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Kimberly A. Painter County Recorder  
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DECLARATION  
OF

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

NAME: OAK HILL CONDOMINIUMS

DECLARANT: VORHIES DEVELOPMENT, INC.

DATE OF DECLARATION: May 2, 2002

LEGAL COUNSEL: Douglas D. Ruppert  
MEARDON, SUEPPEL & DOWNER P.L.C.  
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Iowa City, Iowa 52240  
(319) 338-9222

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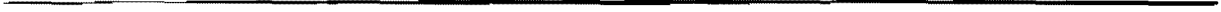
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DECLARATION  
OF  
SUBMISSION OF PROPERTY  
TO HORIZONTAL REGIME ESTABLISHING A PLAN  
FOR  
CONDOMINIUM OWNERSHIP OF PREMISES

This Declaration of Submission of Property to the Horizontal Property Regime is made and executed in Iowa City, Iowa, the 2nd day of May, 2003 by VORHIES DEVELOPMENT, INC., an Iowa corporation, hereinafter referred to as "DECLARANT", pursuant to the provisions of the Horizontal Property Act, Chapter 499B, Code of Iowa (2001).

WITNESSETH:

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

Lots 82 and 83, Scott Boulevard East - Part Four, Iowa City,  
Iowa, according to the plat thereof recorded in Book 41,  
Page 155, Plat Records of Johnson County, Iowa.

and;

WHEREAS, DECLARANT is the owner of three (3) 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 DECLARANTS 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 DECLARANTS, their successors and assigns and any person acquiring or

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owning an interest in the real property and improvements, their grantees, successors, heirs, executors, administrators, devisees and assigns.

ARTICLE I.

DEFINITIONS.

1. DECLARANT.

The term "DECLARANT" shall mean Vorhies Development, Inc., an Iowa corporation, who has made and executed this Declaration.

2. DECLARATION.

The term "DECLARATION" shall mean this instrument by which Oak Hill Condominiums, Iowa City, Iowa, is established as provided under the Horizontal Property Act.

3. 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.

4. UNIT.

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 the other owners in the Regime. The boundary lines of each Unit are the interior surfaces of its perimeter walls, bearing walls, floors, ceilings, windows and window frames, doors and door frames, and trim, and includes the portions of the Building so described and the air space so encompassed. The Regime will consist of three (3) buildings, with a total of sixteen (16) Units.

5. GENERAL COMMON ELEMENTS.

The term "GENERAL COMMON ELEMENTS" shall have the meaning as defined in ARTICLE IV.

6. LIMITED COMMON ELEMENTS.

The term "LIMITED COMMON ELEMENTS" shall have the meaning as defined in ARTICLE V.

7. BUILDING.

The term "BUILDING" shall mean the structural improvements located on the land, forming part of the real estate described herein, and containing Units as more

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particularly described on Exhibits "D" and "E" in paragraph 2 of Article II of this Declaration.

8. GARAGE.

The term "garage" shall mean each of the attached double garages appurtenant to the Units in Buildings A and B.

9. GARAGE BUILDINGS.

The term "garage buildings" shall mean the two (2) separate, free-standing buildings located within the condominium regime and shown and designated on the Site Plan. These garage buildings contain four (4) garage spaces each. These garage spaces shall be assigned to Units to be located in Building C when said Building is incorporated into the regime.

10. CONDOMINIUM.

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

11. OWNER.

The term "OWNER" means any person with an ownership interest in a Unit in the Project.

12. ASSOCIATION.

The term "ASSOCIATION" means Oak Hill Condominiums Owners Association, and its successors.

13. CONDOMINIUM DOCUMENTS.

The term "CONDOMINIUM DOCUMENTS" means this Declaration, and all Exhibits attached hereto including the Articles and Bylaws of the Association.

14. 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.

15. SEVERABILITY.

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

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16. INCORPORATION.

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

ARTICLE II.

DESCRIPTION OF LAND, BUILDING AND UNITS

1. Description of Land.

The real property submitted to the Regime is located in Iowa City, Johnson County, Iowa, and is legally described as follows:

Lots 82 and 83, Scott Boulevard East - Part Four, Iowa City,  
Iowa, according to the plat thereof recorded in Book 41,  
Page 155, Plat Records of Johnson County, Iowa.

2. Description of Buildings.

This Condominium Regime will ultimately consist of three (3) buildings containing a total of sixteen (16) Units. Building C will contain eight (8) Units and Buildings A and B will contain four (4) Units each. The location of each building therein is shown on Exhibit "E" attached hereto. The Units in Buildings A and B shall be designated by their Scott Park Drive street address as shown on Exhibit "E."

Declarant intends to develop the Condominium Regime in phases. Declarant will ultimately construct three (3) buildings containing a total of sixteen (16) Units. Specifications for Buildings A and B containing four (4) Units each (Phase 1) are set forth on Exhibit "D" attached hereto and the Site Plan showing the location of the Buildings is set forth on Exhibit "E" attached hereto. Exhibit "E" also sets forth the Building plans for said Building. By amendment to this Condominium Declaration by Declarant, the location of the remaining Building C and Units within said Building C, plus specifications thereof will be shown by the Exhibits which are to be a part of said amendments. The amendment shall also assign garage spaces in the garage buildings to Units in Building C.

3. Description of the Units.

The Condominium Regime will ultimately consist of a total of sixteen (16) Units located in Buildings A, B and C. Each Unit will be entitled to one (1) vote in the Association and will pay an equal percentage of the common expenses and other assessments. There shall be four (4) Units located in each of the Buildings A and B. The Units in Buildings A and B shall be designated by their Scott Park Drive street address as shown on Exhibit "E." The precise location of the Units located in Buildings A and B is shown on Exhibit "E" attached hereto. Declarant shall amend the Declaration by Exhibit which Exhibit shall show the precise location of Building C (which will be consistent with

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the footprint of those Buildings as shown on Exhibit "E"), the location of each Unit within that particular Building and the plans and specifications for said Buildings.

### ARTICLE III

#### OWNERSHIP INTERESTS

1. Exclusive Ownership and Possession by Owner.

Each owner shall be entitled to exclusive ownership and possession of his or her Unit. Each Owner shall be entitled to an undivided interest in the Common Elements. Said percentage of the undivided interest in the Common Elements shall not be separated from the Unit to which it appertains and shall be deemed to be conveyed or encumbered or released from liens with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument. Each Owner may use the Common Elements in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other Owners.

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

2. Appurtenances.

There shall pass with the ownership of each Unit as a part thereof, whether or not separately described, all appurtenances to such Unit. Except for the transfer of garage spaces as provided for in this Declaration no part of the appurtenant interest of any Unit may be sold, transferred or otherwise disposed of except in connection with the sale, transfer or other disposition of such Unit itself or of all Units in the regime.

3. Undivided Fractional Interest.

An undivided interest in the land and other Common Elements of the Regime, regardless of whether such elements are General or Limited Common Elements, shall be appurtenant to each Unit. The amount of such undivided interest appurtenant to each Unit shall be  $1/16^{\text{th}}$  (6.25%). Each Unit will bear a fractional share of the obligation for payment of assessment, taxes and insurance and other expenses assessed by the Owner's Association. The Unit's share of fractional expenses will change as the Declarant completes the Buildings within the Regime. Each Unit Owner in Buildings A and B will bear a one-eighth ( $1/8^{\text{th}}$ ) share of said expenses. When Building C is developed, each Unit Owner will share a one-sixteenth ( $1/16^{\text{th}}$ ) portion of said expenses and assessments.

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4. General Common Elements.

Appurtenant to each Unit shall be a right to use and enjoy the General Common Elements.

5. Limited Common Elements.

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

6. Association Membership and Voting Rights.

Appurtenant to each Unit shall be membership in Oak Hill Condominiums Owners Association and one (1) vote in the affairs of the Association and of the Regime; provided, however, that the exercise of such voting and membership rights shall be subject to the applicable provisions of the Articles and Bylaws of the Association and of the other Condominium Documents. The action of such Association shall be deemed the action of the Owners; and such action, when taken in accordance with the Bylaws of the Association and this Declaration shall be final and conclusive upon all Unit Owners.

7. Cross-Easements.

Appurtenant to each Unit shall be easements from each Unit Owner to each other Unit Owner and to the Association, and from the Association to the respective Unit Owners as follows:

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

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

(c) Every portion of a Unit contributing to the support of a Building is burdened with an easement of such support for the benefit of all such other Units;

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

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ARTICLE IV.

GENERAL COMMON ELEMENTS

1. Definition.

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

(a) The land on which the Buildings are erected.

(b) The foundations, floors, exterior walls of each Unit and of the Buildings, Garage Buildings, ceilings, roofs, hallways and entrances and exits or communication ways, and in general all devices or installations existing for common use, except as limited in the next Article.

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

(d) Front, side, and rear yards; plantings, walks, drives and open parking spaces, except as otherwise provided or stipulated.

ARTICLE V.

LIMITED COMMON ELEMENTS

1. Definition.

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

2. Reservation.

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

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(a) All exterior walls of a building, all walls and partitions separating Units from other Units, interior load bearing walls and all other elements which are structural to a Unit are reserved for that Unit (or Units where partitions separate two Units contained in a building).

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

(c) Any garage space or spaces of the Garage Buildings. These garage spaces are assigned to Units located in Building C as will subsequently be shown on an amended Site Plan. Thereafter, such garage space or spaces shall be deemed appurtenant to such Units and shall be deemed to be transferred with any conveyance of such Unit. Notwithstanding the right of exclusive use granted to any garage space or spaces in connection with the conveyance of a Unit, such areas shall remain limited common elements and shall be subject to the control of the Association.

Units located in Buildings A and B shall each have an attached double garage appurtenant to said Units. Owners of said Units shall not be assigned garage spaces in the Garage Buildings.

(d) 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. Furnace and/or water heater room shall be appurtenant to the Units they serve.

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

(f) Entry ways immediately appurtenant to each Unit.

(g) Any deck, balcony or patio adjacent to an 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. Right of Association.

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

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ARTICLE VI.DECLARANT'S RESERVED RIGHTS AND POWERS

## 1. Declarant's Activities.

Declarant is irrevocably and perpetually empowered, notwithstanding any use, restriction or other provisions 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 and equipment and materials on the premises, and to use Common Elements (General and Limited) to show Units. All signs and all items and equipment pertaining to sales or rentals or construction and any Unit furnished by the Declarant for sale purposes shall not be considered Common Elements and shall remain their 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 Oak Hill Condominiums Owners Association until the earlier of three (3) years after the first Unit in the condominium regime has been conveyed to Unit Purchasers or four (4) months after seventy-five percent (75%) of the Units in the condominium regime have been conveyed to Unit Purchasers, or until the Declarant waives this right, at which time members of the Association shall select the Board of Directors as provided by the Bylaws. Thereafter, the Board of Directors shall be selected in the manner specified by the Bylaws of the Association.

## 4. Declarant's Right to Amend.

The Declarant reserves the following rights to amend the Declaration without the consent of any Unit Owner for the following purposes and in the following manner:

(a) As each phase of the Condominium Development as described in Article II is ready for construction, Declarant shall amend the Declaration by filing the appropriate Exhibit to set forth the precise location of each Building within said phase as well as the location of each Unit therein and the Plans and Specifications for

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said Buildings and the improvements therein, plus the specific location of the streets and other common improvements.

(b) As each Building is completed, the Declarant shall file an amendment consisting of the Engineer's Certificate indicating that said Building has been completed and constructed according to the Plans and Specifications which are a part of this Declaration and the documents filed in support thereof with the office of the Recorder of Johnson County, Iowa.

(c) The amendment to this Declaration as provided in this Article VI, paragraph 4, subparagraphs (a) and (b) will be made at any time prior to the original sale of the affected Unit and may be made without consent of other Unit Owners.

## ARTICLE VII.

### MANAGEMENT OF THE REGIME

1. Association; Council of Co-owners.

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

2. Compliance.

All owners, tenants, families, guests and other persons using or occupying the Regime shall be bound by and strictly comply with the provisions of the Bylaws of the Association and applicable provisions of other Condominium Documents, and all agreements, regulations and determinations lawfully made by the Association and its directors, officers or agents shall be binding on all such Owners and other persons. A failure to comply with the Bylaws or the provisions of the other Condominium Documents or any agreement or determination thus lawfully made shall be grounds for an action to recover sums due for damages on the part of the Association or any Owners, as applicable, or injunctive relief without waiving either remedy.

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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 504A and 499B of the 2001 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. However, no Unit shall be assessed until construction of the Unit has been completed and an occupancy permit for the Unit 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, 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 and the membership of the prior Owner shall be thereby terminated. The members of the Association shall be entitled to cast One (1) vote for each Unit owned by such member.

6. Restraint upon Assignment.

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

7. Board of Directors.

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

8. Discharge of Liability.

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

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9. Limitation on Association's Liability.

The Association shall not be liable for any injury or damage to property caused by or on the Common Elements or by another Owner or person in the Project or by any other means unless caused by the gross negligence of the Association. No diminution or abatement of common expense 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 governmental authority.

10. Indemnification of Directors and Officers.

Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him or her in connection with any proceeding to which he or she may be a party, or in which he or she may become involved, by reason of his or her being or having been a director or officer of the Association, or any settlement thereof, whether or not he or she is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his or 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 in the best interests of the Association. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

11. Agent to Receive Service of Process.

The following person, who is a resident of the State of Iowa, is designated to receive service of process upon the Association:

<u>NAME</u>	<u>ADDRESS</u>
Vorhies Development, Inc.	936 Scott Park Drive 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 meanings shall be conclusively decided by the Board of Directors of the Association:

(a) "Maintenance" or "repair" shall mean the act of maintaining, restoration, renovation, reconstruction, replacement, rebuilding and similar work necessary to preserve a Unit or the property in its original condition as completed.

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

2. Maintenance by Association.

(a) The Association shall maintain all Common Elements, whether Limited or General, and shall make assessments therefor as a common expense except where maintenance has been specifically made the responsibility of each Unit.

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

(c) If a Unit Owner defaults on his or her responsibilities of maintenance, the Association shall assume such responsibilities and shall assess the cost thereof against the Unit of such Owner and such assessment shall be collectible as if it were an assessment for common expenses.

(d) The Association may, in its discretion, assume responsibility for any maintenance project which requires reconstruction, repair, rebuilding, conservation, restoration or similar work to more than one Unit and the cost thereof may be in the discretion of the Association either assessed against each Unit on which such costs were incurred or assessed against all Units as a common expense according to the circumstances.

3. Maintenance by Owner.

(a) Each Unit Owner at his or her own expense shall maintain the interior, including the boundary surfaces, of such Unit and its equipment, shall keep such interior in a clean and sanitary condition, shall do all redecorating, painting and other finishing which may at any time be necessary to maintain his or her Unit, and shall be responsible for the maintenance of all personalty including carpets, furnishings, and appliances within such Unit.

(b) The Owner of each Unit shall be responsible for maintaining the plumbing fixtures within the Unit and heating and air conditioning Unit serving such Unit and all other utilities or portions thereof located within the boundaries of

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his or her Unit. The Owner shall also, at his or her own expense, keep his or her Unit in a clean and sanitary condition.

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

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

4. Alterations or Improvements by Owner.

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

5. Alterations or Improvements by the Association.

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

ARTICLE IX.

CONDITIONS OF AND RESTRICTIONS ON  
OWNERSHIP, USE, AND ENJOYMENT

1. 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 and the Articles of Incorporation of the Association, and this Declaration, all of which provisions irrespective of where set forth or classified shall have equal status and shall be enforceable and binding as a covenant, condition, restriction, or requirement running with the land and

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shall be binding on and enforceable against each and all Units and the Owners thereof and their respective assigns, lessees, tenants, occupants and successors in interest.

2. Use of Property.

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

- (a) A 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 or her lessee, provided the entire Unit is rented. No lease shall relieve the Owner as against the Association and other Owners from any responsibility or liability imposed by the Condominium Documents.
  - (c) Nothing shall be altered in, constructed in, or removed from, the Common Elements, Limited or General, except upon written consent of the Board of Directors of the Association, which may be given through regulations of the Association, and further provided that any holder of a first mortgage which acquires possession of a Unit by foreclosure or by deed in lieu of foreclosure shall have the right to post signs for the sale or rental of such Unit until such Unit is sold or a lease is entered into.
  - (d) No activity shall be allowed which unduly interferes with the peaceful possession and use of the property by the Unit Owners nor shall any fire hazard or unsightly accumulation of refuse be allowed.
  - (e) No Unit Owner, guest or invitee thereof shall block vehicular access to each Unit's garage or garage space by parking vehicles or placing objects within that portion of the common driveway which abuts the Unit's garage door and which provides direct access to the garage or garage space. No Unit Owner shall be allowed to install additional parking slabs on any part of the property. The parking spaces fronting Building C shown on Exhibit "E" are reserved for the general use of Building C Unit Owners and their guests and invitees only. No vehicles may be permanently parked on these parking spaces. Vehicles parked on these parking spaces must be moved at least once every 24 hours. Parking of vehicles shall only be allowed in garages, garage spaces and on unreserved parking spaces as provided herein. Unit Owners with Units located in Buildings A and B, their guests and invitees shall be allowed to park vehicles on the common driveway directly behind the garage appurtenant to their unit.
  - (f) Nothing shall be done or kept in any Unit or in the common area which will increase the rate of insurance on the common area, without the prior written consent of the Association. No Owner shall permit anything to be done or
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kept in his or her Unit or in the common area which will result in the cancellation of insurance on any Unit or any part of the common area, or which would be in violation of any law.

(g) The Association shall have the authority to adopt rules and regulations governing the use of the property and such rules shall be observed and obeyed by the Owners, their guests and invitees.

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

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

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

(k) No Unit Owner shall be permitted to erect a radio or TV antenna or any other fixture, item, wiring or appurtenance. A Unit Owner may attach a TV satellite dish no larger than 18 inches in diameter to the Unit but the location on the Unit where the dish is to be attached must be approved in writing by the Board of Directors of the Association prior to installation.

(l) No Unit shall house a pet except upon written approval of the Board of Directors of the Association set forth in Exhibit "C", paragraph 8 of this Declaration. Any person within the regime 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. No pets shall be housed outside on Common Elements.

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 or Bylaws of the Association, or the rules and regulations adopted pursuant thereto, shall not constitute a waiver of the right to enforce the same thereafter.

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ARTICLE X.INSURANCE AND CASUALTY

## 1. General Liability and Property Damage.

Comprehensive general liability and property damage insurance shall be purchased by the Board as promptly as possible following its election, and shall be maintained in force at all times, the premiums thereon to be paid by assessments. Prior to the organizational meeting, such insurance shall be procured by Declarant. The insurance shall be carried with reputable companies authorized to do business in the State of Iowa in such amounts as the Board may determine. The policy or policies shall name as insured all the Owners and the Association. Declarant shall be named an additional insured on such policy or policies until such time as Declarant shall have conveyed all of the Condominium Units in the Project. The policy or policies shall insure against loss arising from perils in 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 to be paid out of Association assessments. Policies shall provide for the issuance of certificates or such endorsement evidencing the insurance as may be required by the respective mortgagees. The policy, and certificates so issued, will bear a mortgage clause naming the mortgagees interested in said property. The policy or policies shall insure against loss from perils therein covered to all of the improvements in the Project, except as may be separately insured. Such policy or policies shall contain extended coverage, vandalism, and malicious mischief endorsements. The improvements to be insured under this clause shall be continually insured to value, and the policy or policies shall contain replacement cost insurance. If reasonably available, the policy or policies shall contain a stipulated amount clause, or determinable cash adjustment clause, or similar clause to permit a cash settlement covering specified value in the event of destruction and a decision not to rebuild. The policies 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 organizational meeting of the Unit Owners is held, at which time it shall be the responsibility of the Association to notify the insurance carrier of a change in the ownership of any Unit. The policy or policies shall also cover personal property owned in common, and shall further contain waiver of subrogation rights by the carrier as to negligent owners.

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3. Fire and Casualty on Individual Units.

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

4. Personal Liability on Individual Units.

An Owner may carry such personal liability insurance, in addition to that herein required, as he or she may desire. In addition, such fixtures and mechanical equipment located within a Unit such as plumbing fixtures, electrical lighting fixtures, kitchen and bathroom cabinets and counter tops, 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 to be limited to the type and nature of coverage often referred to as "Condominium Unit-Owners Insurance". All such insurance separately carried shall contain waiver of subrogation rights by the carrier as to negligent Owners.

5. Additional Coverage.

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

6. Loss Adjustment.

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

7. Association as Trustee for Proceeds.

In the event of damage or destruction by fire or other casualty affecting a Unit or Units, and/or if any portion of the common area is damaged or destroyed by fire or other casualty, all insurance proceeds paid in satisfaction of claims for said loss or losses shall be segregated according to losses suffered by each Unit or Units and/or the common area, and shall be paid to the Association as trustee for the Owner or Owners and for the encumbrancer or encumbrancers, as their interest may appear. Said insurance proceeds, and the proceeds of any special assessment as hereinafter provided, whether or not subject

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to liens of mortgages or deeds of trust, shall be collected and disbursed by said trustee through a separate trust account on the following terms and conditions:

(a) Partial Destruction of Common Elements.

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

(b) Partial Destruction of Units and Common Elements.

In the event of damage to, or destruction of, any Unit or Units with accompanying damage to the Common Elements but the total destruction or damage does not represent sixty percent (60%) or more of the Building and the cost of repairing or rebuilding said damaged area does not exceed the amount of available insurance proceeds for said loss by more than \$15,000.00, the Board of Directors of the Association shall immediately contract to repair or rebuild the damaged portion of the Unit or Units and the Common Elements substantially in accordance with the original plans and specifications. If the cost to repair or rebuild exceeds available insurance by \$15,000.00, 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.

(c) Total Destruction.

In the event of sixty percent (60%) or more damage to, or destruction of, the Building by fire or other casualty, the Owners of the individual Units, by 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 rebuild 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 rebuild, the Board shall offer the Project for sale forthwith, at the highest and best price obtainable, either in its damaged condition, or after damaged structures have been razed, the net proceeds of such

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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 and the common area, except for Unit coverages under paragraph 4 of this ARTICLE X, shall be distributed proportionately to the Unit Owners in the same proportion that the Unit in which they have an interest shares in the Common Elements, except that where there is a mortgage of record or other valid encumbrance on any one Unit then, and in that event, with respect to said Unit the Association will distribute said proceeds which would otherwise have been distributable to such Unit Owner as follows: first to the record owner of mortgages upon Units and Common Elements in the Regime in satisfaction of the balance currently due on said encumbrances and then the remaining proceeds, if any, to the Unit Owner of record.

(d) In the event that the common area is repaired or reconstructed pursuant to the provisions of (a), (b), or (c) of this clause and there is any deficiency between the insurance proceeds paid for the damage to the common area and the contract price for repairing or rebuilding the common area, the Board shall levy a special assessment against each Owner in proportion to his or her percentage of ownership in the common area to make up such deficiency. If any Owner shall fail to pay said special assessment or assessments, within thirty (30) days after the levy thereof, the Board shall make up the deficiency by payment from the maintenance fund, and the remaining Owners shall be entitled to the same remedies as those provided in ARTICLE 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 clause, any such party may cause the same to be referred to arbitration in accordance with the then prevailing rules of the American Arbitration Association.

In the event of arbitration, the party requesting the arbitration will give immediate notice thereof to the Board, which shall notify all other Owners and mortgagees as promptly as possible after the reference to arbitration is made, giving all such parties an opportunity to appear at such arbitration 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 or her determination an award for costs and/or attorney fees against any one or more parties to the arbitration.

8. Abatement of Common Expenses.

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

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9. Review of Insurance Needs.

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

ARTICLE XL

MORTGAGEE PROTECTIONS

1. Right to Mortgage.

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

2. Lien Subordination.

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

3. Mortgagee's Rights.

Upon written request, any mortgagee, or insurer or guarantor of any first mortgage will be entitled to:

(a) Inspect the books and records of the Association during normal business hours;

(b) Receive a financial statement of the Association within ninety (90) days following the end of any fiscal year of the Project; and

(c) Receive written notice of all meetings of the Association and designate a representative to attend all such meetings.

4. Insurance Proceeds Upon Damage.

In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the mortgagee of a Unit will be entitled to timely written notice of such damage or destruction, and no provision of this Declaration or any other document establishing the Project will entitle the Unit Owner or other party to priority over such mortgagee with respect to the distribution of any insurance proceeds. Any proceeds from

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settlement shall be payable to the Owners' Association, for the benefit of the Unit Owners and their mortgage holders as more specifically set forth in Article X.

5. Condemnation.

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

6. No Right of First Refusal.

The right of a Unit Owner to sell, transfer, or otherwise convey the Owner's Unit will not be subject to any right of first refusal or any similar restriction in favor of the Association.

7. Rights of Mortgagees Under Foreclosure.

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

8. Notice to Mortgagee.

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

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ARTICLE XII.

CONDEMNATION

1. Condemnation; General.

If all or part of the Project is taken or threatened to be taken by condemnation, the Board shall act on behalf of the Association, to represent the Unit Owners in any proceedings, negotiations, settlements, or agreements. Each Unit Owner hereby appoints the Association as attorney-in-fact for this purpose. The expense of participation in such proceedings by the Board shall be a common expense. The Board may obtain and pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses, and other persons as the Board deems necessary or advisable to aid or advise it in matters relating to such proceedings. All damages or awards for any such taking shall be deposited with the Board, acting as trustee, and such damages or awards shall be applied or paid as provided herein.

2. Condemnation of Common Elements.

If any action is brought to condemn a portion of the Common Elements, the Board shall have the sole authority to determine whether to defend or resist such action, to make any settlement with respect thereto, or to convey such property to the condemning authority in lieu of condemnation. After the damages or awards for such taking are determined, such damages or awards shall be paid to each Unit Owner in proportion to his or her ownership interest. The Board may call a meeting of the Association, at which meeting the members by a majority vote may decide whether to replace or restore insofar as possible the Common Elements so taken or damaged.

3. Payment of Awards and Damages.

Any damages or awards paid to or for the account of any Unit Owner by the Board, acting as trustee, shall be paid to the Association, for the benefit of the Unit Owners and their mortgage holders. Any awards shall be applied first to the payment of any taxes or assessments by governmental authority past due and unpaid with respect to that Unit; secondly, to amounts due under any mortgages; thirdly, to the payment of any unpaid common expenses or special assessments charged to or made against the Unit; and finally to the Unit Owner.

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ARTICLE XIII.

TERMINATION

1. Procedure.

The Condominium may be terminated in the following manner, in addition to the manner provided by the Horizontal Property Act:

(a) Destruction.

In the event it is determined in the manner elsewhere provided that the Building shall not be reconstructed because of major damage, the Condominium plan of ownership will be thereby terminated in compliance to the provisions of Section 499B.8 of the Code of Iowa (2001).

(b) Agreement.

The Condominium may be terminated at any time by the approval in writing of all of the Owners of the Condominium and by holders of all liens affecting any of the Units by filing an instrument to that effect, duly recorded, as provided in Section 499B.8 of the Code of Iowa (2001). It shall be the duty of every Unit Owner and his or her respective lien holder to execute and deliver such instrument and to perform all acts as in a manner and form as 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 Johnson County Recorder in Iowa City, Iowa.

2. Form of Ownership after Termination.

After termination of the Condominium, the Project will be held as follows:

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

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(b) The undivided interest in the property owned in common which shall appertain to each Unit Owner shall be the percentage of undivided interest previously owned by such Owner in the common area and facilities.

(c) Any liens affecting any of the Condominiums shall be deemed to be transferred in accordance with the existing priorities to the undivided interest of the Owner in that property.

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

#### ARTICLE XIV.

##### AMENDMENTS AND MISCELLANEOUS

1. Procedure.

Except as otherwise provided in this Declaration and except as provided in Paragraph 3 of this Article XIV, this Declaration may be amended and such amendment shall be made in the following manner:

(a) Notice.

Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered. Holders of a first mortgage of record shall receive notice of such proposed amendment as provided in the Bylaws of the Association.

(b) Resolution.

A resolution adopting a proposed amendment may be proposed by either the Board of Directors or by any member of the Association. The resolution must be adopted by at least sixty-seven percent (67%) of all Owners entitled to vote, in person or by proxy, and fifty-one percent (51%) of the holders of the then outstanding or unreleased mortgages secured by Units.

(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.

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(d) Execution and Recording.

An amendment adopted pursuant to (b) or (c) above shall be executed by an officer specifically delegated to do so with the formalities required by Chapter 499B of the Code of Iowa. Upon the recordation of such instrument in the office of the Johnson County Recorder, the same shall be effective against any persons owning an interest in a Unit or the Regime.

2. Amendment of Ownership Interest.

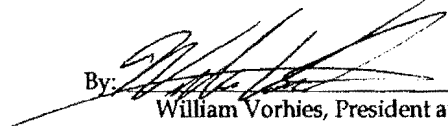
No amendment shall change the percentage of ownership in the Common Elements appurtenant to a Unit, nor increase the Owner's share of the common expenses unless the record Owner of the Unit concerned and all record owners of mortgages thereon shall affirmatively join in the adopting of such amendment.

3. Engineer's Affidavit and Site Plan.

Amendments to the Engineer's Affidavit or Site Plan for the purpose of showing and incorporating those Buildings and Units of the Regime whose construction is completed subsequent to the filing of this Declaration may unilaterally be made, executed and filed by the Declarant, its successor in interest or assigns.

IN WITNESS WHEREOF, Declarants have executed this Declaration the day and year first above written.

VORHIES DEVELOPMENT, INC.

By:   
William Vorhies, President and Secretary

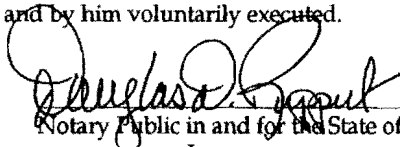
STATE OF IOWA

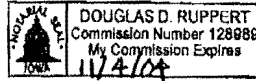
SS:

JOHNSON COUNTY

On this 2nd day of May, 2003, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared William Vorhies, to me personally known, who being by me duly sworn, did say that he is the President and Secretary, of the corporation executing the within and foregoing instrument, that no seal has been procured by the corporation; that said instrument was signed on behalf of the corporation by authority of its Board of Directors; and that the said William Vorhies as officer

acknowledged the execution of the foregoing instrument to be the voluntary act and deed of said corporation, by it and by him voluntarily executed.

  
Notary Public in and for the State of  
Iowa



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EXHIBIT "A"  
-1-

ARTICLES OF INCORPORATION  
OF  
OAK HILL CONDOMINIUMS OWNERS ASSOCIATION

526960 ART120 \$20.00 DJC 2

The undersigned, acting as incorporator of a corporation pursuant to the provisions of the Iowa Nonprofit Corporation Act under Chapter 504A of the 2001 Code of Iowa, as amended, adopts the following Articles of Incorporation for such corporation:

ARTICLE I

NAME AND PRINCIPAL OFFICE

The corporation shall be known as Oak Hill Condominiums Owners Association, and its principal offices shall be located in Iowa City, Johnson County, Iowa.

ARTICLE II

CORPORATE EXISTENCE

The corporate existence of this corporation shall begin upon the date these Articles are filed with the Secretary of State, and the period of its duration is perpetual.

ARTICLE III

PURPOSES AND POWERS

(A) The purpose and objective of the corporation is to provide an entity to conduct the business and affairs of, and to act as or for, the co-owners of that certain Horizontal Property Regime (Condominium) created and submitted pursuant to the provisions of Chapter 499B of the 2001 Code of Iowa, as amended, known as Oak Hill Condominiums, and to be located on certain portion of real estate situated in Iowa City, Johnson County, Iowa.

The corporation shall have all powers and purposes granted or implied to a council of co-owners under the provisions of Chapter 499B of the Declaration of Condominium

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(4)

establishing said Condominium Regime, and all of such powers shall likewise constitute lawful purposes of the corporation.

(B) The purposes of the corporation are exclusively not for private profit or gain and no part of its activities shall consist of carrying on political propaganda or otherwise attempting to influence legislation, and the corporation shall make no distribution of income to its members, directors or officers.

(C) The corporation shall, additionally, have unlimited power to engage in, and to do any lawful act concerning any or all lawful business for which corporations may be organized under the Iowa Nonprofit Corporation Act.

ARTICLE IV.

REGISTERED OFFICE AND AGENT

The address of the initial registered office of the corporation is 936 Scott Park Drive, Iowa City, Iowa, and the name of its initial registered agent at such address is Vorhies Development, Inc.

ARTICLE V.

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:

Name and Address

William Vorhies	936 Scott Park Drive Iowa City, IA 52246
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The initial Board of Directors shall be subject to removal only by William Vorhies until his term is expired as provided in the Bylaws, but thereafter a director may be removed from office at a special meeting of the members of the corporation in such manner as may be provided by the Bylaws.