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SECRETARY OF STATE

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ARTICLES OF INCORPORATION

OF

CORNERSTONE AT GEORGETOWN TOWNHOMES OWNERS ASSOCIATION, INC.

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

ARTICLE I. Name and Principal Office

The corporation shall be known as "Cornerstone at Georgetown Townhomes Owners Association, Inc.", and its principal offices shall be located in Polk County, Iowa.

ARTICLE II. Corporate Existence

The corporate existence of this corporation shall begin upon the date these articles are filed with the secretary of state, and the period of its duration is perpetual.

ARTICLE III. Purpose and Powers of the Association

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for the management, maintenance, care, preservation and architectural control of the residence Lots and Common Area which are now or hereafter subject by covenants of record to assessment by the Association, all within that certain tract of property described as:

Lots 1 through 61, both inclusive; Lots G-1 through G-61, both inclusive, and Outlot Z, in Cornerstone at Georgetown, an Official Plat, now included in and forming a part of the City of Ankeny, Iowa,

and to promote the health, safety and welfare of the residents within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of the Association. To achieve these purposes the Association may:

- (a) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in any Declaration applicable to the property and recorded or to be recorded in the Office of the Polk County, Iowa, Recorder and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;
- (b) Fix, levy, collect and enforce payment by any lawful means, all charges and assessments pursuant to the terms of a Declaration; 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 or imposed against the property of the Association;
- (c) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

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- (d) Borrow money, and with the consent of two-thirds (2/3) of each class of members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- (e) Dedicate, sell or transfer any part of the Common Area to any public agency, authority, or utility, for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effected unless an instrument has been signed by two thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;
- (f) Participate in mergers and consolidations with other nonprofit corporations organized for similar purposes or annex additional residential property and Common Area, provided that such merger, consolidation or annexation shall have the consent of two-thirds (2/3) of each class of members;
- (g) Exercise powers as a member of other associations;
- (h) Have and exercise any and all powers, rights and privileges which a corporation organized under Chapter 504A, Code of Iowa, may now or hereafter have or exercise.

#### ARTICLE IV. Membership

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is or hereafter becomes subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. A vendee in possession under a recorded contract of sale of any Lot shall be deemed the owner of such Lot. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

#### ARTICLE V. Voting Rights

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Townhome Lot owned. When more than one person holds an interest in any Townhome Lot, all such persons shall be members. the vote for such Townhome Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Townhome Lot.

Class B. The Class B member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to ten (10) votes for each Townhome Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following event, whichever occurs earlier:

- (a) when 75% of the Townhome Lots are deeded to homeowners; or
- (b) on January 1, 2000.

#### ARTICLE VI. Registered Office and Agent

The address of the initial registered office of the corporation is 3424 E. P. True Parkway, Suite 100, West Des Moines, Iowa 50265, and the name of its initial registered agent at such address is Ted Grob.

#### ARTICLE VII. Board of Directors

The affairs of the Association shall be managed by an initial Board of one (1) director and thereafter by a Board of not less than three (3), nor more than five (5) directors, who need not be members of the Association. The name and address of the person who is to act in the capacity of the initial director until the selection of his successor is:

Name	Address
Ted Grob	c/o Midland Homes, Inc. 3424 E. P. True Parkway Suite 100 West Des Moines, Iowa 50265

#### ARTICLE VIII. Indemnification and Exemption

1. The Association shall have all powers to indemnify and advance expenses to its directors, officers, employees, members and volunteers to the full extent permitted by Chapter 504A, Code of Iowa.

2. The Association shall indemnify and advance expenses to its directors, officers, employees and volunteers to the full extent and in the manner provided in Chapter 504A, Code of Iowa. If Chapter 504A, Code of Iowa, is hereafter amended to authorize further indemnification or advancement of expenses to directors, officers, employees, members and volunteers, then the directors, officers, employees, members and volunteers of the Association shall be further indemnified and be entitled to further advancement of expenses to the full extent then authorized by Chapter 504A.

3. The indemnification and advancement of expenses provided by, or granted pursuant to, this article shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any by-law, agreement, vote of members or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee, member or volunteer, and shall inure to the benefit of the personal representatives, heirs, executors and administrators of such a person.

4. Any repeal or modification of the above provisions of this Article VIII shall not adversely affect any right of a director, officer, employee, member or volunteer of the Association for indemnification, advancement of expenses, elimination of liability or limitation of liability for any act or omission occurring before such repeal or modification.

5. The private property of the members, directors and officers of the Association shall be exempt from all debts and liabilities of the Association of any kind whatsoever. Consistent with §504A.101 (Code of Iowa, 1995), a member, director, officer, employee or other volunteer of this Association shall not be personally liable in that capacity, for a claim based upon an 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 Iowa law is hereafter changed to mandate or permit further elimination or limitation of the liability of the Association's members, directors, officers, employees and volunteers, then the liability of the Association's members, directors, officers, employees and volunteers shall be eliminated or limited to the full extent then permitted.

#### ARTICLE IX. Bylaws

The initial By-Laws of the corporation shall be adopted by its initial Board of Directors, and thereafter the Board of Directors shall have the power to alter, amend, or repeal the same or adopt new By-Laws.

#### ARTICLE X. Dissolution

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of the members, subject, however, to the prior approval of the City of Ankeny, Iowa. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

#### ARTICLE XI. Amendments

These Articles of Incorporation may be amended at any time and from time to time as provided by the Iowa Non-Profit Corporation Act. No proposed amendment shall be effective unless it is approved by the affirmative vote of two-thirds (2/3) of each class of members. Provided, however, that any purported amendment of these Articles of Incorporation in conflict with or contrary to any provision of the Declaration, including supplements and amendments thereto, shall be void and of no force and effect.

#### ARTICLE XII. Incorporator

The name and address of the incorporator is Ted Grob, 3424 E. P. True Parkway, Suite 100, West Des Moines, Iowa 50265.

#### ARTICLE XIII. FHA/VA Approval

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration if those Federal Mortgage Agencies have an interest in the Properties or any portion thereof: Annexation of additional properties, merger and consolidations, mortgaging of the Common Area, dedication of the Common Area, dissolution and amendment of these Articles of Incorporation.

Dated this 24<sup>th</sup> day of April, 1995.

  
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Ted Grob, Incorporator

STATE OF IOWA }  
COUNTY OF POLK } SS:

On this 24<sup>th</sup> day of April, 1995, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Ted Grob, 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.



Kathleen Street  
Notary Public in and for said County and State

PAUL D. PATE  
Secretary of State  
FILED  
Date: 5-15-95  
Time: 9:30  
Receipt: WJCS

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