



**Villas of Berkshire Hills  
Homeowners  
Association**

**By-Laws**



BY-LAWS OF

VILLAS OF BERKSHIRE HILLS HOMEOWNERS ASSOCIATION

(An Iowa Non-Profit Corporation)

ARTICLE I

Section 1. Name. The name of the corporation is Villas of Berkshire Hills Homeowners Association. The Association is formed pursuant to Chapter 504A, Code of Iowa (1993), as amended, and Chapter 499B, Code of Iowa (1993), 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 By-Laws shall have the same meaning as they have in the Act, except as otherwise specified herein.

Section 2. The Articles of Incorporation of the Association were filed in the Office of the Secretary of State of the State of Iowa on December 16, 1994.

Section 3. Membership and Voting. The membership of the Association shall consist of the Apartment Owners of the Apartments within Villas of Berkshire Hills Horizontal Property Regime located in West Des Moines, Polk County, Iowa (hereinafter referred to as the "Regime"). Membership in the Association shall be appurtenant to, and shall not be separated from, Apartment ownership in the Regime. A person shall cease to be a Member of the Association at such time as that person ceases to be an Apartment Owner of an Apartment. Each Apartment shall have one vote. Where there is more than one Apartment Owner of an Apartment, all of such Apartment Owners shall be Members of the Association and the vote allocated to the Apartment in accordance with the Declaration and these By-Laws shall be cast as the Apartment 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 Apartment nor shall the vote allocated to an Apartment be split or otherwise cast separately by the Apartment Owners. Where there is more than one Apartment Owner of an Apartment, the Apartment Owners thereof 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 that Apartment, on behalf of all the Apartment Owners of that Apartment. If the Owners of an Apartment cannot agree on the Apartment Owner who is to be designated to cast the vote attributable to the Apartment owned by such Owners, or on the manner in which such vote is to be cast, the apartment 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 Apartment Owners. Membership in the Association shall automatically pass when the ownership of an Apartment is transferred in any manner.

Section 4. Registration of Owner. It shall be the duty of each Apartment Owner to register with the Secretary of the Association in writing (i) the name and address of such Apartment Owner; (ii) the nature and satisfactory evidence of such Apartment Owner's interest or estate in an Apartment; and (iii) the addresses at which such Apartment Owner desires to receive notice of any duly called meeting of the Members. If an Apartment 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 an Apartment Owner of any obligation, covenant or restriction under the Declaration or these By-Laws. If there is more than one Apartment Owner of an Apartment, each must execute the registration as provided in this paragraph.

## ARTICLE II

### Members

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

Section 2. Annual Meeting. The first annual meeting of the Members shall be held within one (1) year after the recording of the Declaration, on a date established by the first Board of Directors. Each subsequent regular annual meeting of the Members shall be held at least once each year on the same day of the same month of each year thereafter (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 Members 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 Apartment Owners of Apartments 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 twenty-one (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 Apartment 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 Apartment Owners of record at the address of their respective Apartments and to such other addresses as any Apartment Owners may have designated in writing to the Secretary. Apartment Owners of record shall be those Apartment 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 Apartment 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 thirty-five (35) days prior to the date of an annual meeting or no more than twenty (20) days prior to the date of a special meeting. An Apartment 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 ten percent (10%) 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. If, however, 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 at a 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 Apartment numbers, the respective name or names of the Apartment Owners entitled to notice of such meeting, and the respective name of the person (in the case of multiple Apartment 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.
- 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 By-Laws or the Act. Cumulative voting shall not be permitted. Every proxy shall be revocable and shall automatically cease upon the expiration of eleven (11) months from the date of its execution, the conveyance by the Member of his Apartment or by the Member's personal attendance at the meeting.

No vote in the Association shall be deemed to inure to any Apartment during the time when the Apartment Owner thereof is the Association.

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

### ARTICLE III

#### Board of Directors

Section 1. Number and Qualification. 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 Apartment Owners. Upon the ending of the terms 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 an Apartment by a partnership, shall be partners or

employees of such partnership; or, in the case of ownership of an Apartment by a corporation, shall be officers or employees of such corporations; or, in the case of ownership of an Apartment 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 an Apartment to an Apartment Owner other than the Declarant until that date which is five (5) years later; or until that date which is sixty (60) days after the conveyance of fifty percent (50%) of the Apartments (including Apartments which have then or may thereafter be added to the Regime pursuant to Section 8 of the Declaration) to Apartment 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 sixty (60) days after conveyance of fifty percent (50%) of the Apartments to an Apartment Owner other than Declarant, one-third (1/3) of all of the members of the Board of Directors shall be elected by Apartment 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 one (1) year term, and three (3) for a two (2) year term. At each annual meeting thereafter, two (2) or three (3) (as the case may be) Directors shall be elected, to a two (2) year term, as successors to the two (2) or three (3) (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 By-Laws. The Board of Directors elected by the Declarant shall have the power to adopt the By-Laws 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 Apartment 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 two (2) year terms and the candidates receiving the fourth and fifth highest number of votes shall have been elected to one (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 Apartment 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 two (2) year terms.

Section 4. General Powers. The Board of Directors shall manage the property, affairs and business of the Association. Specifically, and without limited 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 Apartments 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 Apartment Owners, copies of all of which rules and regulations shall be made available to all Apartment 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 By-Laws, 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 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 sixty (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 thirty (30)



days' written notice.

- (e) Lease or purchase and mortgage an Apartment, Apartments 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 Apartment 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 Apartment or Apartments without limiting the generality of the foregoing, to exercise the irrevocable right to have access, by means of entering the garage allocated to each Apartment containing a Meter Area (as that term is defined in Subsection 11.1) of the Declaration), to the Meter Area in the mechanical room of such Apartment, for the purpose of reading, repairing, maintaining and replacing the meter and heating equipment located therein;
- (g) Determine what shall constitute Common Expenses required for the affairs of the Association, which shall include all ordinary or extraordinary and necessary expenses for the operation and the 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 Apartment 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 or 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 for 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 Apartment Owners during normal business hours.
- (c) Prepare or cause to be prepared an annual report, a copy of which shall be provided to each Apartment Owner with the notice of each annual meeting and shall be available to each Apartment 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 two percent (2%) of the current budget or Five Thousand Dollars (\$5,000.00), whichever is greater, anticipated by the Association during the current year or succeeding two (2) fiscal 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 Apartments, identifying

the Apartment 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 President. If the audit shall disclose errors of three percent (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 three percent (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 Apartments 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 Apartment except that the Board of Directors may accept any Apartment surrendered to it for unpaid assessments and may purchase an Apartment at any sale held pursuant to foreclosure for unpaid assessments provided that the Board of Directors shall not, unless authorized by the 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 Apartment Owner of such Apartment.
- (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 ninety percent (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 the 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 Apartment or on the date of transfer of possession thereof in connection with any such sale or transfer, whichever occurs earlier.

Section 10. Regular Meeting. 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 Directors, stating the purpose or purposes thereof. Notice of such meeting 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 By-Laws, 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 the 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 a 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 shall 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 the Association funds, shall 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 Apartments 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 canceled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days' prior written notice to the Association and each holder of a first mortgage on any apartment. 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

##### Officer and Their Duties

Section 1. Officers. The officers of the Association shall be a President, Secretary and Treasurer, and such assistant or other officers as the Board of Directors may designate. Each officer shall be selected by a majority vote of the Board of Directors. 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 By-Laws or the Board of Directors. The President shall preside over the meetings of the Board of Directors and of the Association of Apartment 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 Apartment Owner and the Apartment or Apartments in which he has an interest and shall give all notices required by the Articles of Incorporation of the Association, these By-Laws, the Declaration or the Act. The Treasurer shall keep the 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 moneys 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. He shall furnish upon request of an Apartment Owner, a statement as to the current account of the Apartment 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 Apartment 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 Apartment Owners, the amount so allocated to the Apartment Owners of each Apartment shall, without further resolution by the Board of Directors, be levied as the annual assessment against such Apartment, 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 By-Laws 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 funds established by the Association may not be withdrawn by any Apartment Owner. The Board of Directors shall advise all Apartment 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 Apartment Owner, furnish copies of each budget on which such Common Expenses and the assessment are based to such Apartment 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 Expense, 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 shall be assessed against the Apartment Owners, shall be alien on the Apartments and shall be enforceable in the same manner as the monthly assessments. Special assessments shall be payable in installments or 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 the 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 an Apartment 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 Apartment. 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 assessments against all Owners shall be set forth upon a roll of the Apartments 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 Apartment 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 Owners 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 attorneys' 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 an Apartment 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 default 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 Apartment 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 attorneys' fees, in an action to recover the same brought against an owner, by foreclosure of the lien on an Apartment pursuant to the Act, any statute amendatory thereof or supplementary thereto, or by another remedy available under the Act or hereunder.



Section 5. Records. The Board of Directors shall cause to be kept at the Registered Office of the Association, or at such other place as the Board of Directors may determine, records of the actions of the Board of Directors, minutes of the meetings of the Board of Directors, minutes of the meetings of the Members of the Association, names of the Apartment Owners and names of any First Mortgagees who have requested the notice of default described in the Declaration and the Apartment on which such First Mortgagee holds a mortgage, and detailed and accurate records, in chronological order, of the receipts and expenditures affecting the Common Elements. Such records shall be available for examination by the Owners or mortgagees at convenient hours of weekdays. Separate accounts shall be maintained for each Apartment, setting forth the amount of the assessments against the Apartment, the date when due, the amount paid thereon and the balance remaining unpaid.

#### ARTICLE VI

##### Amendment to By-Laws

Section 1. These By-Laws 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 attorneys' 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 were a transaction in which the person derived an improper personal benefit. In 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 him in writing from time to time to the Association. All notices to First Mortgagees of Apartments 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 By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

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 By-Laws or the intent of any provision hereof.

Section 4. Waiver. No restriction, condition, obligation or provision contained in these By-Laws 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 Apartment Owners.

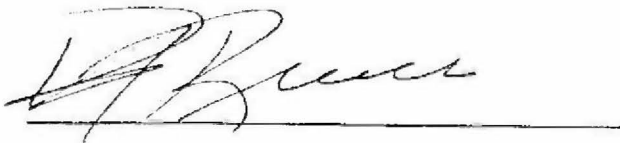
Section 7. Fiscal Year. The fiscal year of the Association shall be as determined by the Board of Directors.

The undersigned hereby certify that the foregoing By-Laws were adopted as the By-Laws of Villas of Berkshire Hills Homeowners 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 16 day of December, 1994.



Secretary

ATTEST:



President





**Villas of Berkshire Hills  
Homeowners  
Association**

## **Articles of Incorporation**

**ARTICLES OF INCORPORATION OF  
VILLAS OF BERKSHIRE HILLS HOMEOWNERS ASSOCIATION**

RECEIVED  
DEC 16 1994  
SECRETARY OF STATE

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 (1993), 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 **VILLAS OF BERKSHIRE HILLS HOMEOWNERS ASSOCIATION**, herein 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 "Villas of Berkshire Hills", to be established in accordance with Chapter 499B, Code of Iowa (1993), as amended, upon the following described real estate, situated in the City of West Des Moines, Polk County, Iowa:

Lot 8 Villas of Berkshire Hills, an Official Plat, now included in and forming a part of the City of West Des Moines, Polk County, Iowa

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 Villas of Berkshire Hills as the same may be amended from time to time, which will be filed in the Office of the County Recorder for Polk 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 "Villas of Berkshire Hills".

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 Section 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 Section 528, of the Internal Revenue Code of 1986, as amended (or the corresponding provisions of any future United States Internal Revenue Law).

### ARTICLE IV

The duration of this corporation shall be perpetual.

### ARTICLE V

The registered office of this Corporation shall be at 2928 - 104th Street, Des Moines, Iowa 50322, and the name of the registered agent at that address shall be Patrick J. Ruelle.

### ARTICLE VI

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

Patrick J. Ruelle  
2928 - 104th Street  
Des Moines, IA 50322

### 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 Villas of Berkshire Hills Horizontal Property Regime, West Des Moines, Polk

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 Villas of Berkshire Hills. No property right interests in membership and memberships are not transferrable 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 By-Laws 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 Apartment Owners of such Apartment among themselves may determine. Where there is more than one (1) Apartment Owner of an Apartment, the Apartment 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 that 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 individuals:

Patrick J. Ruelle  
2928 - 104th Street  
Des Moines, IA 50322

David Rotter  
5201 East River Road  
Suite 301  
Fridley, MN 55421

Bernard Rotter  
5201 East River Road  
Suite 301  
Fridley, MN 55421

Except as otherwise provided in the By-Laws of 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. The number of Directors, term of office, method of removal from office and method of the filling of vacancies on the Board of Directors shall be as provided in the By-Laws 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 Secretary of State of Iowa 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 distributed 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 15<sup>th</sup> day of December, 1994.



Patrick J. Ruelle, Incorporator



## **Proposed Rules and Regulations**



APPENDIX "A"

VILLAS OF BERKSHIRE HILLS

Proposed Rules and Regulations

General Rules

1. All guests must be accompanied by a resident/owner.
2. Residents/owners are personally responsible and liable for any damage to the buildings, furniture, or equipment caused by any resident/owner or his guests.
3. Residents/owners are to leave all areas and facilities used in an orderly condition.
4. Residents/owners may use barbecue grills, provided the grills are placed five (5) feet or more from any buildings or any fences.
5. Personal property shall not be left unattended in any common areas other than the garage spaces.
6. For the safety of all residents/owners, please limit driving speeds through the complex to five (5) miles per hour.

Garages

1. Residents/owners shall use only the garage spaces which are allocated to their respective units.
2. Residents/owners are prohibited from using or storing any of the following items in the garages:
  - (1) Flammable materials and liquids;
  - (2) Combustible materials;
  - (3) Materials identified with hazardous labels; and
  - (4) Compressed gases.
3. Garage doors shall be kept closed when garages are not in use.

Appendix "A"  
Proposed Rules and Regulations

Outside Parking

1. Parking outside the buildings is permitted only in designated areas and, except for the driveway Limited Common Elements which are reserved for the Owners of the Units to which they are, respectively, allocated, are always on an unreserved basis unless otherwise prohibited.
2. Any abandoned vehicle will be towed at its owner's expense, without prior notice to the owner.
3. Vehicles parked outside the buildings shall not obstruct the garages or driveways of others.

Pets

1. Residents/owners shall be permitted to have no more than one (1) dog and one (1) cat, or two (2) cats per unit, provided that no animal shall weigh more than twenty-five (25) pounds.
2. Those residents/owners with pets shall be responsible for caring for their pets in such a way as to keep them from becoming a nuisance to other residents/owners.
3. Pets shall be leashed at all times when they are outside their Owner's unit.
4. Pet owners shall be responsible for cleaning up after their pets whenever their pets are outside their owner's unit. Failure to promptly clean up after a pet will subject the pet's owner to an assessment from the Association for the cost of such clean-up.

# IOWA

No. W00063320  
Date: 12/22/1994

## SECRETARY OF STATE

504ADN-000181192  
VILLAS OF BERKSHIRE HILLS HOMEOWNERS ASSOCIATION  
STREETER CAMERON  
CONNOLLY LAW FIRM  
820 LIBERTY BLDG  
DES MOINES, IA 50309

### CERTIFICATE OF INCORPORATION

VILLAS OF BERKSHIRE HILLS HOMEOWNERS ASSOCIATION

has filed articles of incorporation in this office and is hereby authorized to transact business as a corporation under the provisions of Iowa Code chapter 504A.

The document was filed on December 16, 1994, at 12:57 PM.

The amount of \$20.00 was received in full payment of the filing fee.



*Elaine Baxter*

SECRETARY OF STATE

