

Articles of Incorporation of The Preserve Association

We the undersigned, for the purpose of forming a corporation under and pursuant to the provisions of Chapter 317, Minnesota Statutes, known as the Minnesota Non-Profit Corporation Act, so hereby associate ourselves together as a body corporate and adopt the following Articles of Corporation:

Article I.

Name

The name of this corporation shall be “The Preserve Association”.

Article II.

Purposes and Powers

The purpose of this corporation shall be to promote the health, safety, community welfare and general welfare of all persons residing within the area or tracts of land described in the By-Laws of this corporation.

For the purposes aforesaid, the corporation shall have the following powers:

- a. To borrow money and to acquire, own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, mortgage, pledge, dedicate for public use and otherwise deal with real and personal property in connection with the affairs of the corporation.
- b. To add additional real property to “The Preserve” including, without limitation thereto, additional “Common Properties”; provided, however, that the assent of at least two-thirds (2/3rds) of the votes of each class of members of the corporation must be obtained to add additional real property to “The Preserve” pursuant to the provisions of Article II, Section 2. b. of the “Declaration of Covenants, Conditions and Restrictions” which is recorded in the office of the Registrar of Titles of Hennepin County, Minnesota as Document No. 1031312.
- c. To erect buildings and other structures or improvements on the property held by it and to acquire, install, maintain, improve and otherwise deal with shrubs, plants, vines, flowers, trees and all other things horticultural and arboreal on the property held by it.
- d. To acquire, build, organize, equip, operate and maintain swimming pools, tennis courts, community centers, handball courts, recreation parks, playgrounds, scenic easement areas, stables and bridal paths, walkways and trails, boating facilities, streets and other facilities to be used for the recreational, educational, social and civic advantage and for the general benefit of persons residing within the areas or tracts of land described in the By-Laws of this corporation.
- e. To fix, levy, collect and enforce payment by any lawful means of all charges and assessments which are authorized by the terms of any Declaration of Covenants, Conditions and Restrictions filed of record in the office of the Hennepin County Registrar of Deeds or Registrar

of Titles which is applicable to any of the real estate described in the By-Laws of this corporation.

- f. To pay all real estate taxes and special assessments and all license fees, personal property taxes or other governmental charges which may be levied or imposed against the property held by this corporation or as the result of any activity carried on by it.
- g. To enforce any and all covenants, restrictions or agreements which are created by or contained in any Declaration of Covenants, Conditions and Restrictions filed of record in the office of the Hennepin County Registrar of Deeds or Registrar of Titles which is applicable to any of the real estate described in the By-Laws of this corporation.
- h. To do each and every thing necessary, suitable or proper for the accomplishment of any of the purposes or the attainment of any one or more of the objects herein enumerated, or which shall at any time appear conducive to or expedient for the protection or benefit of the corporation.

The foregoing enumeration of powers is made in furtherance, and not in limitation, of the powers conferred upon this corporation by law, and is not intended, by the mention of any particular power to limit or restrict and lawful power to which this corporation may otherwise be entitled.

Article III.

No Pecuniary Gain to Members

This corporation shall not afford a pecuniary gain, incidentally or otherwise, to its members.

Article IV.

Duration

The period of duration of corporate existence of this corporation shall be perpetual.

Article V.

Registered Office

The location of the registered office of this corporation in the State of Minnesota shall be in the Village of Eden Prairie, County of Hennepin.

Article VI.

Incorporators

The name and address of each incorporator of this corporation is:

John H. Gertz

4525 Balfanz Road
Edina, Minnesota
55435

Kenneth W. Person

4520 Laguna Drive

Edina, Minnesota

John W. Flear

7317 West Shore Drive
Edina, Minnesota

Article VII.

Board of Directors

The initial Board of Directors shall consist of three (3) directors, each of whom shall continue in office until the first meeting of the members and until his successor is elected and qualified.

G. M. Carter

Harmony Hall
2015 Chestnut Road
Hamel, Minnesota
55350

Kenneth W. Person

4520 Laguna Drive
Edina, Minnesota

John W. Flear

7317 West Shore Drive
Edina, Minnesota

Article VIII.

Compensation of Directors

No director shall receive compensation for any services he may render to the corporation. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Article IX,

Personal Liability of Members

The members of this corporation shall not be personally liable for the obligations of this corporation.

Article X.

Capital Stock

This corporation shall have no capital stock.

Article XI.

Restrictions on Sale (etc.) of Real Property

This corporation shall have the authority to dedicate to a public agency, sell, lease, exchange, mortgage and encumber or dispose of real property, or interests therein, held by it by complying with the procedures set forth in Minnesota Statutes, 1969, Section 317.26, Subdivision 2. The resolution approving such dedication to a public

agency, sale, lease, exchange, mortgage, encumbrance or other disposition of such real property must be adopted by not less than seventy-five (75%) percent of each class of members. The corporation shall have the authority to grant easements for public utility upon approval by the Board of Directors of a resolution authorizing said grant and nothing set forth in this Article XI shall be constructed as placing any additional restrictions upon the granting of such easements.

Article XII.

Membership and Voting Rights

Section 1: Every owner of a Lot, Condominium Lot, or Townhouse Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may be separated from ownership of such Lots which are subject to assessment.

Section 2: The Association shall have five classes of voting membership:

Class A: Class A members shall be all Owners, with the exception of the Developer, of Lots upon which is constructed a single family detached home, and shall be entitled to one vote for each Site owned. When more than one person owns any Site all such persons shall be members. The vote for such Site shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Site.

Class B: Class B members shall be all Owners, with the exception of the Developer, of Townhouse Lots and shall be entitled to one vote for each Townhouse Lot owned. When more than one person owns any Townhouse Lot all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Townhouse Lot.

Class C: Class C members shall be all Owners, with the exception of the Developer, of Condominium Lots and shall be entitled to one vote for each Condominium Lot owned. When more than one person holds an interest in any Condominium Lot, all such persons shall be members. The vote for any such Condominium Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Condominium Lot.

Class D: Class D members shall be all Owners of Lots, with the exception of the Developer, upon which are constructed multifamily structures containing Living Units constructed for rental purposes and shall be entitled to one vote for each Living Unit owned at such time as such Living Unit is first occupied by a tenant. When more than one person owns any said Living Unit, all such persons shall be members. The votes for such Living Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Living Unit. The votes expressed by any such members, if voted in a bloc, shall be entitled to a weight not greater than 49 percent of the vote on any matter pending before the association.

Class E: The Class E member shall be the developer and shall be entitled to three votes for each Lot owned or for each Living Unit which the Village of Eden Prairie approves to be constructed on any Lot shown on a plat which is subjected to the terms of the "Declaration of Covenants, Conditions and Restrictions" which is recorded in the office of the Hennepin County Registrar of Titles as Document No. 1031312 and which has been zoned and approved for the construction of Condominium Units or multifamily

structures, whether said Lot is owned by the Developer or not. In no event shall the Class E member be entitled to both three votes for a Lot and three votes for each Living Unit approved by Eden Prairie for construction on said Lot or a multifamily structure Living Unit is completed on such Lots and is either sold or occupied by a tenant, the owner of said Condominium Lot or said Living Unit shall be entitled to one vote as a Class C or Class D member, as the case may be, and the Class E member shall no longer be entitled to any votes as to that Condominium Lot or that Living Unit.

The Class E membership shall cease and be converted to Class A, Class B, Class C or Class D membership, as the case may be, on the happening of either of the following events, whichever occurs earlier:

- a. When Class A, B, C and D memberships are all in existence and the total outstanding in the Class A, B, C and D memberships equals or exceeds the total votes outstanding in the Class E membership, or
- b. On January 1, 1990.

Section 3: The rights of Class A, Class B, Class C or Class D membership are subject to the payment of annual and special assessments levied by the Association the obligation of which assessments are imposed against each owner of and becomes a lien against the property on which such assessments are made, as provided by the provisions contained in Article VI of the "Declaration of Covenants, Conditions and Restrictions" which is recorded in the office of the Hennepin County Registrar of Titles as Document No. 1031312. The provisions of said Article VI are hereby incorporated herein by reference thereto the same as if set forth in full herein and shall be applicable not only to property located within HIGH POINT, according to the recorded plat thereof, but also to all property located within any other addition or additions which may hereafter become a part of The Preserve.

Section 4: The Class A, Class B, Class C and Class D membership rights of any person or legal entity whose interest in property located in The Preserve is subject to assessments under article XII, Section 3 hereof, whether or not he or it be personally obligated to pay such assessments, may be suspended by action of the Board of Directors during the period when the assessments remain unpaid, but upon payment of said assessments, his or its rights and privileges shall be automatically restored. If the Board of Directors had adopted rules and regulations governing the use of the Common Properties as provided for in Article VI, Section 1, d. of the By-Laws of this corporation, they may, in their discretion, after notice and hearing, suspend the rights of any person violating such rules and regulations for a period of not to exceed sixty (60) days for each infraction of said rules and regulations.

Article XIII.

Merger or Consolidation

The corporation may merge or consolidate with another corporation or corporations only when the resolution approving the proposed Agreement of merger or consolidation is approved by the affirmative vote of not less than seventy-five (75%) percent of the total members of each class of membership in this corporation.

Article XV.

Dissolution Disposition of Assets Upon Dissolution

The corporation may be dissolved only by adoption of a resolution authorizing the institution of dissolution proceedings by not less than seventy-five (75%) of the total voting members of each class of membership in this corporation.

Upon dissolution of the corporation, other than incident to a merger or consolidation, the assets of the corporation shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this corporation 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 XV.

Amendments

Amendment of these Articles shall require the assent of seventy-five (75%) percent of the entire membership.

Article XVI.

FHA/VA Approval

As long as there is a Class E Membership, the following actions by The Preserve Association will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties; mergers and consolidations; mortgaging of "Common Properties"; dedication of "Common Properties"; dissolution and amendment of these Articles.

Article XVII.

Definitions

Section 1: "Association" shall mean and refer to The Preserve Association, a nonprofit corporation organized and existing under Chapter 317 of the laws of the State of Minnesota.

Section 2: "The Preserve", unless specifically stated otherwise herein, shall mean and refer to all real estate located in the Village of Eden Prairie, County of Hennepin, State of Minnesota, which is described in the plat of HIGH POINT on file and of record in the office of the Registrar of Titles in and for Hennepin County, Minnesota, as Document no. 1031312 and to all additional real estate which may hereafter be brought within the jurisdiction of the corporation pursuant to the procedures for adding additional land which are provided for in the document entitled "Declaration of Covenants, Conditions and Restrictions" which is recorded in the office of the Registrar of Titles in and for Hennepin County Minnesota, as Document 1031312. All of such additional real estate shall be considered as being specifically described in these Articles of Incorporation from and after the time of recording of the Supplementary Declaration of Covenants, Conditions and Restrictions describing it.

Section 3: "Common Properties" shall mean and refer to those areas of land shown on any recorded subdivision plat of real estate located within The Preserve and intended to be devoted to the common use and enjoyment of the owners of property located in The Preserve and such to the Association's By-Laws and to all improvements

located thereon and owned or otherwise held by the Association for the common use and enjoyment of said persons.

Section 4: "Developer" shall mean and refer to the copartnership comprised of Carter & Gertz, Inc., a Minnesota corporation, and to any legal entity to which said partnership may specifically assign the rights and interests vested in it pursuant to the terms of any Declaration of Covenants, Conditions and Restrictions applicable to property located in The Preserve.

Section 5: "Lot" shall mean and refer to any plot of land shown on any recorded subdivision plat of real estate located within The Preserve with the exception of Common Properties.

Section 6: "Site" shall mean and refer to any parcel of land conveyed to any one grantee for single family residence purposes whether a single platted lot; or more, or less than a single platted lot.

Section 7: "Living Unit" shall mean and refer to a single family residence or to any portion of a multiple residence building located upon property in The Preserve which is designated and intended for use and occupancy as a residence by a single family unit.

Section 8: "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot located within The Preserve but shall not mean or refer to the mortgage of any such lot unless and until such mortgage has acquired title pursuant to foreclosure of said mortgage and the period within which the fee owner may redeem from such foreclosure has terminated. Where any such Lot is being sold by the fee owner to a contract vendee shall be considered the "Owner" upon furnishing adequate proof of this situation to the Association. In the event that any Lot located within The Preserve shall be submitted to the provisions of Laws of Minnesota, 1963, Chapter 457, as supplemented and amended, then each "Apartment Owner" located upon said land submitted to the provisions of said Act, as the term "Apartment Owner" is defined in said Act, shall be considered an Owner hereunder.

Section 9: "Townhouse Lot" shall mean and refer to each Townhouse "Living Unit" constructed upon real estate located within The Preserve.

Section 10: "Condominium Lot". Where real property located within the Preserve has been submitted to the provisions of Laws of Minnesota, 1963, chapter 457, as supplanted and amended the term "Condominium Lot" shall mean and refer to the entire right, title and interest in said real property which is owned by each "Apartment Owner" of a Condominium Unit constructed thereon as that term is defined in said Minnesota Condominium Act.