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**ARTICLES OF INCORPORATION  
OF  
BELLA SOUTH OWNERS ASSOCIATION, INC.  
AN IOWA NONPROFIT CORPORATION**

To the Secretary of State of  
the State of Iowa:

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

**ARTICLE I.**

The name of the Corporation is BELLA SOUTH OWNERS ASSOCIATION, INC.

**ARTICLE II.**

The Corporation shall have perpetual duration.

**ARTICLE III.**

1. The Members of the Corporation shall be those persons described as members in the Bylaws of the Corporation. The Members shall have all rights specified in these Articles of Incorporation, the Bylaws of the Corporation, and the Covenants, which shall include the right to appoint or remove Directors, to appoint or remove those Officers, as set forth in the Bylaws, to approve any amendment of the Articles of the Corporation, and to approve any dissolution, consolidation, or merger of the Corporation.
2. Meetings of the Members may be held at such places, either within or without the state as may be provided in the bylaws or as may be fixed from time to time in accordance with the provisions thereof.
3. The actions of the Members shall be by majority vote, except as otherwise provided by law, the Articles of Incorporation, the bylaws and Covenants.

**ARTICLE IV.**

1. The purpose and objective of the Corporation is to provide an entity to act as a "Homeowners Association" within the meaning of Section 528 of the Internal Revenue Code of 1986 to conduct the business and

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affairs of, and to act as or for, the owners of that residential development known as Bella South Condominiums located in Dallas County, Iowa.

2. The Corporation shall have all powers, rights and privileges granted or implied to the Association as set forth in the Declaration of Submission for a Horizontal Property Regime for Bella South Condominiums (hereafter referred to as the "Covenants"), recorded in the Office of the Recorder of Dallas County, Iowa, and as the same may be amended from time to time as therein provided, said Covenants being incorporated herein as if fully set forth and all of such powers shall constitute lawful purposes of the Corporation.
3. The Corporation shall have the power to fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Covenants; to pay all expenses in connection therewith, and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied against the property of the Association.
4. The purposes of the Corporation are exclusively not for private profit or gain and no part of its activities shall consist of carrying on political propaganda or otherwise attempting to influence legislation, and the Corporation shall make no distribution of income to its members, directors or officers, except as compensation set forth in the Bylaws.
5. The Corporation shall have all powers set forth in Chapter 504A of the Code of Iowa that are reasonably necessary to fulfill and meet these purposes and which are not prohibited from being possessed or exercised by an organization exempt from income tax pursuant to Section 501(a) of the Internal Revenue Code or by a corporation, contributions which are deductible under Section 170(c)(2) of the Internal Revenue Code or the corresponding provisions of any subsequent federal tax laws.

#### **ARTICLE V.**

1. The corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws.

2. The Corporation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws.
3. The Corporation shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code of 1986, or corresponding provisions of any federal tax laws.
4. The Corporation shall not make any investments in such a manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws.
5. The Corporation shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws.

#### **ARTICLE VI**

In the event of liquidation, assets of the corporation, if any remain, shall be distributed to the members in accordance with their proportionate share of votes in the Corporation, as determined by the Covenants and the Bylaws.

#### **ARTICLE VII**

The address of its initial registered office in the State of Iowa is 2641 86<sup>th</sup> Street, Urbandale, IA 50322, County of Polk, and the name of its initial Registered Agent at such address is Phillip G. Stover.

#### **ARTICLE VIII**

The business and affairs of the Corporation shall be conducted by a Board of Directors, and the number of Directors may vary from time to time as set forth in the Bylaws. The number of Directors constituting the initial Board of Directors shall be Two (2), and the names and addresses of the persons who are to serve as Initial Directors are:

| <b>Name</b>             | <b>Address</b>                                              |
|-------------------------|-------------------------------------------------------------|
| <b>David W. Walters</b> | <b>2641 86<sup>th</sup> Street, Urbandale, IA<br/>50322</b> |
| <b>Brian Tessau</b>     | <b>2641 86<sup>th</sup> Street, Urbandale, IA<br/>50322</b> |

## ARTICLE IX

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its members, directors, officers or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article IV hereof. No part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting, to influence legislation and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office. Notwithstanding any other provisions of these Articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a private foundation exempt from Federal Income tax under Section 501(a) of the Internal Revenue Code of 1986; or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986.

## ARTICLE X

Any reference in these Articles to a section of the Internal Revenue Code shall be interpreted to include reference to the corresponding provisions of any future Internal Revenue law.

## ARTICLE XI

A director, officer, employee, member or other volunteer of the Corporation is not liable on the corporation's debts or obligations and a director, employee, officer, member or other volunteer is not personally liable in that capacity, for a claim based upon any act or omission of the person performed in the discharge of the person's duties, except for a breach of the duty of loyalty to the Corporation, for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, or for a transaction from which the person derives an improper personal benefit.

If this limitation of liability is too broad, then the above provisions shall be enforced to the fullest extent as provided by law.

If Iowa law is hereafter changed to permit further elimination or limitation of the liability of directors, officers, employees, members or other volunteers for monetary damages to the Corporation, then the liability of such director, officer, employee, member or other volunteer of this Corporation shall be eliminated or limited to the fullest extent then permitted. The directors, officers, employees, members or other volunteers of this Corporation have agreed to serve in their respective capacities in reliance upon the provisions of this Article.

## **ARTICLE XII**

This Corporation shall indemnify directors, officers, employees, members or other volunteers of this Corporation, and each director, officer, employee, member or other volunteer of this Corporation who is serving or who has served, at the request of this Corporation, as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, other enterprise or employee benefit plan to the fullest extent possible against expenses, including attorneys fees, judgments, penalties, fines, settlements and reasonable expenses, actually incurred by such director or person relating to such person's conduct as a director, officer, employee, member or other volunteer of this Corporation as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust other enterprise or employee benefit plan, except that the mandatory indemnification required by this sentence shall not apply: (1) to a breach of such director's, officer's, employee's, member's or other volunteer's duty of loyalty to the Corporation; (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law; (3) for a transaction from which such directors, officers, employees, member or other volunteers derived an improper personal benefit or against judgments, penalties, fines and settlements arising from any proceeding by or in the right of the corporation, or against expenses in any such case where such director, officer, employee, member or other volunteer shall be adjudged liable to the corporation.

## **ARTICLE XIII**

The date on which the Corporation existence shall begin is the date that this document is filed at the Office of the Secretary of State.

## **ARTICLE XIV**

The initial Bylaws of the Corporation shall be adopted by its initial Board of Directors, but the power to thereafter, alter, amend or repeal the same or adopt new Bylaws is reserved to the members of the Corporation, subject to the restrictions contained in the initial Bylaws and amendments thereto, shall be void and of no force and effect.

## **ARTICLE XV**

Any purported amendment to these Articles of Incorporation in conflict with or contrary to the provisions of the Covenants, including supplements and amendments thereto, shall be void and of no force and effect.

## **ARTICLE XVI**

The name and address of the Incorporator is:

**1522**

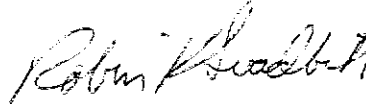
Phillip G. Stover, Esq.  
General Counsel, Bella South. L.L.C.  
2641 86<sup>th</sup> Street, Urbandale, IA 50322

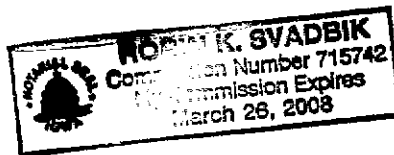
Dated this 3rd day of May, 2006.

  
\_\_\_\_\_  
Phillip G. Stover, Incorporator

State of Iowa            )  
                              ) ss:  
County of Polk         )

On this 3rd day of May, 2006, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Phillip G. Stover, to me known to be the person named in and who executed the foregoing Articles of Incorporation, and acknowledged that he executed the same as his voluntary act and deed.





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