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~~Sue Jorman~~

STATE OF IOWA, Pottawattamie County
Filed for record the 18 day of Nov.
1987 at 10:00 o'clock A.M. and recorded
in book 88 page 11240

By John Fiorentino Recorder

DECLARATION OF SUBMISSION
OF PROPERTY TO
HORIZONTAL PROPERTY REGIME
FOR
ARBOR RIDGE

CONDOMINIUMS PHASE II, COUNCIL BLUFFS, IOWA

The undersigned, TNML Development Company, Inc., a corporation herein referred to as "DEVELOPER" as the sole owner of the real estate hereinafter described, does, by these presents, express its desire to submit said real estate and the improvements thereon to the horizontal property regime established by the Horizontal Property Act, Chapter 499B, Code of Iowa, to be known as Arbor Ridge Condominiums Phase II, Council Bluffs, Iowa, and do hereby establish a horizontal property regime with respect to said real estate and improvements thereon, the same to take effect when filed for record in the Office of the County Recorder in and for Pottawattamie County, Iowa.

ARTICLE I
PURPOSES AND DEFINITIONS

1. Purpose. The purpose of this Declaration is to submit and convey the lands hereinafter described and the improvements constructed or to be constructed thereon, to the condominium form of ownership and use, pursuant to Iowa law.

2. Definitions. The terms employed shall have the meaning defined in Chapter 499B, Code of Iowa; unless the context or more particular provisions of any condominium document require a different meaning. Certain terms are used as follows:

(a) Plural and Gender. All words and phrases shall be taken to include the singular or plural according to the context and to include the female, male or neuter gender as may be applicable.

(b) Successors. Reference to developers, co-owners, or to any entity or association, shall include the respective successors, grantees and assigns thereof.

(c) Tense. Upon the effective date of this Declaration use of the present tense shall include the future tense and use of the future tense shall include the past or present tense where the

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subject matter referred to relates to completion of an improvement or development that has not been or already has been completed as the case may be.

(d) Apartment or Unit. The terms "apartment" or "unit" or "condominium apartment" or "apartment unit" or "condominium unit" are all used interchangeably throughout this Declaration mean one or more rooms occupying all or part of a floor in the building which is to be used as a residence. An "apartment" or "unit" also means generally an area enclosed by walls and floors and including and confined by such walls which is capable of being owned as a separate parcel of real property under the Iowa Horizontal Property Act.

(e) Co-owner. Co-owner means a person, corporation, or other legal entity capable of holding or owning any interest in real property who owns all or an interest in an apartment within the building.

(f) Council of Co-owners. Council of Co-owners means all of the co-owners of the building. The business and affairs of the council of co-owners may be conducted by organizing a corporation not for pecuniary profit of which the co-owners are members, or shall mean all of the owners of the condominium units acting as a group in accordance with the bylaws and Declaration.

(g) General Common Elements. General common elements shall mean and include those elements as set forth in Article V.

(h) Limited Common Elements. Limited common elements shall mean those elements as set forth in Article V.

(i) Majority of Co-owners or Percent of Co-owners. The terms "majority of co-owners" or "percent of co-owners" means the owners of more than one-half or owners of that percent of interest in the building irrespective of the total number of co-owners.

(j) Property. Property includes the land whether committed to the horizontal property regime in fee or as a leasehold interest, the building, all

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other improvements located thereon, and all easements, rights and appurtenances belonging thereto.

(k) Building. Building means and includes one or more buildings, whether attached to one or more buildings or unattached; provided, however, that if there is more than one building, all such buildings shall be described and included in the Declaration, or an amendment thereto, and comprise an integral part of a single horizontal property regime.

ARTICLE II DESCRIPTION OF LAND

1. Land. The land hereby submitted to the Horizontal Property Regime is situated in Council Bluffs, Pottawattamie County, Iowa, and is legally described as shown on Exhibit "A" attached hereto.

2. Survey. A duly certified plat of survey and legal description is attached hereto, marked Exhibit "A" and made a part hereof. Also reflected thereon is a site or plot plan of said legal description showing the approximate location of the apartment unit building constructed or to be constructed thereon and showing graphically the approximate location of certain common elements and limited common elements hereinafter referred to.

ARTICLE III DESCRIPTION OF BUILDINGS AND PROJECT

The project includes eight unconnected structures described as follows:

1. Apartment Unit Buildings. Apartment Unit Buildings will consist of 2, 3, or 4 units per building. Each apartment will range from approximately 1200 square feet to approximately 1400 square feet and have at least one garage per apartment unit. The structure will consist of poured concrete flooring, concrete block foundations, conventional wood frame construction, sheet rock and plywood paneling. Each apartment will also contain at least one stairway.

2. Deck or Patio Unit. Each apartment shall have a limited common element to the rear of the unit for decks or patios. Said deck or patio unit shall be limited to the exclusive use of the accompanying

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apartment and subject to underground utility easements and easements of access to maintain the exterior of the unit. Construction and maintenance of the deck shall be the responsibility of the owner. Design, construction specifications and maintenance specifications shall be subject to approval by the Council of Co-owners or as it may direct.

3. Revisions by Developer. Due to the unique nature of this Development, the Developer reserves the right to change this Development in any way including but not limited to the right to change the location, design and size of any proposed condominium unit building, the number of proposed condominium units, and the size and location of parking areas. The Developer further reserves the right to change the interior design and arrangement of all apartments and to alter the boundaries between condominium unit buildings, so long as the Developer owns the apartments or condominium unit building so altered. Any such changes shall be reflected by an amendment to this Declaration which may be executed by the Developer alone, notwithstanding the procedures for amendment described in Articles XIX and XX of this Declaration. The Developer shall appropriately reapportion the percentage of ownership of the common elements which are allocated to the altered apartments.

ARTICLE IV
IDENTIFICATION OF APARTMENT UNITS AND DECK

1. Apartment Units. The number of each unit or apartment identified by a "unit" number, its location, area, number of rooms and the immediate common areas to which it has access, are shown on Exhibit "B" attached hereto and made a part hereof as if fully set forth herein.

2. Deck Units. The patio units are identified by being numbered 1 through 32, inclusive and their location, area, and immediate common areas to which it has access are shown on Exhibit "A" attached hereto and made a part hereof as if fully set forth herein.

ARTICLE V
COMMON ELEMENTS

1. General Common Elements. General common elements shall mean and include:

(a) The real estate described above.

(b) The site improvements to the land include the foundations, floors, exterior walls of each apartment, and of the buildings, ceilings and roofs, halls, hall stairways, and hallway entrances and exits. In general, all devices or installations existing are for the use of all of the individual apartments of unit owners. Also included as a general common element are compartments or installments of central services for public utilities and common heating, lighting and cooling fixtures.

2. Limited Common Elements. Limited Common Elements shall mean:

(a) Any limited common elements as defined by law.

(b) All sewer, water, television or other utility or service lines or facilities or limited elements as defined by law as serving only an apartment unit.

(c) All fixtures and attachments installed during construction and contained within an apartment unit, such as furnace equipment, plumbing and water fixtures, garage doors, sliding doors, are limited common elements for the exclusive use of such apartment unit.

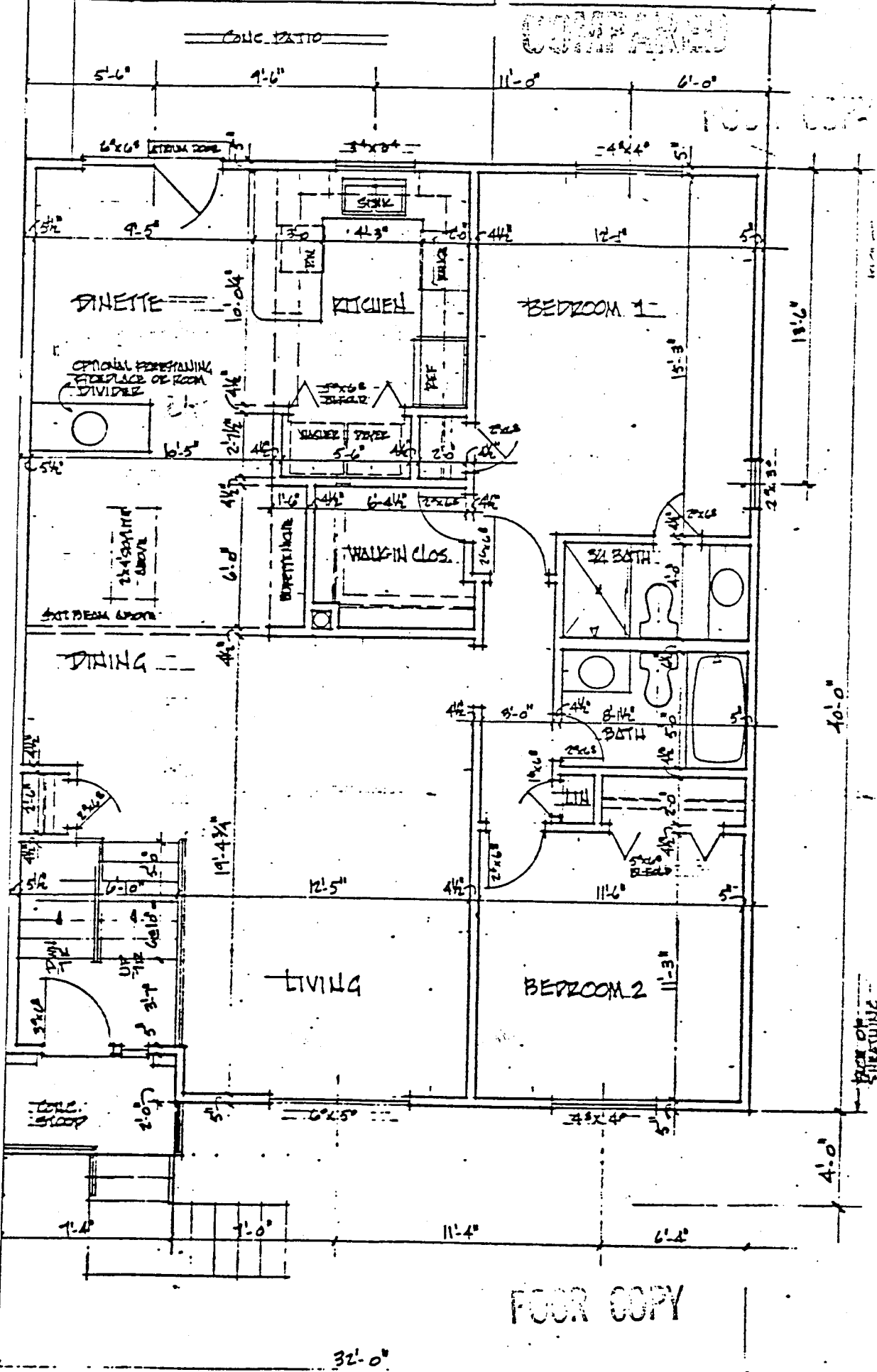
(d) Patio, deck and porch units.

(e) Driveways leading to the apartment unit and double wide driveways leading to two apartment units.

ARTICLE VI
COMMON INTERESTS

The Co-owner of each apartment or unit shall own and there shall be appurtenant thereto an undivided interest in the land and other common elements and facilities of the regime, general or limited, an undivided one-thirty-second (1/32) interest, subject to any revisions per Article III and Article XX.

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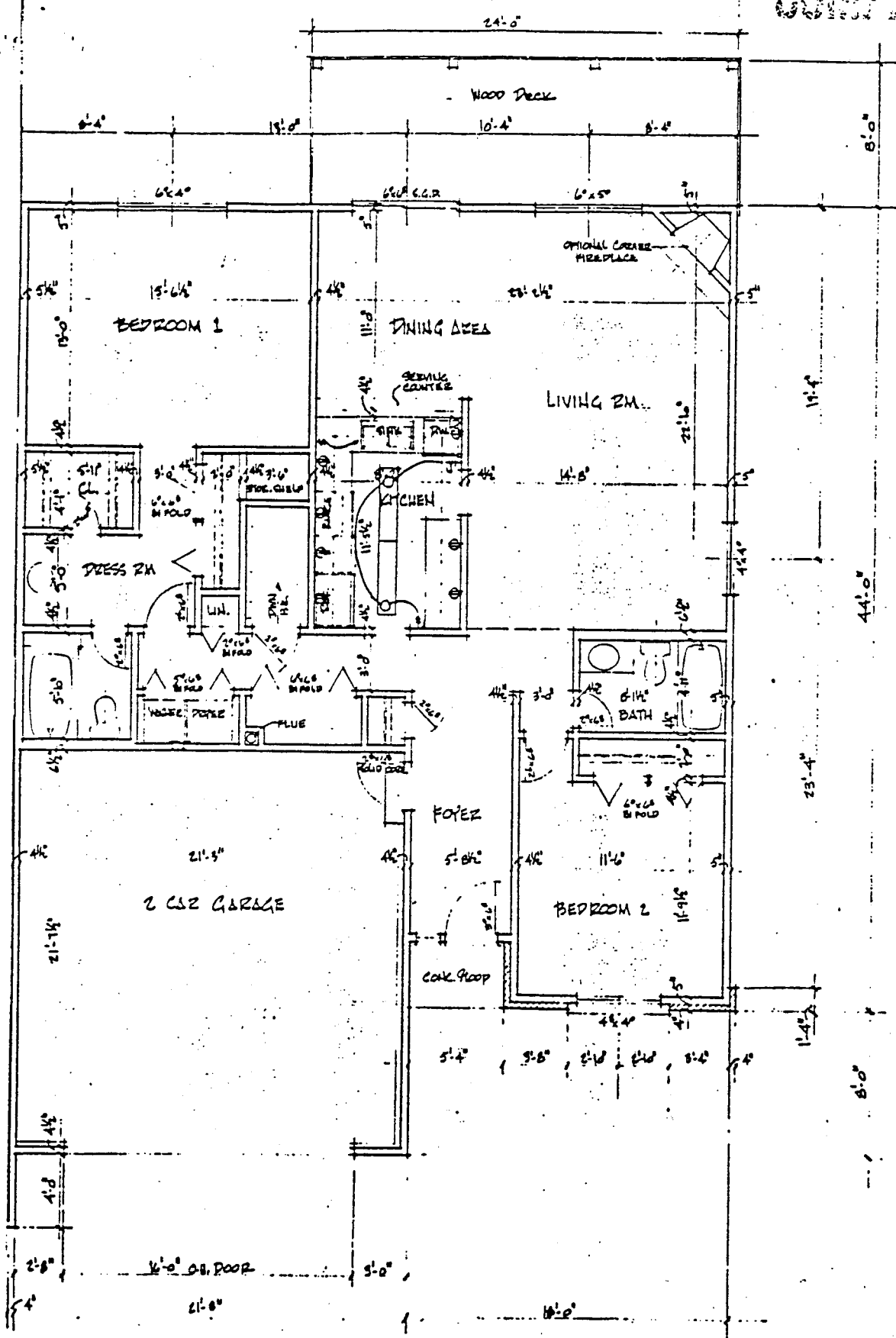
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TYPICAL FLOOR PLAN UNITS 12-37

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TYPICAL FLOOR PLAN
SCALE 1/4" = 1'-0"

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UNITS
FLOOR PLAN 1-9 & 11-12

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STATE OF IOWA)
) ss.
COUNTY OF POTTAWATTAMIE)

On this 16 day of November, 19 87, before me, the undersigned, a Notary Public in and for said State, personally appeared H. Gene McKeown to me personally known, who being by me duly sworn, did say that he is the President of said corporation executing the within and foregoing instrument; that no seal has been procured by the said corporation; that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and that the said H. Gene McKeown as such officer acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it and by him voluntarily executed.

Richard A. Heininger
NOTARY PUBLIC IN AND FOR SAID STATE



ARTICLE XV
OBLIGATIONS OF THE OWNERS

The obligations of the owners shall be as set forth herein and in the Bylaws of the Council of Co-owners.

ARTICLE XVI
FIRST LIEN HOLDER'S RIGHT

Section 1. Notice of Action. A holder, insurer or guarantor of a first mortgage, upon written request to the Council of Co-owners (such request to state the name and address of such holder, insurer or guarantor and the unit number), will be entitled to timely written notice of:

(a) Any proposed amendment of the condominium instruments effecting a change in (i) the boundaries of any unit or the exclusive easement rights appertaining thereto, (ii) the interest in general or limited common elements appertaining to any unit or liability for common expenses appertaining thereto, (iii) the number of votes in the owners association appertaining to any unit or (iv) the purposes to which any unit or the common elements are restricted;

(b) Any proposed termination of the condominium regime;

(c) Any condemnation loss or any casualty loss which affects a material portion of the condominium or which affects any unit or which there is a first mortgage held, insured or guaranteed by such eligible holder;

(d) Any delinquency in the payment of assessments or charges owed by an owner of a unit subject to the mortgage of such eligible holder, insurer or guarantor, where such delinquency has continued for a period of sixty (60) days;

(e) Any lapse, cancellation or material modification of any insurance policy maintained by the owners association pursuant to paragraph 14(a) (i) and (ii).

Section 2. Other Provisions for First Lien Holders. The following provisions shall be binding with respect to the condominium by virtue of the constituent documents, applicable law or otherwise:

(a) Any restoration or repair of the condominium after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with the declaration and the original plans and specifications unless the approval of the eligible holders of first mortgages on units to which at least 51% of the votes of units subject to mortgages held by such eligible holders are allocated, is obtained.

(b) Any election to terminate the condominium regime after substantial destruction or a substantial taking in condemnation of the condominium property must require the approval of the eligible holders of the first mortgages on units to which at least 51% of the votes of units subject to mortgages held by such eligible holders are allocated.

(c) Unless the formula for reallocation of interests in the common elements after a partial condemnation or partial destruction of the condominium project is fixed in advance by the declaration or by applicable law, no reallocation of interests in the common elements resulting from a partial condemnation or partial destruction of the condominium project may be effected without the approval of the eligible holders of the first mortgages on units to which at least 51% of the votes of units subject to mortgages held by such eligible holders are allocated.

NOTE: As used in this section, the term "eligible holder, insurer or guarantor" shall mean a holder, insurer or guarantor of a first mortgage on a unit in a condominium which has requested notice in accordance with the provisions of Section 1 above.

ARTICLE XVII
ALTERATIONS AND IMPROVEMENTS

Except as provided in Article III (3), there shall be no alteration of the building containing the apartment units nor shall there be any alterations or improvements added to the premises, lands or other common elements or facilities until 90% of the units have been sold by the developers. Thereafter no alterations or improvements shall be made or added without the question being first put to a vote at a membership meeting of the Council of Co-owners as provided by the Bylaws, and any such alterations or improvements may

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~~be done only if 75% of the voting units in existence are voted in favor thereof and if the dissenting co-owners are relieved from the cost and their share of the cost is borne by the assenting co-owners.~~

ARTICLE XVIII
COVENANTS RUNNING WITH THE LAND

All the covenants, agreements, obligations, conditions and other provisions set forth in this Declaration and the By-laws shall be deemed covenants running with the land so long as the property is subject to the Horizontal Property Act, and said covenants may be enforced by appropriate legal action including a suit for injunctions, mandatory or restraining, and action for damages by the Board of Directors or by any apartment owner.

ARTICLE XIX
AMENDMENT OF DECLARATION

Except for changing the name ARBOR RIDGE CONDOMINIUMS PHASE II and except for the provisions of Article III (3) and Article XX, this Declaration may be modified or amended from time to time by a vote of the owners of not less than two-thirds (2/3) majority of all the common interests at any annual meeting or at any special meeting called for such purpose and any amendment shall be effective only upon an instrument setting forth such amendment and vote at such meeting duly certified by the President or Vice President and Secretary or Treasurer of the Council of Co-owners and duly recorded.

ARTICLE XX

The developer expressly reserves for itself and its successors and assigns, for a period of ten (10) years or until 90% of the proposed thirty-two (32) condominium units have been sold and title passed to the purchasers, whichever event first occurs, the right to execute on behalf of all contract purchasers, unit owners, mortgagees, other lien holders, and parties claiming any legal or equitable interest in the Horizontal Property Regime or in any unit, any amendments to this Declaration which it may deem appropriate, including but not limited to:

1. Adding or deleting units and lands to the area included within the Condominium Regime and adjusting proportionate share of the common elements, share of costs, and voting rights proportionately. The voting right and proportionate share of the common elements of

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the owners of each unit shall be determined in the manner set forth within the Bylaws.

2. Adding to or altering the location, size or purpose of easements and lands for utilities, roads, access, parking, egress, drainage or financing purposes.

3. To permit the users or occupants of lands owned by or controlled by the grantor to utilize easements, roads, drainage facilities, utility lines, and the like within or servicing the condominium, on such fair and equitable terms and conditions as shall be negotiated with the Condominium Regime.

4. To surrender or modify rights of the grantor in favor of the unit owners or the Condominium Regime or their respective mortgagees.

5. To amend, alter, or change the interior or exterior design of all units and to alter the boundaries between units and the parking areas.

6. Any amendment to the Declaration will become effective upon the recording of an amendment to the Declaration in the Office of the Pottawattamie County Recorder. The grantor will, thereafter, provide copies of said amendment to each owner and mortgagee affected thereby.

ARTICLE XXI
SEVERABILITY

The invalidity of any part or portion hereof or of any part or portion of the Bylaws shall not affect the validity of the remaining portion.

DATED this 16 day of November, 1987.

TNML DEVELOPMENT COMPANY, INC.

BY: H. Gene McKeown
H. GENE MCKEOWN, PRESIDENT

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ARTICLE X AUDITED FINANCIAL STATEMENT

Upon written request from any unit owners, lenders and the holders and insurers of the first mortgage on any unit or which has a prospective interest in the condominium, the Council of Co-owners shall prepare and furnish within a reasonable time an audited financial statement for the immediately preceding fiscal year.

ARTICLE XI VOTING

The record owners of each apartment in Arbor Ridge Condominiums Phase II shall be members of the Council of Co-owners of Arbor Ridge Condominiums Phase II during the period of time for which they are the owners of record of a fee simple title or a purchaser's interest in a recorded real estate contract and shall be entitled to one (1) vote for each apartment, provided, however, until such time as developer has sold three-fourths (3/4) of the apartments in Arbor Ridge Condominiums Phase II the Developer shall be entitled to three (3) votes for each apartment or proposed apartment remaining unsold. For the purposes hereof, a mortgagee shall not be deemed as owner until such mortgagee has acquired title of record.

ARTICLE XII COUNCIL OF CO-OWNER'S RIGHTS AND RESTRICTIONS

Section 1. Right of Entry Upon Units and Limited Common Elements. The Council of Co-owners shall have the right to entry upon unit premises and limited common elements to effect emergency repairs, and a reasonable right of entry thereupon to effect other repairs, improvements, replacements or maintenance deemed necessary.

Section 2. Power to Grant Rights and Restrictions in Common Elements. The Council of Co-owners shall have the power to grant other rights, such as the right to grant utility easements under, through or over the common elements, which rights are reasonably necessary to the ongoing development and operation of the project. Damages resulting from the exercise of any of the above rights shall be borne by the Council of Co-owners.

Section 3. Assessments (1) Levy and Collection. ~~The Council of Co-owners shall have the authority to levy and enforce the collection of general and special assessments all as set forth in the Bylaws of the Council of Co-owners.~~ The

assessments against any unit, with interest, costs and reasonable attorney's fees shall be a lien upon such unit in accordance with the Bylaws and applicable law.

Section 4. Reserves and Working Capital. There shall be established an adequate reserve fund for the periodic maintenance, repair and replacement of the common elements, which fund shall be maintained out of regular assessments for common expenses. Additionally, a working capital fund must be established for the initial months of the project operations equal to at least a two months' estimated common area charge for each unit.

Section 5. Priority of Lien. Any lien of the Council of Co-owners for common expense charges and assessments becoming payable on or after the date of recordation of the first mortgage, shall be subordinate to the first mortgage on the unit.

Section 6. Insurance. The Council of Co-owners may specify the minimum type and terms of insurance each property owner must carry on their apartment.

ARTICLE XIII
BYLAWS

The administration and operation of the property shall be covered by Bylaws, a true copy of which is attached hereto and made a part hereof. Each apartment or unit co-owner shall comply strictly with the Bylaws and with the administrative rules and regulations adopted pursuant thereto, or as the same may be lawfully amended from time to time.

ARTICLE XIV
MISCELLANEOUS PROVISIONS

1. Air Space. In addition to the fee simple ownership of an apartment there shall be as an appurtenant thereto an exclusive easement for the use of the air or room space within the apartment and to the limited common elements of that apartment as the same exists from time to time or as altered or reconstructed from time to time subject to necessary and authorized easements for maintenance, repair and the like, which appurtenants shall be terminated automatically in the event of termination of the regime.

2. Possession of Common Elements. Each apartment owner, the Developer, and the Co-owners may use the common elements other than limited common elements for

the purpose for which they are maintained, but without hindering or encroaching upon the lawful rights of other users. Such use shall be subject to the restrictions in Article IX, Section 7 of the Bylaws.

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

4. Partition. The common elements shall remain undivided and not only may no apartment co-owner, but also no other person, may bring an action for the partition or division of the whole or any part thereof with or without sale, except in connection with removal of all of the property from the regime pursuant to §499B.8, Code of Iowa, or a specific determination not to repair, reconstruct, or rebuild with the consequence set forth in §499B.16 thereof.

5. Compliance With Rules and Regulations. Each owner, tenant or occupant of a unit shall comply with the provisions of Chapter 499B, Code of Iowa, this Declaration, and the Bylaws, decisions and resolutions of the Council of Co-owners and Board of Administration and failure to comply with the same shall be grounds for an action to recover damages or for injunctive relief.

6. Contribution Towards Common Area Expense. No owner of a unit may exempt himself from liability for his contribution towards the common expenses by waiver of the use or enjoyment of any of the common elements and facilities or by the abandonment of his apartment.

7. Conveyance. The undivided interest in the general and restricted common areas and facilities shall not be separated from the unit to which it appertains and shall be deemed conveyed or encumbered with the unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

8. Future Owners. All future owners, tenants, future tenants, or any other person that might use the facilities of the project in any manner, are subject to the provisions of this Declaration, and the mere acquisition or rental of any of the units of the project or the mere act of occupancy of any of the units shall signify that the provisions of this Declaration are accepted and satisfied.