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**Bylaws
OF
664 TERRACE PARK BOULEVARD CONDOMINIUM ASSOCIATION
(An Iowa Non-Profit Corporation)**

ARTICLE I

Section 1. Name. The name of the corporation is 664 Terrace Park Boulevard Condominium Association. The Association is formed pursuant to Chapter 504A, Code of Iowa, as amended, and Chapter 499B, Code of Iowa, as amended, known respectively as the "Iowa Non-Profit Corporation Act" and the "Horizontal Property Act" (the latter being referred to herein as the "Act"), and laws amendatory thereof and supplemental thereto. The terms used in these Bylaws have the same meaning as they have in the Act, except as otherwise specified herein.

Section 2. The Articles of Incorporation were filed in the office of the Iowa Secretary of State on March 15, 2005.

Section 3. Membership and Voting. The membership of the Association shall consist of the condominium owners of the condominiums within 664 Terrace Park Boulevard Condominium Horizontal Property Regime located in Milford, Dickinson County, Iowa (hereinafter referred to as the "Regime"). Membership in the Association shall be appurtenant to and shall not be separated from condominium ownership in the Regime. A person shall cease to be a member of the Association at such time as that person ceases to be a condominium owner of a condominium. Each condominium shall have one vote. Where there is more than one condominium owner of a condominium, all of such condominium owners shall be members of the Association and the vote allocated to the condominium in accordance with the Declaration and these Bylaws shall be cast as the condominium owners, among themselves, may determine and signify in writing to the Association, but in no event shall more than one vote be cast with respect to any condominium, nor shall the vote allocated to a condominium be split or otherwise cast separately by the condominium owners. Where there is more than one condominium owner of a condominium, the condominium owners thereof shall notify the secretary of the Association, in writing, of the name of the condominium owner who has been designated to cast the vote attributable to that condominium on behalf of all the condominium owners of that condominium. If the owners of a condominium cannot agree on the condominium owner who is to be designated to cast the vote attributable to the condominium owned by such owners or on the manner in which such vote is to be cast, the condominium owners shall submit such dispute to the Board of Directors of the Association. The Board of Directors shall resolve such dispute in the manner determined by the Board of Directors to be fair and equitable and such determination shall be binding

on said condominium owners. Membership in the Association shall automatically pass when the ownership of a condominium is transferred in any manner.

Section 4. Registration of Owner. It shall be the duty of each condominium owner to register with the secretary of the Association in writing (i) the name and address of such condominium owner; (ii) the nature and satisfactory evidence of such condominium owner's interest or estate in a condominium; and (iii) the addresses at which such condominium owner desires to receive notice of any duly called meeting of the members. If a condominium owner does not register as provided in this paragraph, the Association shall be under no duty to recognize the rights of such person hereunder and shall not recognize such person's right to vote as provided herein, but such failure to register shall not relieve a condominium owner of any obligation, covenant or restriction under the Declaration of these Bylaws. If there is more than one condominium owner of a condominium, each must execute the registration as provided in this paragraph.

ARTICLE II Members

Section 1. Place of Meetings. Meetings of members and directors of the Association may be held at such places within the State of Iowa, Dickinson County, as may be designated by the Board of Directors.

Section 2. Annual Meetings. The first annual meeting of the members shall be held on the first Saturday of July, 2005. Each subsequent regular annual meeting of the members shall be held on the first Saturday of July of each succeeding year (unless the Board of Directors designates a different date for annual meetings) at such hour as may be designated by the secretary in the notice of said meeting as hereinafter provided. At each annual meeting, the member shall, subject to the provisions of Section 2 of Article III hereof, elect members to the Board of Directors from among themselves and shall transact such other business as may properly come before the meeting.

Section 3. Special Meetings. Special meetings of the members may be called for any purpose at any time by the president or by the Board of Directors on their own initiative or upon the delivery of a written request signed by the condominium owners of condominiums to which is assigned 25% or more of the votes in the Association to either the president or the secretary, stating the purpose of the special meeting. No business shall be transacted in a special meeting of the members except as stated in the notice of the meeting as hereinafter provided.

Section 4. Notice of Meetings. At least 21 days in advance of any annual or regularly scheduled meeting, and at least seven (7) days in advance of any other meeting, the secretary of the Association shall send to each condominium owner a written notice of the time, place and complete agenda of the meeting which is the subject of such notice. Such notice shall be hand delivered or sent by United States mail to all condominium owners of record at the address of their respective condominiums and to such other addresses as any condominium owners may have designated in writing to the secretary. Condominium owners of record shall be those condominium owners who are registered with the secretary as provided in Article I, Section 4, on a date specified by the Board of Directors (the "Record Date"). Such condominium owners of record shall be entitled to notice of any duly called meeting of the members, provided that the Board of Directors may not specify a Record

Date which is more than 35 days prior to the date of an annual meeting or no more than 20 days prior to the date of a special meeting. A condominium owner may at any time waive notice of any meeting by a signed writing or by attendance at the meeting.

Section 5. Quorum and Adjournment. The presence of members in person or represented by proxy who have the authority to cast forty percent (40%) of the total of the votes of all members of the Association shall be requisite for and shall constitute a quorum at all meetings of the Association for the transaction of business except that of adjourning the meeting to reconvene at a subsequent time and except as otherwise provided by law. However, if such percentage shall not be present or represented at any such meeting, the members entitled to vote thereat, present in person or by proxy, shall have power to adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be present, at which time any business may be transacted which might have been transacted at the meeting as initially called had a quorum then been present. The quorum, having once been established for the meeting, shall continue to exist for that meeting, notwithstanding the departure of any member previously in attendance in person or by proxy.

Section 6. Voting Register. At the beginning of each meeting of the members, the secretary shall deliver to the chairman for the meeting a written list of the condominium numbers, the respective name or names of the condominium owners entitled to notice of such meeting and the respective name of the person (in the case of multiple condominium owners) authorized to vote.

Section 7. Order of Business. The order of business at annual meetings of the members and at such other membership meetings of the members as may be practical, shall be as follows:

- a. Presenting of voting register, proxy certification and establishment of a quorum.
- b. Reading or distribution of minutes of the preceding meeting of the members.
- c. Reports of officers.
- d. Reports of committees.
- e. Appointment by the chairman of inspectors of election as determined by the chairman or when requested by a member of the Board of Directors or owners of the condominiums within 664 Terrace Park Boulevard Condominium.
- f. Election of members of the Board of Directors.
- g. Unfinished business.
- h. New business.
- i. Adjournment.

Section 8. Manner of Voting. Proxies shall be in writing, signed by the member giving the proxy, and filed with the secretary of the Association prior to the meeting. All elections and all questions shall be decided by the concurring vote of the members who are entitled to cast a majority of the votes represented by all members present in person or by proxy at a meeting, except as otherwise specifically provided in the Declaration, these Bylaws or the Act. Cumulative voting shall not be permitted. Every proxy shall be revocable and shall automatically cease upon the expiration of 11 months from the date of its execution, the conveyance by the member of his condominium or by the member's personal attendance at the meeting.

No vote in the Association shall be deemed to inure to any condominium during the time when the condominium owner is the Association.

Section 9. Action Taken without a Meeting. Any action which might be taken at a meeting of the condominium owners may be taken without a meeting if authorized in writing or writings signed by all the condominium owners.

ARTICLE III Board of Directors

Section 1. Number and Qualifications. The first Board of Directors shall consist of the persons designated as directors in the Articles of Incorporation of the Association, who need not be condominium owners. Upon the ending of the term of the first Board of Directors, the board of Directors shall be composed of five (5) directors, all of whom shall be members; or in the case of ownership of a condominium by a partnership, shall be partners or employees of such partnership; or in the case of ownership of a condominium by a corporation, shall be officers or employees of such corporation; or in the case of ownership of a condominium by a fiduciary, shall be officers or employees of such fiduciary.

Section 2. Term of Office. Notwithstanding the right to remove a director under Section 9 of this Article III, and notwithstanding anything else herein contained, Declarant may elect the members of the Board of Directors of the Association during the period from the date of the first conveyance of a condominium to a condominium owner other than the Declarant until that date which is five (5) years later; or until that date which is 60 days after the conveyance of 80% of the condominiums to condominium owners other than Declarant; or a recording of a written surrender of control of the Association by the Declarant, whichever first occurs. Upon the happening of the earliest of said events, all directors elected by the Declarant shall resign from the Board of Directors. Notwithstanding the foregoing, however, not later than 60 days after conveyance of 80% of the condominiums to a condominium owner other than Declarant, one-third (1/3) of all of the members of the Board of Directors shall be elected by condominium owners other than the Declarant. Upon the resignation from the Board of Directors of all directors elected by the Declarant, five (5) directors shall be elected, two (2) for a 1-year term and three (3) for a 2-year term. At each annual meeting thereafter, two or three (as the case may be) directors shall be elected to a 2-year term, as successors to the two or three (as the case may be) directors whose term is then ending. The term of a member of the Board of Directors shall expire upon the election of a successor at an annual meeting of the members. A director shall hold office until he shall resign and his resignation shall have become effective or until a qualified successor has been elected and shall have accepted the office or until the directors have been removed

in accordance with the provisions of these Bylaws. The Board of Directors elected by the Declarant shall have the power to adopt the Bylaws of the Association, to elect officers, to establish a schedule of assessments, and shall have generally the powers and duties of the Board of Directors as set forth herein and in the Declaration.

Section 3. Election. The five (5) directors being elected upon the resignation from the Board of Directors of all directors elected by the Declarant shall be elected in one (1) voting. Each condominium shall be entitled to cast five (5) votes. Such votes may not be used cumulatively, and if cast, must be cast for five (5) separate candidates. The candidates receiving the first, second and third highest number of votes shall have been elected to 2-year terms and the candidates receiving the fourth and fifth highest number of votes shall have been elected to 1-year terms. Thereafter, the two (2) or three (3)(as the case may be) directors being elected at any annual meeting shall be elected in one (1) voting. Each condominium shall be entitled to cast two (2) or three (3)(as the case may be) votes. Such votes may not be used cumulatively and such two (2) or three (3)(as the case may be) votes, if cast, must be cast for two (2) or three (3)(as the case may be) separate candidates. The two (2) or three (3)(as the case may be) candidates receiving the highest number of votes shall have been elected to 2-year terms.

Section 4. General Powers. The Board of Directors shall manage the property, affairs and business of the Association. Specifically and without limiting the generality of the foregoing, the Board of Directors shall have the power to:

- a. Adopt and publish administrative rules and regulations governing the operation and the use of the common elements, the use and occupancy of the condominiums and the personal conduct of the members and their tenants and guests thereon and therein, parking, matters of aesthetics affecting the Regime or any part thereof and such other matters as are necessary or desirable to the harmonious use and enjoyment of the Regime by the condominium owners, copies of all of which rules and regulations shall be made available to all condominium owners;
- b. Supervise the operation, maintenance, repair and replacement of the common elements and the making of any additions or improvements thereto;
- c. Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by law or by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;
- d. Authorize the making of any contracts, leases, management contracts, employment contracts or leases of recreational areas or facilities on behalf of the Association, engage the services of and discharge a manager, managing agent, independent contractor or other employees as they deem necessary and to determine the duties and compensation of such persons. No such lease or contract shall be entered into on behalf of the Association whose term exceeds two (2) years and any contract for professional management of the property or any other contract providing for services by the Declarant shall be terminable by the Association or the other party thereto on 60 days written notice without cause and without the imposition of any penalty or

termination fee and shall be terminable for cause by the Association on 30 days written notice.

- e. Lease or purchase and mortgage a condominium, condominiums or other residential quarters for management and maintenance personnel. All rental or debt service paid by the Association pursuant to such lease agreement or mortgage shall be general common expense.
- f. Exercise the irrevocable right to have access to each condominium from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the common elements therein or accessible therefrom, or at any time for making emergency repairs therein necessary to prevent damage to the common elements or to another condominium or condominiums. Without limiting the generality of the foregoing, to exercise the irrevocable right to have access by means of entering the parking space allocated to each condominium for the purpose of reading, repairing, maintaining and replacing the meter and heating equipment located therein;
- g. Determine what shall constitute the common expenses required for the affairs of the Association, which shall include all ordinary or extraordinary and necessary expenses for the operation, repair, replacement and maintenance of the real estate and the establishment of a reserve for future repair, replacement and maintenance of those portions of the common elements which must be repaired, replaced or maintained on a periodic basis;
- h. Levy and collect the common expenses from the condominium owners;
- i. Open bank accounts on behalf of the Association and designate signatories required therefor;
- j. Obtain insurance for the Regime pursuant to the provisions of the Declaration; and
- k. Dedicate or transfer easements for public utilities or other public purposes consistent with the intended use of the common elements over any part of the common elements to any governmental subdivision, public agency or public utility.

Section 5. General Duties. In addition to and without limitation of the powers and duties assigned to the Board of Directors elsewhere herein, by the Declaration or by the Act, it shall be the duty of the Board of Directors to:

- a. Contract for labor and materials needed to maintain, repair and replace the common elements, pay for insurance, utilities and other expenses of operating the common elements and of performing the other duties of the Association as provided by law, the Declaration or herein, and assess the costs thereof against the members of the Association in the manner provided by the Act herein and in the Declaration. The board shall include in the monthly assessments such amount as is necessary to accumulate an adequate reserve for the maintenance, repair and replacement of those

common elements that must be replaced, repaired or maintained on a periodic basis and may accumulate an additional reserve from time to time in anticipation of extraordinary common expenses.

- b. Cause to be kept detailed, accurate records in chronological order, of the receipts and expenditures affecting the common elements, specifying and itemizing the maintenance, repair and replacement expenses of the common elements and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for examination by the condominium owners during normal business hours.
- c. Prepare or cause to be prepared an annual report, a copy of which shall be provided to each condominium owner with the notice of each annual meeting and which shall be available to each condominium owner at the annual meeting, showing the financial affairs of the Association and containing, at a minimum, the following:
 - (i) A statement of any capital expenditure in excess of 3% of the current budget or \$2,000, whichever is greater, anticipated by the Association during the current year or succeeding two (2) years;
 - (ii) A statement of the status and amount of any reserve or replacement fund and any portion of the fund designated by the board for any specific project;
 - (iii) A copy of the Statement of Financial Condition for the Association for the last fiscal year;
 - (iv) A statement of the status of any pending suits or judgments in which the Association is a party;
 - (v) A statement of the insurance coverage provided by the Association; and
 - (vi) A statement of any unpaid assessments levied by the Association on individual condominiums, identifying the condominium number, the amount of the unpaid assessment and its due date.

Any member of the Association shall have the right, upon reasonable notice to the treasurer, to review the accounts and financial records of the Association. If the Association does not elect to include an audit as a part of the common expenses, one or more members may call for an audit of the affairs of the Association by written notice to the Board of Directors. If the audit shall disclose errors by 3% or greater in any figures contained in the most recent statements issued by the board, the Association shall bear the expense of the audit. If no such error of 3% or greater shall be established by the audit, the member or members requesting the audit shall bear the entire expense thereof, which shall be a lien upon their individual condominiums until paid.

Section 6. Limitation of Authority. Anything herein or in the Declaration to the contrary notwithstanding, unless specifically authorized herein or in the Declaration, the Board of Directors shall have no authority, except as may specifically be granted by the majority (or such higher number as may

otherwise be required hereunder, by the Act or by the Declaration) of the members present in person or by proxy at a meeting hereof, to do any of the following:

- a. Purchase any condominium except that the Board of Directors may accept any condominium surrendered to it for unpaid assessments and may purchase a condominium at any sale held pursuant to foreclosure for unpaid assessments; provided that the Board of Directors shall not, unless authorized by its members, bid at any such foreclosure sale any amount in excess of the total of the delinquent assessment on account of which the foreclosure sale is being held, any interest thereon and other costs related thereto which are, pursuant to the Declaration, the Act and hereunder, collectible from the condominium owner of such condominium.
- b. Levy or assess as a common expense the cost of any capital improvement or acquisition, other than the repair or replacement of an existing portion of the real estate unless specifically authorized by not less than 90% of the total voting power of the Association.

Section 7. Resignation. A director of the Association may resign at any time by giving written notice to the Board of Directors, such resignation to take effect at the time of such notice or at any later date or time specified therein. Unless otherwise specified therein, acceptance of a resignation shall not be necessary to make it effective.

Section 8. Vacancy. A vacancy in the Board of Directors caused by resignation, death, disqualification removal or any inability to act shall be filled by the Board of Directors and such action shall be valid notwithstanding the fact that the number of directors then in office is less than the number specified herein.

Section 9. Removal. Any director or all directors, except members of the first Board of Directors, may be removed at any time with or without cause by a majority vote of a quorum of the owners at any annual or special meeting of the Association. A director shall be automatically removed without a meeting or other action of the owners on the date of closing of any sale or transfer of his condominium or on the date of transfer of possession thereof in connection with any such sale or transfer, whichever occurs earlier.

Section 10. Regular Meetings. The regular annual meeting of the Board of Directors shall be held without notice at the place and immediately following the adjournment of the annual meeting of the members of the Association to transact such business as may properly come before the board.

Section 11. Special Meetings of the Board of Directors. Special meetings of the Board of Directors shall be held upon written request of the president or of any director stating the purpose or purposes thereof. Notice of such meetings shall be given by mail or telegraph to each director, addressed to him at his residence or usual place of business at least three (3) days before the day on which such meeting is to be held. Every such notice shall state the time, place and purpose of the meeting. No business other than that stated in the notice shall be transacted at said meeting without the unanimous consent of the directors.

Section 12. Quorum and Manner of Acting. Except as otherwise provided by statute, the Declaration or these Bylaws, a majority of the directors in office at the time of any meeting of the Board of Directors shall constitute a quorum for transaction of business at such meeting and the act of a majority of directors present at any such meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum, a majority of the directors present may adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum be had.

Section 13. Waiver of Notice. Notice of special meeting may be waived by any member of the Board of Directors in writing and shall be waived by attendance at such meeting in person or by attorney.

Section 14. Action Taken Without a Meeting. Any action which might be taken at a meeting of the Board of Directors may be taken without a meeting if authorized in a writing or writings signed by all of the directors.

Section 15. Fidelity Bonds. The board may require that all officers, directors, employees and representatives of the Association, and all officers, employees and agents of any management agent employed by the Association, handling or responsible for Association funds, to furnish adequate fidelity bonds. Such fidelity bonds shall be in such amount as the Board of Directors deem appropriate but not less than the greater of either the estimated maximum amount of funds (including reserve funds) in the custody of the Association or management agent at any given time or a sum equal to three (3) months assessments on all condominiums plus reserve funds. Such bonds shall name the Association as an obligee, shall contain waivers of defenses based on exclusion of persons serving without compensation and shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days prior written notice to the Association and each holder of a first mortgage on any condominium. The premiums on such bonds shall be a common expense.

Section 16. Compensation. No director shall receive compensation for any service he may render in his capacity as a member of the Board of Directors unless such compensation is approved at a meeting of the members. However, any director may be reimbursed, by resolution of the Board of Directors, for his actual expenses incurred in the performance of his duties as a director.

ARTICLE IV Officers and Their Duties

Section 1. Officers. The officers of the Association shall be a president, secretary, treasurer and such assistants or other officers as the Board of Directors may designate. Each officer shall be selected by a majority vote of the Board of Directors. During the period from the date of the first conveyance of a condominium to a condominium owner other than the Declarant until that date which is five (5) years later, or until that date which is 60 days after the conveyance of 80% of the condominiums to condominium owners other than the Declarant, or a recording of a written surrender of control of the Association by the Declarant, whichever first occurs, one (1) person may hold all offices. After the above-referenced period, one (1) person may hold the office and perform the duties of any two (2) of said officers; provided however that the same person shall not at the same time hold

the offices of president and secretary. The president shall be selected from among the Board of Directors. Each officer shall continue in office until:

- a. The next annual meeting of the board and thereafter until a successor is elected; or
- b. He shall resign and his resignation shall have become effective; or
- c. He shall no longer be a member of the Association (provided that officers selected by the first Board of Directors need not be members of the Association); or
- d. He shall be removed as hereinafter provided. Vacant offices shall be filled by the board.

Section 2. Removal of Officers. Upon an affirmative vote of a majority of the members of the board, any officer may be removed, with or without cause, and his successor elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for that purpose.

Section 3. Duties of Officers. The officers shall have the duties and responsibilities normally pertaining to their respective offices, together with such specific duties as may be specified by the Articles of Incorporation, these Bylaws or the Board of Directors.

The president shall preside over the meetings of the Board of Directors and of the Association of condominium owners, shall have all of the general powers and duties which are normally vested in the office of president of a corporation and shall have the power to execute contracts and similar documents on behalf of the Association.

The secretary shall keep the minute book of the Association wherein minutes of all meetings and all resolutions and proceedings of the members and of the Board of Directors shall be recorded and shall keep a record of the name and mailing address of each condominium owner and the condominium or condominiums in which he has an interest and shall give all notices required by the Articles of Incorporation of the Association, these Bylaws, the Declaration or the Act.

The treasurer shall keep all financial records and books of account of the Association. The treasurer shall have custody of all intangible property of the Association, including funds, securities and evidences of indebtedness. The treasurer shall deposit all monies and other valuable effects in the name of or to the credit of the Association in such depositories as may be designated by the Board of Directors and shall disburse the funds of the Association as ordered by the Board of Directors and shall perform all other duties incident to the office of treasurer. Upon request of a condominium owner, the treasurer shall furnish a statement as to the current account of the condominium owner upon the assessment rolls of the Association.

Officers shall serve without compensation except for reimbursement for out-of-pocket expenses incurred in the performance of their duties. If desired by the board, administrative tasks of the officers may be performed by a managing agent selected by the board,

ARTICLE V
Operation of the Property

Section 1. Budget; Levy. The Board of Directors shall, from time to time and at least annually in advance of the beginning of the Association's fiscal year, prepare a budget of common expenses for the Association, and shall allocate, assess and levy such common expenses among the condominium owners in accordance with the percentages specified in Exhibit "A" to the Declaration. Upon the vote of the Board of Directors adopting a resolution which sets forth the budget of common expenses and the allocation thereof to the condominium owners, the amount so allocated to the condominium owners of each condominium shall, without further resolution by the Board of Directors, be levied as the annual assessment against such condominium, payable in equal monthly installments due on the first day of each month during the period covered by the budget, without further resolution by the Board of Directors. The common expenses shall include those common expenses set forth in the Declaration and these Bylaws and may include such other amounts as the Board of Directors may deem proper for the operation and maintenance of the property and as permitted by the Act and all laws amendatory thereof and supplemental thereto; provided however, that the assessment for common expenses shall include an adequate reserve fund for maintenance, repair and replacement of those common elements that must be replaced on a periodic basis and shall, when practicable, be payable in regular installments. Contributions to any reserve fund established by the Association may not be withdrawn by any condominium owner. The Board of Directors shall advise all condominium owners in writing prior to the beginning of the period covered by the budget as to the amount of the monthly assessment payable by each of them, and shall, upon request by the condominium owner, furnish copies of each budget on which such common expenses and the assessment are based to such condominium owner and to his first mortgage. The total of any budget shall be in the amount of the estimated common expenses for the period covered thereby, including a reasonable allowance for contingencies and reserves, less the amounts of any unneeded common expense account balances existing from the previous period's budget and less any estimated payments to be received by the Association from rental, licensing or other payments for the purpose of defraying the costs of the use of the common elements. If a budget is not made by the Board of Directors as required, a monthly assessment in the amount required by the last prior budget shall be due upon each monthly assessment payment date until changed by a new budget. In the event an annual or other budget proves to be insufficient or in the event of extraordinary or unforeseen common expenses, the budget and monthly assessments based thereon may be amended, or a special assessment levied, at any time by the Board of Directors. Any special assessment assessed against the condominium owners shall be a lien on the condominiums and shall be enforceable in the same manner as the monthly assessments. Special assessments shall be payable in installments or in a lump sum, all as designated by the Board of Directors.

Section 2. Payment of Common Expenses. All owners shall be obligated to pay the common expenses assessed and levied by the Board of Directors pursuant to Section 1 of this Article V. An owner may not avoid assessment for common expenses by failing or waiving the right to use or enjoyment of the common elements. Monthly assessments shall be due as provided in Section 1 of this article and special assessments shall be due when designated by the Board of Directors. Any mortgagee acquiring a first mortgage interest from any owner of a condominium and its appurtenant undivided interest in common areas and facilities may, as a condition of the loan, include in the mortgage note or deed a requirement that the mortgagor, upon execution of the mortgage deed, make a monthly deposit with the mortgagee of an amount each month sufficient to pay, when due and

payable, all common expenses attributable to that condominium. The mortgage note or deed may further provide that a default in making such deposit shall be a default under the terms of the mortgage deed. In the event that mortgagee collects the monthly installments, such mortgagee shall remit the installments monthly on a current basis to the Association.

Section 3. Assessment Roll. The assessment against all owners shall be set forth upon a roll of the condominiums which shall be available in the office of the Association or of any managing agent retained by the Association for inspection at all reasonable times by owners or their duly authorized representatives. Such roll shall indicate for each condominium, the name and address of the owner or owners, the assessments for all purposes and the amounts of all assessments paid and unpaid.

Section 4. Default in Payment of Common Expenses. In the event any owner does not make payment of a common expense assessment on or before the date when due, such owner shall be obligated to pay interest on such assessment from the date due at the rate specified from time to time by the Board of Directors, which shall not exceed the highest rate of interest which may be charged thereon pursuant to either the Act or the laws of the State of Iowa relative to usury. In addition, such owner shall be obligated to pay all expenses, including reasonable attorney's fees, incurred by the board in any proceeding brought to collect any such unpaid assessment, whether or not an action has been commenced with respect thereto. The right of a condominium owner to pay the annual assessment in monthly installments is hereby made conditional on the prompt payment, when due, of such monthly installments. In the event of a default in the prompt payment of the monthly installments, the Board of Directors may, by written notice given to the defaulting owner, accelerate the entire unpaid portion of the annual assessment, whereupon the same shall become immediately due and payable. Additionally, the Board of Directors shall have the right to withhold services from any defaulting owner. The Board of Directors, the Association and each individual condominium owner shall have the right and duty to attempt to recover all assessments for common expenses, together with interest thereon and the expenses of the proceeding, including reasonable attorney's fees, in an action to recover the same brought against an owner, by foreclosure of the lien on a condominium pursuant to the Act, any statute amendatory thereof or supplementary thereto or by another remedy available under the Act or hereunder.

ARTICLE VI Amendment to Bylaws

These Bylaws may be amended only in the same manner and to the same extent as the Declaration.

ARTICLE VII Indemnification of Officers and Directors

The Association shall indemnify and hold harmless every director and officer, his heirs, executors and administrators, against all loss, costs, judgment and expense, including attorney's fees, which may be imposed upon or reasonably incurred by him in connection with or arising out of the defense or settlement of any claim, action, suit or proceeding to which he may be made a party by reason of his being or having been a director or officer of the Association, whether or not he is an officer or director at the time of incurring such loss, cost, judgment or expense, except as to matters as

to which he shall be finally adjudged in such action, suit or proceeding to have been guilty of willful or fraudulent conduct detrimental to the best interest of the Association or if the acts complained of were not in good faith, involved intentional misconduct or knowing violation of law or was a transaction in which the person derived an improper personal benefit. If the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Board of Directors has agreed on behalf of the Association that the person to be indemnified has not been guilty of willful or fraudulent conduct detrimental to the best interest of the Association in the performance of his duty as such director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such director or officer may be entitled. All liability, loss, damage, costs and expenses incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as a common expense. Nothing in this section shall be deemed to obligate the Association to indemnify any owner who is or has been a director or officer of the Association with respect to any duties or obligations assumed or damages or liabilities incurred by him solely in his capacity as an owner.

ARTICLE VIII

Miscellaneous

Section 1. Notices. All notices required hereunder to be given to the Association or the Board of Directors shall be sent via U.S. mail, to the Board of Directors at the office of the Association or to such other address as may be designated by the Association from time to time. All notices to first mortgagees of condominiums shall be sent by U.S. mail to their respective addresses as designated by them from time to time in writing to the Association. All notices shall be deemed to have been given when deposited in the U.S. mail, postage prepaid, except notices of change of address, which shall be deemed to have been given when received.

Section 2. Invalidity. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of these Bylaws or the intent of any provision hereof.

Section 4. Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 5. No Corporate Seal. The Association shall have no corporate seal.

Section 6. Election Under Internal Revenue Code. The board shall make and file all elections and documents required pursuant to the Internal Revenue Code, and any other applicable statute or regulation, in order to exempt from taxation, insofar as possible, the income of the Association consisting of assessments paid by condominium owners.

Section 7. Fiscal Year. The fiscal year of the Association shall be determined by the Board of Directors.

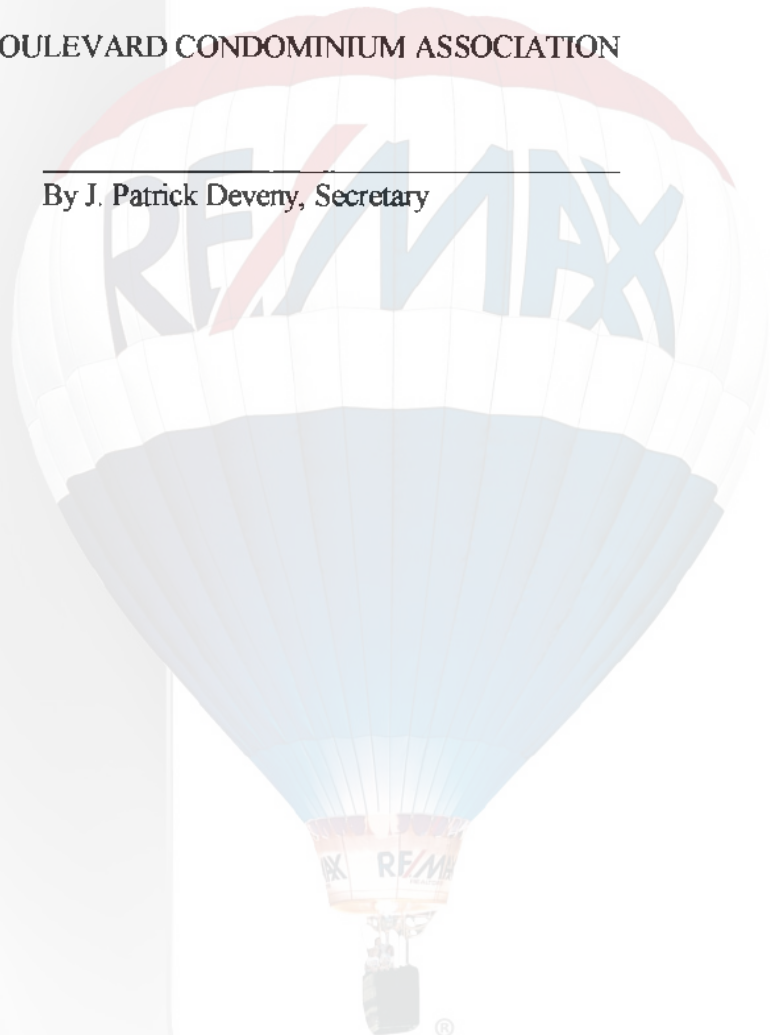
The undersigned hereby certify that the foregoing Bylaws were adopted as the Bylaws of 664 Terrace Park Boulevard Condominium Association, a non-profit corporation under the laws of the State of Iowa, by action of the Board of Directors at the first meeting thereof, effective this ____ day of March, 2005.

664 TERRACE PARK BOULEVARD CONDOMINIUM ASSOCIATION

By J. Patrick Deveny, Secretary

ATTEST:

J. Patrick Deveny, President



Prepared by and

Return to: J. Patrick Deveny, Attorney at Law, Suite 2, 2130 Grand Avenue, Des Moines, Iowa 50312

(515)282-5425

**DECLARATION OF SUBMISSION OF PROPERTY
TO HORIZONTAL PROPERTY REGIME
for**

664 Terrace Park Boulevard Condominiums

THIS DECLARATION is made this ____ day of March, 2005, by 664 Terrace Park Boulevard, L.P., an Iowa limited partnership (hereinafter called the "Declarant") pursuant to the provisions of the Horizontal Property Act, Chapter 499B, Iowa Code, as amended (hereinafter called the "Act").

WHEREAS, the Declarant is the owner in fee simple of the following-described real estate situated in the City of Milford, Dickinson County, Iowa, and legally described as follows, to-wit:

That part of Lot 3 of Okoboji South Beach Company's Plat of Government Lot 2 and the North Half of the Southwest Quarter (N $\frac{1}{2}$ SW $\frac{1}{4}$) in Section 31, Township 99 North, Range 36 West of the 5th P.M. in the City of Milford, Dickinson County, Iowa, described as follows:

Commencing at the Southwest corner of said Lot 3, said point being the Point of Beginning; thence North 0°12'12" East 255.98 feet along the West side of said Lot 3; thence South 89°45'11" East 465.04 feet; thence South 0°12'12" West 255.09 feet along the East side of said Lot 3; thence North 89°51'49" West 465.04 feet to the Point of Beginning.

Except that parcel described as follows: Commencing at the SW corner of the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 31; thence South 88°49'15" East, 33.00 feet (10.058 m) to a point on the existing Easterly right of way line of present Primary Road No. U.S. 71, the Point of Beginning; thence North 01°20'16" East, 255.76 feet (77.952 m) along said Easterly right of way line; thence South 88°37'52" East, 32.48 feet (9.900 m); thence Southeasterly 289.37 feet (88.200 m) along a 498.69 foot (152.000 m) radius curve, concave Northeasterly, having a long chord of 285.33 feet (86.968 m) and bearing South 25°11'12" East to a point on the South line of the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 31; thence North 88°49'15" West, 159.90 feet (48.738 m) along said South line to the Point of Beginning, containing 20,610 square feet;

(hereinafter referred to as the "real estate"); and

WHEREAS, the site consists of one parcel upon which one building contains three levels of living spaces, with an aggregate of 30 residential condominium apartments and one detached garage building containing ten (10) separate 1-car garages.

NOW THEREFORE, the Declarant hereby declares that the real estate is submitted to the Horizontal Property Regime on the terms, conditions and restrictions as hereinafter set forth in this Declaration, which shall constitute covenants running with the real estate and shall be binding on Declarant, its successors and assigns, and on all subsequent holders of any right, title or interest in or to all or any part of the real estate, their grantees, successors, heirs, personal representatives, devisees and assigns.

1. The land which is the subject of the Horizontal Property Regime described herein is described above.

2. Condominium Apartments. There are 30 separate units in the building located on the property in the Regime, as shown on Exhibit "A" attached hereto. The boundaries of each Condominium shall be the interior unfinished surface of the walls, floors and ceilings thereof depicted as boundaries in Exhibits "B-1" through "B-3," inclusive. Accordingly, all lathe, furring, wallboard, plasterboard and plaster constituting a part of the wall shall be deemed to be outside of the Condominium and any paneling, tile, wallpaper, paint, carpeting, linoleum or other wall or floor coverings or finishing shall be deemed to be included within the condominium. All doors and windows located in the perimetrical walls of a condominium shall be deemed to be part of that condominium. Each of the 30 condominiums is hereby allocated one (1) vote in the Association. The percentages of the common expenses of the Association are hereby allocated to the condominiums, 2.6666% for each of the four 1-bedroom units 3.3333% for each of the 23 2-bedroom units and 4.1666% for each of the three 3-bedroom units as set forth in Exhibit "A." The percentage of the undivided interest in the common elements of the Association allocated to each condominium is 1/30th as set out opposite each such condominium in Exhibit "A" attached hereto. Exhibit "A" also lists the approximate size in square feet of each unit. Exhibit "C," attached hereto and incorporated herein by this reference, depicts the building as located on the real estate described on Page 1 of this instrument.

The building is fully sprinklered for fire protection.

A building housing ten (10) single car garages is located on the property. The Declarant shall retain ownership of this building and may lease individual garage units to owners or residents of the condominiums. The Declarant retains the right to sell individual garage units to condominium owners at some future point in time of Declarant's choosing

The Declarant retains the right to build up to 15 additional single car garages on the Northern part of the parcel. The area where these garages would be built is marked on the survey which is attached as Exhibit "C."

3. Common Elements. All portions of the real estate other than the condominiums and garages are common elements. This includes the stairways, hallways, laundry rooms, boiler room, electrical room storage areas, lobby, exterior drives and the parking area. The condominiums are

constructed of concrete footings, concrete or block foundations and wood frame construction. Additionally, the air conditioning equipment serving each condominium and the deck or patio area which is accessible from each condominium, are limited common elements allocated for the exclusive use of such condominium, to the exclusion of the other condominiums. The air conditioning equipment which is a limited common element allocated to each condominium shall be maintained, repaired and replaced by the owner of each such condominium as such owner's sole cost and expense.

4. Monthly Association Dues. The Association shall have the authority to set the amount of the monthly association dues. Assessments for association dues and expenses shall commence as of June 1, 2005. The initial amount of the association dues is \$80 per month for a 1-bedroom unit, \$100 per month for a 2-bedroom unit and \$125 per month for a 3-bedroom unit. The monthly dues shall be kept in the same proportion as set out above and as shown in Exhibit "A" unless a written change is consented to by 80% of the unit owners.

Dues are due on the first of each month and are delinquent and subject to a 10% penalty if not paid by the tenth of the month. The Association may change the amount of the monthly dues at the annual meeting or at a meeting called for the specific purpose of changing the dues.

The monthly dues assessed by the Association shall be used to pay the following expenses:

- A. Water;
- B. Heat and heating equipment maintenance;
- C. Snow removal;
- D. Lawn care;
- E. Garbage pick up;
- F. Roof and exterior building maintenance and repair;
- G. Insurance for the building and common elements; and
- H. Common area maintenance, to include among other items not included: halls, stairways, laundry rooms and machines, sidewalks and driveways.

Because the Association will be paying the water and heating bills for all of the condominium units, it is possible that the association dues will need to be adjusted depending on the length and severity of the winter. The president of the Association has the authority to call a meeting for that specific purpose by giving seven (7) days' notice of the meeting for that purpose. The meeting may be held telephonically. To change the monthly assessment, at least 50% of the units must agree to the new assessment amount.

5. Use of the Regime. The Regime and each of the condominiums shall be used and occupied in accordance with the following provisions:

- A. Residential Use Only. Subject to the provisions of subparagraph 5.B. below, the Regime and each of the condominiums are intended for residential purposes only. No use may be made of any condominium except that of a residence for the condominium owner thereof, their families, tenants and social guests. No business or commercial use shall be permitted on the real estate except as specifically provided in this Declaration

and except that the Association may maintain an office on or in any part of the real estate for management purposes.

- B. Use for Sales Purposes. So long as Declarant owns any condominium, Declarant may maintain advertising signs on any part of the common elements and may maintain sales offices, management offices and model condominiums within any condominium or condominiums or in or on any part of the common elements and such sales offices, management offices and model condominiums may be relocated by Declarant from time to time.
- C. Rental of Condominiums. Any lease arrangement of a condominium shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration, the Bylaws and the Articles of Incorporation of the Association, and any rules and regulations established by the Board of Directors; shall contain the agreement of the lessee to be bound by the terms of such documents and shall provide that any failure of the lessee to comply with the terms of such documents or rules shall be a default under the lease or rental agreement. All leases shall be required to be in writing. Prior to the commencement of the lease or rental period, any condominium owners leasing or renting a condominium shall deliver to the secretary of the Association a complete copy of the lease or rental agreement. No lease shall be for a period of less than six (6) months. Other than the foregoing, the condominium owners of the respective condominiums shall have the absolute right to lease the same; however, the lease shall require the prior written approval of the Association and the owner of such condominium shall be required to obtain a damage deposit from the prospective tenant as a condition of such approval. The minimum deposit shall be the lesser of one month's rent as designated in the lease or \$350.00 if a 1-bedroom unit, \$400 if a 2-bedroom unit and \$500 if a 3-bedroom unit. The sum specified in this paragraph as a deposit shall be subject to review and revision by the Board of Directors on an annual basis. The deposit requirement set forth in this paragraph shall not apply to any units owned by Declarant. The owner of any leased unit shall be responsible to the Association for any damage caused by a tenant or guest of a tenant.
- D. Easements for Encroachments. As a result of the construction, re-construction, repair, shifting, settlement or movement of any portion of the Regime, if any portion of the common elements encroaches upon a condominium or condominiums or any portion of a condominium encroaches upon the common elements or upon an adjoining condominium or condominiums, a valid easement for the encroachment and for the maintenance thereof, so long as it stands, shall and does exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on the common elements or on the condominiums for the purposes of marketability of title. In the event the real estate is partially or totally destroyed and then rebuilt, the condominium owners shall permit minor encroachment of parts of the common elements and of other condominiums due to re-construction and a valid easement for said encroachments and the maintenance thereof shall exist.

- E. Rules. Each condominium owner, occupant, tenant or guest shall use the condominium and the common elements only in compliance with the provisions of the Act, this Declaration, the Articles and the Bylaws, all as lawfully amended from time to time, and with all decisions, resolutions and rules promulgated by the Board of Directors. Failure to comply with any such provisions, rules, decisions or resolutions shall be grounds for an action to recover sums due for damages or for injunctive relief, or both. Additionally, in the event of any such failure to comply, the Association may levy reasonable fines in accordance with the provisions of the Act. The Articles of Incorporation for such Association are attached to this document as Exhibit "D" and the Bylaws are attached to this document as Exhibit "E."
- F. Prohibited Activities. No unlawful, noxious or offensive activities shall be carried on in any condominium or elsewhere on the real estate, nor shall anything be done therein or thereon which shall constitute a nuisance or which shall, in the judgment of the Board of Directors, cause unreasonable noise or disturbance to others.
- G. Condominium Exterior. No clothing, sheets, blankets, laundry or other articles shall be hung, displayed or stored outside the condominiums (except within the garages which are located on the parcel) or which may be visible from the outside of the condominiums (other than draperies, curtains or shades of a customary nature and appearance in any event subject to the rules and regulations of the Board of Directors).

No owner shall paint, decorate or adorn the outside of his condominium or install outside his condominium any canopy or awning, or outside radio or television antenna, or other equipment, fixtures or items of any kind, without the prior written permission of the Board of Directors, which written permission, the Board of Directors, in its sole discretion, may grant or deny.

No owner of a condominium shall display, hang, store or use any sign outside his condominium or which may be visible from the outside of his condominium without the prior written permission of the Board of Directors. However, this subparagraph shall not prohibit real estate "For Sale" signs. "For Sale" signs shall be limited to one (1) sign per unit, which sign shall be no larger than four (4) square feet. Any "For Sale" sign placed pursuant to this subparagraph shall be removed as soon as an offer on the particular unit has been accepted.

- H. Pets. One dog, not exceeding 40 pounds, or one domestic cat may be kept in any condominium unless and until the Board of Directors has enacted rules and regulations specifically permitting the keeping of any other type of animal. The Board of Directors shall have complete discretion as to whether or not it will permit the keeping of animals of any particular type. When deemed appropriate by the Board of Directors, it may, but shall not be required to enact rules and regulations permitting the keeping of a specific type of animal in one or more, but not all condominiums when special circumstances are present. An example of the special circumstances contemplated hereby is the need for a seeing eye dog. The Board of Directors shall also have complete discretion as to the substance of any administrative rules and regulations

enacted by it regarding the manner in which any permitted animal shall be kept, provided that the Board of Directors may not, in any case, permit the keeping of any animal for any commercial purpose. The Board of Directors shall have the right, at any time, to change its rules and regulations relating to animals. Such right shall include the right to prohibit the keeping of any animal of a type permitted to be kept by previously enacted rules and regulations. Any animal permitted to be kept shall be kept in strict accordance with the administrative rules and regulations relating to such animals from time to time approved by the Board of Directors, and in any event, shall be kept in a manner so as not to constitute a nuisance to others.

- I. Trash. Trash, garbage and other waste shall be kept only in sanitary containers and shall be disposed of in a clean and sanitary manner as prescribed, from time to time, in the rules and regulations promulgated by the Board of Directors and in compliance with any city ordinance of Milford, Iowa.
- J. Storage of Personal Property. Except as provided in this Declaration or as permitted by the rules and regulations adopted from time to time by the Board of Directors in its sole discretion, no personal property of any kind whatsoever belonging to any owner or to any tenant of such owner or any guest or invitee of any owner or any tenant shall be stored, placed or kept, temporarily or permanently, in or on the common elements. Without limiting the generality of the foregoing, no motorized or non-motorized vehicles, recreational vehicles, all-terrain vehicles, travel trailers, inoperable vehicles, boats, campers, cabs, trailers, snowmobiles, bicycles, tricycles or motorcycles shall be stored on any common element except within the confines of the owner's garage other than on a strictly temporary basis not to exceed 48 hours. For purposes of computing the 48 hours, the relocation of the items at issue within the property or the temporary removal and return of said item shall not re-start the 48-hour time limit unless said item is removed entirely for not less than seven (7) days.
- K. Machines. No owner shall overload the electrical wiring in the Regime or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board of Directors, an unreasonable disturbance to others.
- L. Rules and Regulations. The Board of Directors may, from time to time, promulgate rules and regulations regarding the use of the condominiums and the common elements, provided that such rules shall be reasonable in scope and shall tend to promote the use of the real estate for the purpose set forth herein.
- M. Water Usage. The building has a master water meter. There is no separate sub-meter for any individual condominium unit. The bill for the water passing through the master meter shall be paid monthly by the Association.
- N. Garages. All garage doors shall be kept closed at all times except when being opened for purposes of ingress and egress or when a unit owner, family member or guest is personally present in the garage area. No garage shall be used to store discarded items, junk or other unsightly materials used for the repair of vehicles.

- O. Patio or Deck. An owner may keep normal and customary lawn and patio furniture and potted plants (but not play equipment) on the patio/deck (if applicable) allocated to such owner's condominium as a limited common element. Any change to a patio or deck from the original construction shall require written consent from the Board of Directors.
6. Maintenance and Repair.
- A. Every condominium owner shall promptly perform all maintenance and repair work required within his own condominium and all maintenance and repair work required within a garage purchased by a condominium owner which, if not performed, would affect the common elements or another condominium or condominiums. Upon the failure of any condominium owner to perform his responsibilities under this paragraph, the Association may, but shall not be obligated to perform the same and such condominium owner shall be liable to the Association for all expenses incurred by the Association in performing the same and the amount thereof shall be a lien on such owner's condominium and shall be collectible in the same manner as set forth herein with respect to common expense assessments. All incidental damage or liability caused to a condominium or condominiums or to the common elements by the failure of a condominium owner to perform his obligations under this paragraph or caused in the course of performing such obligations shall be the responsibility of the condominium owner.
- B. If maintenance, repairs or replacements to the common elements or to the condominium or another condominium owner are necessitated by the negligence, willful act, misuse or neglect of a condominium owner or of anyone for whose negligence, willful act, misuse or neglect such condominium owner is responsible, the expense thereof shall be a lien on such owner's condominium and shall be collectible in the same manner as set forth herein with respect to the common expense assessments.
- C. The Association is responsible for maintenance, repair and replacement of the common elements, including the limited common elements, but excluding the air conditioning equipment allocated as limited common element. Except as provided in subparagraph 6.B. above, any common expense associated with the maintenance, repair or replacement of a common element or limited common element shall be assessed against all the condominiums in accordance with the common expense liability allocated to each condominium hereunder and shall not be assessed solely against the condominium or condominiums to which such limited common element is assigned.
- D. All incidental damage caused to any condominium as a result of any work done by the Association in accordance with its responsibilities as set forth herein or in the Act or as a result of any damage to, failure of or malfunction of anything to be maintained, repaired or replaced by the Association in accordance with the provisions hereof or in the Act, shall be the responsibility of the Association and the cost of repairing such incidental damage shall be a common expense.

7. Required Insurance. Commencing not later than the time of the first conveyance of a condominium to a condominium owner other than Declarant, and in addition to the requirements of the Act, the Association shall maintain, to the extent reasonably available, the following insurance:

- A. Fire insurance with extended coverage endorsement (including vandalism, debris removal, cost or demolition, malicious mischief, windstorm, water damage and all other perils which are customarily covered with respect to projects similar to the real estate, including all other perils normally covered by the standard "all risk" endorsement, if such is available). Such insurance shall insure all personal property belonging to the Association and all structures, fixtures, buildings and other improvements included in the real estate subject to this Declaration (including all building service equipment and all of the condominiums and the fixtures installed therein as of the date hereof, and specifically including, without limiting the generality of the foregoing, interior walls, interior doors, built-in cabinets and counters, electrical and plumbing conduits and pipes and fixtures installed therein as of the date hereof, but not including carpeting, drapes, wall coverings, furniture, furnishings or personal property belonging to the condominium owners and not including improvements, fixtures and other property supplied or installed by condominium owners). Such insurance shall cover the interests of the Association, the Board of Directors and all condominium owners and their mortgagees, as their interests may appear, for full insurable replacement cost as determined by the Board of Directors;
- B. Comprehensive public liability insurance in such amounts (but not less than \$1,000,000 for any one occurrence) and with such coverage as the Board of Directors shall, from time to time determine, but at least covering events occurring anywhere on the common elements or arising out of or in connection with the use, ownership or maintenance of the common elements, and insuring each officer and member of the Board of Directors, the managing agent and each condominium owner and with cross-liability endorsement to cover liabilities of the condominium owners as a group to a condominium owner and with a "Severability of Interest Endorsement" which would preclude the insurer from denying the claim of a condominium owner for the negligent act of another owner, occupant or the Association;
- C. Directors' and officers' liability insurance in such amounts as the Board of Directors shall, from time to time, reasonably determine; and
- D. Such other insurance as the Board of Directors may determine.

If reasonably available, the policy or policies of fire and extended coverage shall contain a stipulated amount clause, determinable cash adjustment clause or similar clause to permit a cash settlement covering specific value in the event of destruction and a decision not to rebuild and in inflation guard endorsement. The Board of Directors may, from time to time, designate an insurance trustee to receive proceeds.

All policies of physical damage insurance shall contain waivers of subrogation and waivers of any reduction of pro rata liability of the insurer as a result of any insurance carried by condominium owners or of invalidity arising from any acts of the insured or any condominium owners. Provisions shall be made for issuance of certificates of physical damage insurance to mortgagees.

Each condominium owner may maintain such insurance as owner shall desire for owner's own benefit, insuring owner's personal liability and owner's carpeting, drapes, wall coverings, fixtures, furniture, furnishings, personal property and improvements, fixtures and other property supplied or installed by owner or a previous condominium owner or tenant, provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished by reason of any such additional insurance carried by a condominium owner.

In addition to the foregoing powers, and not in limitation thereof, the Board of Directors shall have the authority at all times, without action of the condominium owners, to obtain and maintain in force any other coverages or endorsements which are required under the Act or with the Board of Directors deem necessary or desirable.

Insurance premiums for any blanket property insurance coverage and the other insurance coverages purchased by the Association shall be common expenses to be paid by assessments levied by the Association, and such assessments shall be held in an account of the Association and used for the payment of the blanket property insurance premiums and other insurance premiums as such premiums become due.

In the event that all or a part of the real estate or improvements are damaged or destroyed, unless 60% of the condominium owners vote not to rebuild, repair or restore the improvements, the improvements shall be rebuilt, repaired or restored.

The Association is hereby designated as attorney-in-fact for each and all of the condominium owners from and after the time the condominium owner purchases the condominium for the purpose of adjusting all insurance claims.

8. Additional Common Element. The common elements, as previously indicated, shall also include the laundry rooms, boiler room, electrical room, hallways, stairways, common trash receptacles, lobby, exterior driveways and the parking area. Any furniture, fixtures and equipment contained in such areas shall be the property of the Association, and maintenance and replacement thereof shall be the responsibility of the Association. If applicable, the Board may establish rules and regulations for the use of such areas.

9. Rights of First Mortgagees. The following provisions shall take precedence over all other provisions of this Declaration, and in the event of any inconsistency or contradiction, the following provisions shall control:

- A. A first mortgagee of a condominium or its assigns, upon request, will be entitled to written notification from the Association of:

- i. Any default in the performance by the condominium owner of any obligation under this Declaration or the Bylaws which is not cured within 30 days;
- ii. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.
- iii. Any proposed action which, pursuant to this Declaration or the Act, requires the consent of a specific percentage of the first mortgagees of the condominiums; or
- iv. Any proposed amendment of the Regime instruments affecting a change in:
 - a. The boundaries of any condominium or the exclusive rights appertaining thereto;
 - b. The interests in the general or limited common elements appertaining to any condominium or the liability for common expenses appertaining thereto;
 - c. The number of votes in the Association appertaining to any condominium; or
 - d. The purposes to which any condominium or the common elements are restricted;
- v. Any proposed termination regime;
- vi. Any condemnation loss or any casualty loss which affects a material portion of the Regime or which affects any condominium on which there is a first mortgage held, insured or guaranteed by such eligible holder;
- vii. Any delinquency in the payment or assessments or charges owed by an owner of a condominium subject to the mortgage of such eligible holder, insurer or guarantor where such delinquency has continued for a period of 60 days; and
- viii. Any lapse, cancellation or material modification of any insurance policy maintained by the Association

10. Grant of Easement of Ingress and Egress. The Declarant hereby grants a perpetual non-exclusive easement for ingress and egress over, across and through the "real estate" to all of the owners of Regime condominiums in the Regime, the Homeowners Association, as well as their invitees and guests, for the purpose of obtaining access to the individual Regime condominiums, as well as for parking purposes, all of which easement rights, however, are subject to and conditioned upon the remaining terms, conditions and restrictions of this Declaration. Maintenance of the easement areas granted hereby shall be performed by the Association as a portion of the common areas maintenance.

11. Amendment to Declaration. Subject to the terms of Section 12.H., this Declaration may be amended in either of the following manners:

- A. By written Amendment signed by all owners, acknowledged and filed with the Dickinson County Recorder.
- B. By approval of an Amendment by two-thirds (2/3) of the owners present at a meeting called for the purpose of discussing such Amendment. Notice of such meeting shall designate the time and place for the meeting, together with a general description of the proposed Amendment, with the notice to be given not less than ten (10) nor more than thirty (30) days from the date of the meeting. At such meeting, the written proxy of an owner, duly signed, either setting forth the owner's vote on the proposed Amendment or authorizing another owner to vote on behalf of such absent owner, shall be allowed and recognized by the presiding officer as a valid vote on the Amendment.
12. Miscellaneous.
- A. Termination. Except in the case of a taking of all of the condominiums by eminent domain, this Regime may be terminated only by the written agreement of all condominium owners and of all first mortgagees of condominiums, and may not be abandoned, nor may such termination or abandonment be sought by act or omission without such unanimous consent.
- B. Right of Association to Hold Condominium. Subject to the provisions of the Bylaws, the Board of Directors, acting on behalf of the Association, shall have the power to acquire, hold, lease, mortgage and convey a condominium, including the power to purchase a condominium at the foreclosure sale for unpaid assessments.
- C. Remedies of the Association. In the event of the failure of any condominium owner to comply with the provisions of this Declaration, the Articles or Bylaws of the Association, or the decisions, regulations or rules of the Association, the Association or any aggrieved condominium owner may, in addition to any other right or remedy available to the Association or such aggrieved condominium owner, bring an action for the recovery of damages, injunctive relief or both. Suit to recover a money judgment for unpaid common expenses or for other amounts owing the Association may be maintained by the Association without foreclosing or waiving the lien securing the same. In the event of any such suit or action, the prevailing party shall be entitled to recover from the losing party an amount equal to all costs, including attorney's fees, incurred by the prevailing party in the preparation for and prosecution of such suit or action.
- D. Condemnation of Common Elements. Subject to the provisions of the Act, the Association shall have control over any condemnation proceedings, negotiations, settlements and agreements with the condemning authority relating to the acquisition by the condemning authority of the common elements or any part thereof. The Association is hereby appointed attorney-in-fact for each and all of the condominium owners from and after the time the condominium owner purchases the condominium for the purpose of handling all condemnation matters.

- E. Supplemental to Law. The provisions of this Declaration shall be in addition to and supplemental to the Act and to all other provisions of law.
- F. Invalidity. The invalidity of any part or provision of this Declaration shall not impair or affect in any manner the validity, enforceability or effect of the balance of this Declaration.
- G. Definition of Terms. As used in this Declaration or in the Bylaws, any words or terms defined in the Act shall have the meaning there ascribed to them. The singular shall be deemed to include the plural wherever appropriate; and unless the context clearly indicates to the contrary, any obligation imposed shall be joint and several. The "Association" shall mean 664 Terrace Park Boulevard Condominium Association, an Iowa non-profit corporation.
- H. Administration. The owners of condominiums in the Regime covenant and agree that the administration of the Regime shall be in accordance with the provisions of the Act, this Declaration and the Bylaws of the Association, a copy of which is attached hereto as Exhibit "E."
- I. Joinder of Declarant. Until the earlier of (i) that date which is five (5) years after the conveyance of a condominium to a condominium owner other than Declarant; (ii) that date which is 60 days after the conveyance of 80% of the condominiums (including any condominiums which have then or may thereafter be added to the Regime) to condominium owners other than Declarant; or (iii) a recording of a written surrender of control of the Association by Declarant; in addition to the statutory requirements for the amendment of this Declaration and the Bylaws of the Association and the requirements for such amendment as set forth herein, the written joinder and consent of the Declarant shall be required for any amendment of either the Declaration or Bylaws of the Association.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed the day and year first above written.

664 TERRACE PARK BOULEVARD, L.P.

By J. Patrick Deveny, Manager

STATE OF IOWA :
: ss.
COUNTY OF POLK :

On this ____ day of _____ A.D., 2005, before me, the undersigned, a notary public in and for the State of Iowa, personally appeared J. Patrick Deveny, Brown, to me personally known, who being by me duly sworn, did say that he is the manager of 664 Terrace Park Boulevard,

L.P., an Iowa limited partnership, and that the instrument was signed on behalf of the limited partnership by authority of its partners and J. Patrick Deveny acknowledged the execution of the instrument to be the voluntary act and deed of the partnership, by it and by the manager voluntarily executed.

Notary Public in and for the State of Iowa



EXHIBIT "A"

Condominium Unit	Number of Votes in Association	% of Undivided Interest in the Common Elements	Size of Unit (Square Feet)	% of Common Expenses Allocated to the Unit
1	1	1/30 th	792	3.3333
2	1	1/30 th	792	3.3333
3	1	1/30 th	792	3.3333
4	1	1/30 th	572	2.6666
5	1	1/30 th	792	3.3333
6	1	1/30 th	792	3.3333
7	1	1/30 th	792	3.3333
8	1	1/30 th	792	3.3333
9	1	1/30 th	1,012	4.1666
10	1	1/30 th	572	2.6666
11	1	1/30 th	792	3.3333
12	1	1/30 th	792	3.3333
13	1	1/30 th	792	3.3333
14	1	1/30 th	792	3.3333
15	1	1/30 th	792	3.3333
16	1	1/30 th	792	3.3333
17	1	1/30 th	792	3.3333
18	1	1/30 th	792	3.3333
19	1	1/30 th	1,012	4.1666
20	1	1/30 th	572	2.6666
21	1	1/30 th	792	3.3333
22	1	1/30 th	792	3.3333
23	1	1/30 th	792	3.3333
24	1	1/30 th	792	3.3333
25	1	1/30 th	792	3.3333
26	1	1/30 th	792	3.3333
27	1	1/30 th	792	3.3333
28	1	1/30 th	792	3.3333
29	1	1/30 th	1,012	4.1666
30	1	1/30 th	572	2.6666

SECRETARY OF STATE

05 MAR 15 PM 2:48

Prepared by and

Return to: J. Patrick Devery Attorney at Law, Suite 2, 2130 Grand Avenue, Des Moines, Iowa 50312

(515)282-5425

**ARTICLES OF INCORPORATION
OF
664 TERRACE PARK BOULEVARD CONDOMINIUM ASSOCIATION**

The undersigned, being of full age and for the purpose of forming a non-profit corporation under the provisions of Chapter 504A, Code of Iowa (2003), as amended, the Iowa Non-Profit Corporation Act, does hereby adopt the following Articles of Incorporation:

ARTICLE I

The name of this corporation shall be **664 Terrace Park Boulevard Condominium Association** (hereinafter called the "Association").

ARTICLE II

The purposes and objects of the Association are to provide for and to administer the operation, management, maintenance and care of the Horizontal Property Regime to be known as "**664 Terrace Park Boulevard Condominium**," to be established in accordance with Chapter 499B, Code of Iowa (2003), as amended, upon the following-described real estate situated in the City of Milford, Dickinson County, Iowa:

That part of Lot 3 of Okoboji South Beach Company's Plat of Government Lot 2 and the North Half of the Southwest Quarter (N $\frac{1}{2}$ SW $\frac{1}{4}$) in Section 31, Township 99 North, Range 36 West of the 5th P.M. in the City of Milford, Dickinson County, Iowa, described as follows:

Commencing at the Southwest corner of said Lot 3, said point being the Point of Beginning; thence North 0°12'12" East 255.98 feet along the West side of said Lot 3; thence South 89°45'11" East 465.04 feet; thence South 0°12'12" West 255.09 feet along the East side of said Lot 3; thence North 89°51'49" West 465.04 feet to the Point of Beginning.

Except that parcel described as follows: Commencing at the SW corner of the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 31; thence South 88°49'15" East, 33.00 feet (10.058 m) to a point on the existing Easterly right of way line of present Primary Road No. U.S. 71, the Point of Beginning; thence North 01°20'16" East, 255.76 feet (77.952 m) along said Easterly right of way line; thence South 88°37'52" East, 32.48 feet (9.900 m); thence Southeasterly 289.37 feet (88.200 m) along a 498.69

EXHIBIT "D"

foot (152.000 m) radius curve, concave Northeasterly, having a long chord of 285.33 feet (86.968 m) and bearing South 25°11'12" East to a point on the South line of the NW¼ SW¼ of said Section 31; thence North 88°49'15" West, 159.90 feet (48.738 m) along said South line to the Point of Beginning, containing 20,610 square feet,

and to undertake the performance of the acts and duties incident to the administration of the operation and management of the Association in accordance with its terms, provisions, conditions and authorizations as contained in these Articles of Incorporation and which may be contained in the Declaration establishing the Horizontal Property Regime for 664 Terrace Park Boulevard Condominium as the same may be amended from time to time, which will be filed in the Office of the Recorder of Dickinson County, Iowa, at the time said real property and the improvements now or hereafter situated thereon are submitted to the Horizontal Property Regime, said Declaration being incorporated herein as if set forth at length; and to acquire, own, operate, lease, sell, trade and otherwise deal with such property, whether real or personal, as may be necessary or convenient in the administration of the operation, management, maintenance, improvement and care of the Common Elements within the Horizontal Property Regime to be known as "664 Terrace Park Boulevard Condominium."

In the furtherance of the foregoing purposes, the Association shall have the power and authority to engage in any and all lawful activities that may be reasonably necessary in order to accomplish any of the foregoing purposes and to do and exercise all other powers and authority now or hereafter conferred on non-profit corporations under the laws of the State of Iowa.

ARTICLE III

The Association is organized as a non-profit corporation. The Association shall in no way, directly or indirectly, incidentally or otherwise, afford pecuniary gain to any of its members, directors or officers, nor shall any part of the net earnings of the Association in any way inure to the private benefit of any such member, director or officer of the Association, or to any private shareholder or individual within the meaning of § 528(c)(1)(D) of the Internal Revenue Code (1986), as amended, except that the Association shall be authorized to make reasonable allowance and payment for actual expenditures incurred or services rendered for or on behalf of the Association.

No substantial part of the activities of the Association shall constitute the carrying on of propaganda or of attempting to influence legislation and the Association shall not participate or intervene in any political campaign on behalf of any candidate for public office nor shall the Association engage in any transaction or carry on any other activity not permitted to be carried on by a condominium management association exempt from federal income tax under § 528 of the Internal Revenue Code (1986), as amended (or the corresponding provisions of any future United States Internal Revenue Code.

ARTICLE IV

The duration of this corporation shall be perpetual.

ARTICLE V

The registered office of this corporation shall be at:

Suite 2, 2130 Grand Avenue
Des Moines, Iowa 50312.

The name of the registered agent at that address shall be:

J. Patrick Deveny.

ARTICLE VI

The name and address of the person forming this corporation is:

J. Patrick Deveny
Suite 2, 2130 Grand Avenue
Des Moines, Iowa 50312.

ARTICLE VII

The membership of the Association shall consist of the owners (hereinafter called the "Apartment Owners") of the condominium apartments (hereinafter called the "Apartments") within 664 Terrace Park Boulevard Condominium Horizontal Property Regime, Milford, Dickinson County, Iowa, as defined in and determined by the Declaration. Membership in the Association shall be appurtenant to and shall not be separated from the apartment ownership in the Horizontal Property Regime for 664 Terrace Park Boulevard Condominium. No property right interest in membership and memberships are not transferable except in connection with the transfer by Members of their respective Apartments. The votes to be exercised by the Members of the Association shall be as allocated by the Declaration and the Bylaws of the Association to the Apartments for voting purposes. All apartment owners of Apartments within the Horizontal Property Regime shall be members of the Association. Where there is more than one (1) Apartment Owner of an Apartment, the vote allocated to that Apartment in accordance with the Declaration shall be cast as the Apartments Owners of such Apartment among themselves may determine. Where there is more than one (1) Apartment Owner of an Apartment, the Apartments Owners of such Apartment shall notify the secretary of the Association, in writing, of the name of the Apartment Owner who has been designated to cast the vote attributable to the Apartment owned on behalf of all of the Apartment Owners of the Apartment. Membership in the Association shall automatically pass when the ownership of an Apartment is transferred in any manner. In each such event, written notice of the transfer shall be given to the secretary of the Association.

ARTICLE VIII

The management of the Association shall be vested in a Board of Directors. The first Board of Directors of the Association shall consist of the following individual:

J. Patrick Deveny
Suite 2, 2130 Grand Avenue
Des Moines, Iowa 50312.

Except as otherwise provided by the Bylaws or the Association, the term of the first Board of Directors shall run until the fifth (5th) anniversary of the date of filing of these Articles of Incorporation, or until the date which is sixty (60) days after the conveyance of eighty percent (80%) of the Apartments to Apartment Owners other than the declarant, whichever first occurs. The number of directors, term of office, method of removal from office and method of filling of vacancies on the Board of Directors shall be as provided in the Bylaws of the Association.

ARTICLE IX

No member, director or officer of the Association shall have any personal liability for any obligation of the Association.

ARTICLE X

The Association shall have no capital stock.

ARTICLE XI

The corporate existence for the Association shall begin on the date on which the Iowa Secretary of State issues the Certificate of Incorporation.

ARTICLE XII

Upon dissolution of the Association, after payment of all of the debts and obligations of the Association, all remaining corporate assets shall be disbursed to the Apartment Owners pursuant to their percentage interest in the undivided common elements of the Horizontal Property Regime.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 14 day of March, 2005.

664 TERRACE PARK BOULEVARD CONDOMINIUM ASSOCIATION



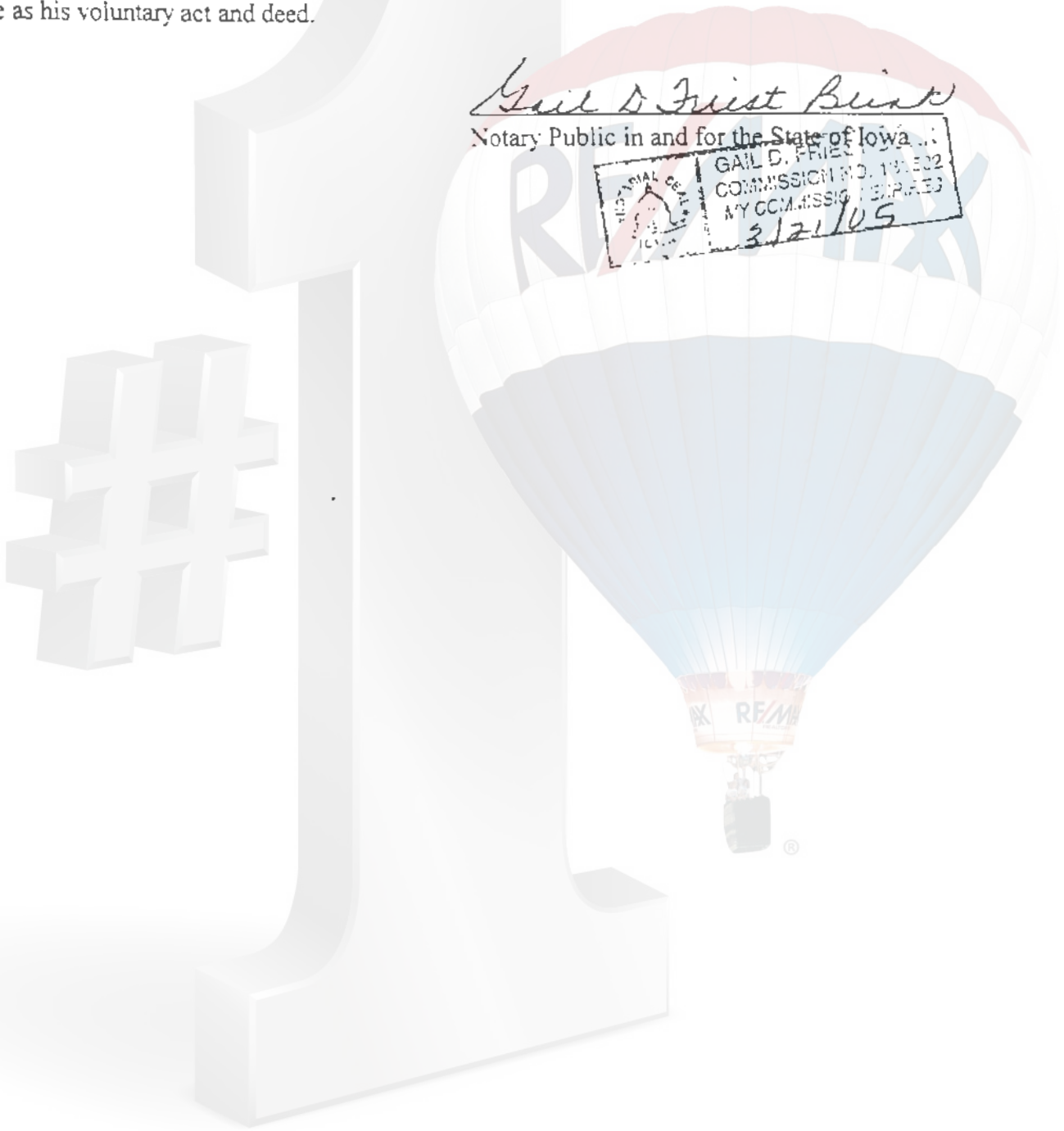
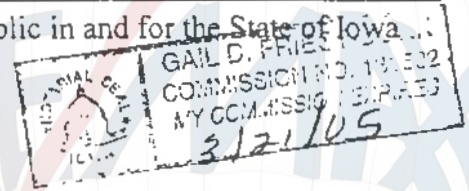
By J. Patrick Deveny, Incorporator

STATE OF IOWA :
: ss.
COUNTY OF POLK :

On this 14th day of March A.D., 2005, before me, the undersigned, a notary public in and for the State of Iowa, personally appeared J. Patrick Deveny, to me known to be the person named in and who executed the foregoing instrument and acknowledged that he executed the same as his voluntary act and deed.

Gail D. Friest Bunt

Notary Public in and for the State of Iowa



electrical room storage areas, lobby, exterior drives and the parking area. The condominiums are constructed of concrete footings, concrete or block foundations and wood frame construction. Additionally, the air conditioning equipment serving each condominium and the deck or patio area which is accessible from each condominium, are limited common elements allocated for the exclusive use of such condominium, to the exclusion of the other condominiums. The air conditioning equipment which is a limited common element allocated to each condominium shall be maintained, repaired and replaced by the owner of each such condominium as such owner's sole cost and expense.

4. Monthly Association Dues. The Association shall have the authority to set the amount of the monthly association dues. Assessments for association dues and expenses shall commence as of June 1, 2005. The initial amount of the association dues is \$80 per month for a 1-bedroom unit, \$100 per month for a 2-bedroom unit and \$125 per month for a 3-bedroom unit. The monthly dues shall be kept in the same proportion as set out above and as shown in Exhibit "A" unless a written change is consented to by 80% of the unit owners.

Dues are due on the first of each month and are delinquent and subject to a 10% penalty if not paid by the tenth of the month. The Association may change the amount of the monthly dues at the annual meeting or at a meeting called for the specific purpose of changing the dues.

The monthly dues assessed by the Association shall be used to pay the following expenses:

- A. Water and sewer;
- B. Heat (natural gas) and heating equipment maintenance;
- C. Snow removal;
- D. Lawn care;
- E. Garbage pick up;
- F. Roof and exterior building maintenance and repair;
- G. Insurance for the building and common elements; and
- H. Common area maintenance, to include among other items not included: halls, stairways, laundry rooms and machines, sidewalks and driveways.

There are three (3) laundry rooms in the building, one on each of the three (3) levels. Currently, none of the 30 units contains a washer or a dryer. The owners of individual units will be allowed to install a washer and dryer in the owner's unit, provided the owner does the following:

- A. Provides written notice to the Board of Directors at least 14 days before proposed installation on the notice form provided by the Board of Directors. Notice forms may be obtained from the Board of Directors by contacting J. Patrick Deveny at Suite 2, 2130 Grand Avenue, Des Moines, Iowa 50312.
- B. Agrees to have the installation done by a reputable dealer or licensed professional.
- C. Agrees to be responsible for any damages caused by or resulting from the installation of the washer or dryer.
- D. Agrees to have the Association Dues for the unit where the washer and dryer are installed increased by \$10.00 per month if a washer and an electric powered dryer

Amendment to provide document that allows w/d installation within each unit.

are installed or increased by \$20.00 per month if a washer and a natural gas powered dryer are installed.

Because the Association will be paying the water and heating bills for all of the condominium units, it is possible that the association dues will need to be adjusted depending on the length and severity of the winter. The president of the Association has the authority to call a meeting for that specific purpose by giving seven (7) days' notice of the meeting for that purpose. The meeting may be held telephonically. To change the monthly assessment, at least 50% of the units must agree to the new assessment amount.

5. Use of the Regime. The Regime and each of the condominiums shall be used and occupied in accordance with the following provisions:

- A. Residential Use Only. Subject to the provisions of subparagraph 5.B. below, the Regime and each of the condominiums are intended for residential purposes only. No use may be made of any condominium except that of a residence for the condominium owner thereof, their families, tenants and social guests. No business or commercial use shall be permitted on the real estate except as specifically provided in this Declaration and except that the Association may maintain an office on or in any part of the real estate for management purposes.
- B. Use for Sales Purposes. So long as Declarant owns any condominium, Declarant may maintain advertising signs on any part of the common elements and may maintain sales offices, management offices and model condominiums within any condominium or condominiums or in or on any part of the common elements and such sales offices, management offices and model condominiums may be relocated by Declarant from time to time.
- C. Rental of Condominiums. Any lease arrangement of a condominium shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration, the Bylaws and the Articles of Incorporation of the Association, and any rules and regulations established by the Board of Directors; shall contain the agreement of the lessee to be bound by the terms of such documents and shall provide that any failure of the lessee to comply with the terms of such documents or rules shall be a default under the lease or rental agreement. All leases shall be required to be in writing. Prior to the commencement of the lease or rental period, any condominium owners leasing or renting a condominium shall deliver to the secretary of the Association a complete copy of the lease or rental agreement. No lease shall be for a period of less than six (6) months. Other than the foregoing, the condominium owners of the respective condominiums shall have the absolute right to lease the same; however, the lease shall require the prior written approval of the Association and the owner of such condominium shall be required to obtain a damage deposit from the prospective tenant as a condition of such approval. The minimum deposit shall be the lesser of one month's rent as designated in the lease or \$350.00 if a 1-bedroom unit, \$400 if a 2-bedroom unit and \$500 if a 3-bedroom unit. The sum specified in this paragraph as a deposit shall be subject to