

**ARTICLES OF INCORPORATION OF
OF
LONGACRES HOMEOWNERS ASSOCIATION, INC.**

THIS INSTRUMENT WAS DRAFTED BY:

LEONARD, STREET AND DEINARD-EHG
150 South Fifth Street
Suite 2300
Minneapolis, MN 55402

NO. 043239

ARTICLES OF INCORPORATION
OF
LONGACRES HOMEOWNERS ASSOCIATION, INC.

I, the undersigned, being of full age, for the purpose of organizing a nonprofit corporation under Chapter 317A of Minnesota Statutes 1992 and acts amendatory thereto, do hereby adopt, sign and acknowledge the following Articles of Incorporation.

ARTICLE I

NAME

The name of the corporation is Longacres Homeowners Association, Inc., hereafter called the "Association".

ARTICLE II

REGISTERED OFFICE

The registered office of the Association is at 935 East Wayzata Boulevard, Wayzata, Minnesota 55391.

ARTICLE III

PURPOSE AND POWERS

This Association is formed as a "Residential Real Estate Management Association" within the meaning of Section 528(c) of the Internal Revenue Code of 1986, as amended ("Internal Revenue Code"). It shall be organized and operated to provide for the acquisition, construction, management, maintenance and care of Association property, especially Outlots A, B, C, D and E, THE MEADOWS AT LONGACRES, Carver County, Minnesota, and any additional common areas that may be conveyed to the Association.

The Association shall endeavor to promote the health, safety and welfare of the owners of homes within THE MEADOWS AT LONGACRES, Carver County, Minnesota, and all additions thereto. For these purposes the Association shall have the right to:

- a. Exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants for Longacres (hereinafter called the "Declaration") recorded or to be recorded in the office of the Registrar of Titles in and for Carver County, Minnesota, 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 or assessments pursuant to the terms of the Declaration; and 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 government charges levied or imposed against the property of the Association;

c. Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate and maintain and, subject to Article V, Section 5 of the Declaration, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

d. Borrow money and, subject to Article V, Section 5 of the Declaration, 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 all or any part of the Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by members, subject to Article V, Section 5 of the Declaration;

f. Participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and Common Areas provided that any such merger, consolidation or annexation shall have the assent of 75% of each class of members; and

g. Have and exercise any and all powers, rights and privileges which a corporation organized under Chapter 317A of Minnesota Statutes 1992, 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 subject by covenants of record to assessment by the Association shall be a member of the Association. Provided, however, that where any Lot is being sold by contract for deed and the contract vendee is in possession of the Lot, then the vendee and not the vendor shall be deemed the owner for membership purposes. Membership shall be appurtenant to, and may not be separated from, ownership of any Lot which is subject to assessment by the Association. Ownership of a Lot shall be the sole qualification for membership.

ARTICLE V

NO PECUNIARY GAIN; PROHIBITED ACTIVITIES

The Association does not and shall not afford pecuniary gain, incidentally or otherwise, to its members, directors or officers, nor shall any part of the net earnings of the Association in any way inure (other than by acquiring, constructing, or providing management, maintenance and care of Association property, and other than by a rebate of excess membership dues, fees, or assessments) 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.

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 Residential Real Estate Management Association exempt from federal income tax under Section 528 of the Internal Revenue Code.

ARTICLE VI
VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, except the Developer (as defined in the Declaration), and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any lot. Upon becoming an Owner, each Owner shall register his address with the Secretary of the Association and, if a Lot is owned by multiple Owners, they shall at that time register with the Secretary their written agreement as to how they will share their votes among themselves and how they shall resolve any voting conflicts among themselves. Such a voting agreement may be amended at any time by registering with the Secretary a written amendment thereto executed by all Owners of the Lot.

Class B. The Class B member shall be the Developer and shall be entitled to three votes for each lot owned. The Class B membership shall cease and be converted to Class A membership upon the happening of the earlier of the following events:

- a. When the number of votes outstanding in the Class A membership equals or exceeds the number of votes outstanding in the Class B membership; or
- b. On December 31, 2001.

ARTICLE VII
BOARD OF DIRECTORS

a. The number of directors constituting the first board of directors is three, their names and addresses being as follows:

<u>Name</u>	<u>Address</u>
Peter Pflaum	935 East Wayzata Boulevard Wayzata, Minnesota 55391

Allan D. Lundgren

935 East Wayzata Boulevard
Wayzata, Minnesota 55391

Michael A. Pflaum

935 East Wayzata Boulevard
Wayzata, Minnesota 55391

b. Said directors shall serve until the first annual meeting of the members and until their successors have been duly elected and qualified, unless said directors sooner resign.

c. The affairs of this Association shall be managed by a board of five directors (except the first board, which shall consist of three directors), who need not be members of the Association. The number of directors may be changed by amendment of the Bylaws of the Association. At the first annual meeting, the members shall elect two directors for a term of one year, two directors for a term of two years, and one director for a term of three years; and at each annual meeting thereafter the members shall elect the number of directors necessary to fill expiring terms, each for a term of three years.

d. Officers shall be elected as provided for in the Bylaws.

ARTICLE VIII
INCORPORATOR

The name and address of the incorporator of the Association is:

<u>Name</u>	<u>Address</u>
Eric H. Galatz	150 South Fifth Street Suite 2300 Minneapolis, Minnesota 55402

ARTICLE IX
NO STOCK

The Association is organized upon a non-stock basis.

ARTICLE X
PERSONAL LIABILITY OF MEMBERS

The members of this Association shall have no personal liability for obligations of the Association.

ARTICLE XI
DISSOLUTION

The Association may be dissolved as provided in Chapter 317A of Minnesota Statutes 1992, but may not be dissolved without the assent given in writing and signed by not less than 75% of the first mortgagees of Lots

(based upon one vote for each mortgage owned) and by not less than 75% of each class of members voting as provided in Article VI. 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 XII
DURATION

The duration of the corporate existence shall be perpetual.

ARTICLE XIII
AMENDMENTS

Amendment of these Articles shall require the assent of 75% of each class of members.

ARTICLE XIV
CONFLICT WITH DECLARATION

In the event of any conflict between the Declaration and these Articles of Incorporation, the Declaration shall control.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 12th day of May, 1994.

/s/ Eric H. Galatz
Eric H. Galatz

STATE OF MINNESOTA)
)ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this 12th day of May, 1994, by ERIC H. GALATZ.

/s/ Shawn A. Gilbert
Notary Public

[SEAL]
(Notarial Seal)

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
MAY 12, 1994

/s/ Joan Anderson Grove

Secretary of State