

ARTICLES OF INCORPORATION
OF
HIGHLANDS TOWNHOME ASSOCIATION

State of Minnesota

SECRETARY OF STATE

CERTIFICATE OF INCORPORATION

I, Mary Kiffmeyer, Secretary of State of Minnesota, do certify that: Articles of Incorporation, duly signed and acknowledged under oath, have been filed on this date in the Office of the Secretary of State, for the incorporation of the following corporation, under and in accordance with the provisions of the chapter of Minnesota Statutes listed below.

This corporation is now legally organized under the laws of Minnesota.

Corporate Name: Highlands Townhome Association

Corporate Charter Number: 1X-984

Chapter Formed Under: 317A

This certificate has been issued on 07/27/2001.



Mary Kiffmeyer
Secretary of State.

1X-984

ARTICLES OF INCORPORATION HIGHLANDS TOWNHOME ASSOCIATION

The undersigned, for the purpose of forming a corporation pursuant to the provisions of the Minnesota Nonprofit Corporation Act, Minnesota Statutes Chapter 317A, and statutes amendatory thereof, hereby adopts the following Articles of Incorporation:

ARTICLE I NAME

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The name of this corporation shall be "Highlands Townhome Association" (the "Association").

ARTICLE II PURPOSES AND POWERS

The purposes for which the Association is formed, and its powers, are as follows:

1. To act as the Association which is referred to in the Declaration (the "Declaration") of Riverdale, a single-family residential community located in Dakota County, Minnesota.
2. To provide for the maintenance, operation and management of the Property described in the Declaration, for the health, safety and welfare of the Owners and Occupants thereof, and for the preservation of the value and architectural character of the Property.
3. To exercise the powers and duties now or hereafter granted or imposed by law, the Declaration, or the Association's Bylaws
4. To do all other lawful acts or things reasonably necessary for carrying out the Association's purposes; provided, that no actions shall be authorized or undertaken which may jeopardize the Association's status as a nonprofit corporation.

Reference terms used in this document shall have the meaning assigned to them by the Declaration.

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ARTICLE III REGISTERED OFFICE

The registered office of the Association is located at 20860 Kenbridge Court Suite 100, Lakeville, MN 55044.

ARTICLE IV INCORPORATOR

The name and address of the incorporator of this Association is as follows:

Paul L. Hellickson

211 North First Street Suite 310
Minneapolis, MN 55401

ARTICLE V MEMBERSHIP/VOTING

The members of this Association (the "Members") are those persons described as Members in the Bylaws of the Association. Membership in the Association shall be transferable, but only as an appurtenance to and together with the Member's title to the Unit to which the membership is allocated. One membership is allocated to each Unit. The Members shall have the voting rights allocated to their respective Units as described in the Declaration. Cumulative voting by Members is not permitted.

ARTICLE VI BYLAWS

The first Board of Directors shall, at its first meeting, adopt Bylaws for the regulation of the business of the Association. Thereafter, the Bylaws may be amended or revoked only by the Members of the Association, as provided in the Bylaws.

ARTICLE VII DIRECTORS

The business of this Association shall be managed by the Board of Directors consisting of at least three persons, or such greater number as provided in the Bylaws. After the expiration of the terms of office of the members of the first Board of Directors appointed by the Declarant, the directors shall be elected as provided in the Bylaws.

ARTICLE VIII LIMITED LIABILITY

The Members of this Association shall not be subject to any personal liability for corporate obligations. In addition, no person who serves without compensation as a director, officer, member or agent of the Association shall be held civilly liable for an act or omission by that person if the act or omission was in good faith, was within the scope of the person's responsibilities as director,

officer, Member or agent of the Association, and did not constitute willful or reckless misconduct, except as follows:

- a. an action or proceeding brought by the attorney general for a breach of a fiduciary duty as a director;
- b. a cause of action to the extent it is based on federal law;
- c. a cause of action based on the person's express contractual obligation; or
- d. an act or proceeding based on a breach of public pension plan fiduciary responsibility.

Nothing in this Article limits an individual's liability for physical injury to another person or for wrongful death which is personally and directly caused by that individual.

ARTICLE IX NO PECUNIARY GAIN

The Association shall not afford pecuniary gain, incidentally or otherwise, to its Members; provided, that (i) Members may be reimbursed for out-of-pocket expenses incurred in carrying out duties on behalf of the Association, and (ii) Members may be reasonably compensated for goods and services furnished to the Association as vendors in arms-length transactions, as provided in the Bylaws.

ARTICLE X DURATION

The duration of the Association shall be perpetual, subject to dissolution in accordance with Article XII.

ARTICLE XI AMENDMENTS

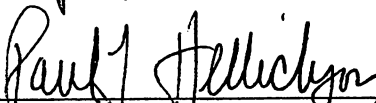
Amendment of these Articles of Incorporation requires the prior approval of (i) Members who hold in excess of fifty percent of the voting power of all Members, (ii) the Board of Directors, (iii) any other Person whose approval is required by the Declaration; except that the registered office may be changed by the filing of a Certificate of Change of Registered Office in accordance with law.

ARTICLE XII DISSOLUTION

The Association may be dissolved only in connection with the termination of the common interest community. The Association shall be dissolved as provided in the Minnesota Nonprofit

Corporation Act, and the dissolution shall be subject to approval by (i) the Board of Directors and (iii) Members authorized to cast at least eighty percent (80%) of the voting power of all Members.

IN WITNESS WHEREOF, I have hereunto executed these ARTICLES OF INCORPORATION effective this 23rd day of July, 2001.



Paul L. Hellickson

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED

JUL 27 2001 SS


Secretary of State