** In addition to the rights reserved in Article I herein, Declarant is irrevocably and perpetually empowered, notwithstanding any use, restriction or other provision hereof to the contrary, to sell, lease or rent units to any person and shall have the right to transact on the condominium property any business relating to construction, repair, remodeling, sale, lease or rental of units, including but not limited to, the right to maintain signs, employees, independent contractors, equipment and materials on the premises, to use common elements (general and limited), and to show units. All signs and all items and equipment pertaining to sales or rentals or construction in any unit furnished by the Declarant for sales purposes shall not be considered common elements and shall remain Declarant's separate property. Declarant retains the right to be and remain the Owner of completed but unsold units under the same terms and conditions as other Owners including membership in the Association save for its right to sell, rent or lease.

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

3. ***Designation of Association Directors.*** Declarant shall have the right to name all members of the Board of Directors of Churchill Square Condominium Owners Association until four (4) months after seventy-five percent (75%) of the space in the Condominium Regime has been conveyed to unit purchasers, or until the Declarant waives this right, at which time the members of the Association shall select the Board of Directors as provided by the Bylaws. Thereafter, the Board of Directors shall be selected in the manner specified by the Bylaws of the Association.

ARTICLE VII
Management of the Regime

1. ***Association; Council of Co-Owners.*** The operation of the condominium regime shall be by a membership association. The name of the Association shall be Churchill Square Condominium Owners Association. Copies of its Articles of Incorporation and Bylaws are attached hereto as Exhibits "E" and "F", respectively. Whenever a vote or other action of unit Owners as a group is required the mechanics of conducting such a vote or taking such action shall be under the control and supervision of the Association. The action of the Association shall constitute the action of the Owners or the Council of Co-owners whenever such action is permitted or required herein or by Chapter 499B of the Code of Iowa.

2. ***Compliance.*** All Owners, tenants, business partners, invitees, and other persons using or occupying the regime shall be bound by and strictly comply with the provisions of the Bylaws of the Association and applicable provisions of other condominium documents, and all agreements, regulations and determinations lawfully made by the Association and its directors, officers or agents. 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, and any mandatory or other injunctive relief without waiving either remedy.

3. ***Powers of Association.*** Each Owner agrees that the Association has and shall exercise all powers, rights and authority granted unto it, the Council of Co-owners and the Owners as a group by Chapters 504 and 499B of the Code of Iowa, as amended, and such as are more particularly set forth in the condominium documents, including but not limited to the making of assessments chargeable to Owners and the creation of a lien on units thereof, and to acquire a unit at foreclosure sale and to hold, lease, mortgage or convey the same. Each Owner hereby waives any rights to delay or prevent such foreclosure by the Association which he or she may have by reason of a homestead exemption, or otherwise. However, no unit shall be assessed until construction of the Unit has been completed and an occupancy permit for the unit is issued by the City of Iowa City, Iowa.

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

5. ***Membership and Voting Rights.*** The members of the Association shall consist of all of the record Owners of units. After receiving the approval of the Association elsewhere required, change of membership in the Association shall be established by recording in the public records of Johnson County, Iowa, a deed or other instrument establishing a record title to a unit in the condominium. The membership of the prior Owner shall be thereby terminated. The members of the Association shall be entitled to their respective vote as set forth on Exhibit "A".

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

7. ***Board of Directors.*** The affairs of the Association/Council of Co-owners shall be conducted by a Board of Directors who shall be designated in the manner provided in the Bylaws. The Board may employ a manager or managerial service company and delegate various responsibilities to such person as more particularly described in the Bylaws. The management fee shall be a common expense.

8. ***Discharge of Liability.*** All Owners shall promptly discharge any lien which may hereafter be filed against their condominium unit.

9. ***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.

10. ***Indemnification of Directors and Officers.*** 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 an officer of the Association, or any settlement thereof, whether or not he/she is an officer at the time such expenses are incurred, except in such cases wherein the 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 officer may be entitled.

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

Name	Address
James D. Houghton	568 Highway 6 W Iowa City, IA 52246

ARTICLE VIII
Maintenance, Alteration and Improvement

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

(a) "Maintenance" or "repair" shall mean the act of maintaining, restoring, renovating, reconstructing, replacing, rebuilding and similar work necessary to preserve a unit or the property in its original condition as completed.

(b) "Improvement" shall mean the addition of a new structure, element or facility, other than a structure, element or facility otherwise provided for by this Declaration or any Supplementary Declaration.

2. ***Maintenance by Association.***

(a) The Association shall maintain all common elements, whether limited or general, and shall make assessments therefore as a common expense except where maintenance has been specifically made the responsibility of each unit owner.

(b) The Association shall repair incidental damage caused to a unit through maintenance by the Association and shall assess the cost thereof as a common expense.

(c) If a unit Owner defaults on his/her responsibilities of maintenance, the Association shall assume such responsibilities and shall assess the costs thereof against the unit

of such Owner. Such assessment shall be collectible as if it were an assessment for common expenses.

(d) The Association may, in its discretion, assume responsibility for any maintenance project which requires reconstruction, repair, rebuilding, renovation, 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.

3. ***Maintenance by Owner.***

(a) Each unit Owner at his/her own expense shall maintain his/her unit, shall keep the unit in a clean and sanitary condition and shall be responsible for the maintenance of all personal property within such unit.

(b) The Owner of each unit shall be responsible for maintaining and replacing the plumbing fixtures within the buildings located within the unit and the furnace and air conditioning unit serving such unit together with heating ducts and all other utilities including electrical and electrical fixtures or portions thereof located within the boundaries of his unit as well as any utility lines serving his unit even if said lines are located within another unit.

(c) The unit Owner shall maintain, at his/her own expense, any improvement or alteration made by him/her.

(d) The Owner of each unit shall promptly report to the Association any defects or other maintenance needs which are the responsibility of the Association.

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

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

ARTICLE IX
Conditions of and Restrictions on Ownership, Use and Enjoyment

1. ***Property Subject to Certain Provisions.*** The ownership, use, occupation and enjoyment of each unit and of the common elements of the regime shall be subject to the provisions of the Bylaws of the Association and this Declaration, all of which provisions irrespective of where set forth or classified shall have equal status and shall be enforceable and binding as a covenant, condition, restriction or requirement running with the land and shall be binding on and enforceable against each and all units and the Owners thereof and their respective assigns, lessees, tenants, occupants and successors in interest.

The submission of this project as a Declaration of Condominium is subject to any other easements, covenants and restrictions of record applicable to the real estate upon which the Project is located.

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

(a) A unit shall be used or occupied for living or dwelling purposes only.

(b) A condominium may be rented or leased by the Owner or his lessee provided the rental period is at least one month unless some other period is established in the regulations or Bylaws of the Association. No lease shall relieve the Owner as against the Association and other Owners from any responsibility or liability imposed by the condominium documents. Any lease shall provide that the Lessee is bound by all rules and regulations of the Association and the Landlord shall provide a copy of all relevant documents to the Tenant. Furthermore, the Unit Owner shall provide the Association the name of each tenant, telephone number, license plate number or other information reasonably requested by the Association.

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

(d) Nothing shall be done or kept in any unit or in the common area which will increase the rate of insurance on the common area without the prior written consent of the Association. No Owner shall permit anything to be done or kept in his unit or in the common area which will result in the cancellation of insurance on any unit, or any part of the common area, or which would be in violation of any law.

(e) No unit Owner shall be permitted to erect a TV antenna or any other fixture, item or appurtenance on any building roof or the common areas without the written consent of the Association.

(f) No parking of any vehicles shall be allowed except in areas designated for that purpose. No parking of boats, campers or trucks larger than a full-size pickup shall be allowed, except with written permission of the owners association. If parking spaces are assigned, parking spaces assigned to specific units may be used only by the Owner of said unit unless the parking space has been transferred in the manner provided in this Declaration or such Owner has otherwise expressly authorized such use.

(g) Agents of or contractors hired by the Association may enter any unit when necessary in connection with any maintenance, landscaping or construction for which the Association is responsible, provided such entry shall be made with as little inconvenience to the Owners as practicable.

(h) A unit Owner shall give notice to the Association of every lien against his unit, other than permitted mortgages, taxes and association assessments, and of any suit or other proceeding which may affect the title to his unit within ten (10) days after the lien attaches or the Owner receives notice of such suit.

(i) A unit Owner shall be liable to the Association for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of his family, guests, employees, agents or lessees which liability shall include any increase in insurance rates resulting there from.

(j) The use of gas or electric grills on the decks or patios are subject to rules and regulations of the Association and the City of Iowa City. However, charcoal grills are not permitted on any decks or patios.

(k) Each Owner shall keep his or her deck or patio neat and clean and the Association shall have sole discretion in connection as what constitutes neatness and cleanliness and may assess penalties of $10.00 per day if an Owner fails to comply after receiving a five (5) day notice.

(l) No animals or reptiles of any kind shall be raised, bred, or kept in any Unit or in the Common Elements, except that a dog, cat or other household pet approved in writing by the Board of Directors of the Association, may be kept in a Unit, provided that it is not kept, bred or maintained for any commercial purpose; and provided further that any such pet which in the opinion of the Board of Directors of the Association is causing or creating a nuisance shall be permanently removed from the property upon three (3) days written notice from the Board of Directors of the Association. No Unit shall house more than one (1) pet, except as approved by the Board of Directors. Pets may be outside only if accompanied by a Unit Owner or lessee and shall only be allowed in areas designated for pets by the Association. Any person within the project keeping a pet shall immediately clean and remove any messes created or caused by said pet. Further, no unleashed pets whatsoever shall be allowed upon the Limited or General Common Elements.

(m) There shall be no storage in the furnace and/or water heater rooms.

(n) No hot tubs, Jacuzzis, spas or similar type tubs shall be allowed in any unit or on any deck or patio.

(o) All trash and garbage shall be immediately disposed of by an owner in the dumpster area and trash and/or garbage shall not be stored on any deck, patio, or limited common area.

(p) Any changes in the use of property pursuant to this Section are governed by Article XII.

(q) In addition to the foregoing provisions, the Association shall have the authority to adopt supplementary rules and regulations governing the use of the property. Such rules shall be observed and obeyed by the Owners, their guests, tenants and licensees.

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

ARTICLE X
Insurance and Casualty

1. ***General Liability and Property Damage.*** Comprehensive general liability and property damage insurance shall be purchased by the Board of Directors as promptly as possible following its election and shall be maintained in force at all times. The premiums thereon shall 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 of Iowa in such amounts as the Board may determine. The policy or policies shall name as the insured all of 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.

2. ***Fire and Casualty.*** Fire and other hazard insurance shall be purchased by the Board as promptly as possible following its election and shall thereafter be maintained in force at all times. The premiums thereon shall be paid out of the monthly condominiums association fees. Policies shall provide for the issuance of certificates or such endorsement evidencing the insurance as may be required by the respective mortgagees. The policy, and certificates so issued, will bear a mortgage clause naming the mortgagees interested in said property. The policy or policies shall insure against loss from perils therein covered to all of the improvements in the project, except as may be separately insured. Such policy or policies shall contain extended coverage, vandalism and malicious mischief endorsements. The improvements to be insured under this section shall be continually insured to value and the policy or policies shall contain replacement cost insurance. If reasonably available, the policy or polices shall contain a stipulated amount clause, determinable cash adjustment clause or similar clause to permit a cash settlement covering specified value in the event of destruction and a decision not to rebuild. The policy or policies shall name as insured all of the Owners, the Association and Declarant, so long as Declarant is the Owner of any of the units in the project. The Declarant shall notify the insurance carrier of any change in ownership of a unit until such time as the Declarant shall no longer own ten percent (10%) or more of the units at which time it shall be the responsibility of the Association to notify the insurance carrier of a change in the ownership of any unit. The policy or policies shall also cover personal property owned in common and shall further contain a waiver of subrogation rights by the carrier as to negligent Owners.

3. ***Fire and Casualty on Individual Units.*** Except as expressly provided in this section and in section 4, no Owner shall separately insure his condominium or any part thereof

against loss by fire or other casualty covered by the insurance carrier under section 2. If an Owner violates this provision, any diminution in insurance proceeds, resulting from the existence of such other insurance and/or the failure to have the proceeds of such other insurance payable pursuant to the provisions of section 2, shall be chargeable to the Owner who acquired such other insurance who shall be liable to the Association to the extent of any such diminution and/or loss of proceeds.

4. ***Personal Property on Individual Units.*** An Owner may carry such personal liability insurance, in addition to that herein required, as he/she may desire. In addition, such fixtures and mechanical equipment located within a unit such as plumbing fixtures, trade 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, may be separately insured by such Owner. Such insurance shall be limited to the type and nature of coverage often referred to as "Condominium Unit-Owners Insurance". All such insurance separately carried shall contain a waiver of subrogation rights by the carrier as to negligent Owners.

5. ***Additional Coverage.*** The Board may purchase and maintain in force at the expense of the common maintenance fund, debris removal insurance, fidelity bonds, and other insurance and/or bonds that it deems necessary. The Board shall purchase and maintain worker'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.

6. ***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.

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

(a) Partial Destruction of Common Elements. If the damaged improvement is a common element, the Board of Directors of the Association may, without further authorization, contract to repair or rebuild the damaged portion of the common 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 rebuild the damaged portion of the unit or units and the common elements substantially in accordance with the original plans and specifications. If the cost to repair or rebuild exceeds available insurance by $20,000.00 or more, 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 and mortgage upon any part of the regime. In the event of a determination to reconstruct or repair, the Board shall have prepared 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 reconstruct or repair, 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 area, except for unit coverages under section 4 of this Article X, shall be distributed proportionately to the unit Owners in the same proportion that the unit in which they have an interest shares in the common elements, except that where there is a mortgage of record or other valid encumbrance on any one unit then, and in that event, with respect to said unit, the Association will distribute said proceeds as follows: First to the record Owner 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) In the event that the common area is repaired or reconstructed pursuant to the provisions of subsections (a), (b) or (c) of this section and there is any deficiency between the insurance proceeds paid for the damage to the common area and the contract price for repairing or reconstructing the common area, the Board shall levy a special assessment against each Owner in proportion to his fractional interest of ownership in the common area to make up such deficiency. If any Owner fails 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 VIII of this Declaration covering a default of any Owner in the payment of maintenance charges.

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