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ARTICLES OF INCORPORATION  
OF HIDDEN VALLEY HOMEOWNERS ASSOCIATION

In compliance with the requirements of Minnesota Statutes Annotated, Chapter 317, the undersigned, all of whom are residents of Minnesota, and all of whom are of full age, have this day, voluntarily associated themselves together for the purpose of forming a corporation, not for profit, and do hereby certify:

ARTICLE I.

The name of the corporation is HIDDEN VALLEY HOMEOWNERS ASSOCIATION, hereinafter referred to as the "ASSOCIATION".

ARTICLE II.

The principal office and registered office of the ASSOCIATION is located at 8200 Hadley Avenue South, Cottage Grove, Minnesota 55016.

ARTICLE III.

A. Mike J. Rygh, whose address is 8200 Hadley Avenue South, Cottage Grove, Minnesota 55016, is hereby appointed the initial registered agent of this ASSOCIATION.

B. The names and address of the incorporators are:

- |                  |   |
|------------------|---|
| Mike J. Rygh     | 8200 Hadley Avenue South<br>Cottage Grove, MN 55016 |
| Marlin R. Rygh   | 8200 Hadley Avenue South<br>Cottage Grove, MN 55016 |
| Charles Brookins | 8281 115th St.<br>Cottage Grove, MN 55016           |

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ARTICLE IV.

## PURPOSE AND POWERS OF THE ASSOCIATION

This ASSOCIATION ~~does not contemplate pecuniary gain or~~ profit (incidentally or otherwise) to the members thereof, and the specific purposes for which it is formed is to provide for maintenance and preservation of the residential lots and common area within that certain tract of property described as:

## HIDDEN VALLEY ADDITION

and to promote the health, safety and welfare of the residences within the afore-described property and any additions thereto as may hereafter be brought within the jurisdiction of this ASSOCIATION for this purpose:

a. exercise all of the powers and privileges and to perform all of the duties and obligations of the ASSOCIATION set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the property and recorded or to be recorded in the Office of Register of Deeds, Washington County, Minnesota, and as the same may be amended from time to time as herein 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; 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 assent 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 all or 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 effective 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 consolidation with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members;

g. have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Minnesota by Law may now or hereafter have or exercise.

#### ARTICLE V.

#### MEMBERSHIP

A. 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, including contract sellers, shall be a member of the ASSOCIATION. 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.

B. The members shall not be personally liable for corporate obligations, but each member shall be liable for annual assessments and special assessments for capital improvements. Methods of enforcement and collection of assessments are set forth at length in the Declaration.

C. The corporation has no capital stock. ✓

ARTICLE VI.

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 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 among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) on January 1, 1995.

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ARTICLE VII.

BOARD OF DIRECTORS

Until the first meeting of members, the ~~affairs of this~~ ASSOCIATION shall be managed by a Board of three (3) Directors, who need not be members of the ASSOCIATION. After the first meeting of members, the affairs of this ASSOCIATION shall be managed by a Board of nine (9) Directors, who need not be members of the ASSOCIATION. The number of Directors may be changed by amendment of the By-Laws of the ASSOCIATION. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

- Mike J. Rygh            8200 Hadley Ave. So., Cottage Grove, MN
- Marlin R. Rygh        8200 Hadley Ave. So., Cottage Grove, MN
- Charles Brookins     8281 115th St., Cottage Grove, MN

At the first annual meeting the members shall elect three directors for a term of one year, three directors for a term of two years, and three directors for a term of three years; and at each annual meeting thereafter the members shall elect three directors for a term of three years.

ARTICLE VIII.

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 members. 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 IX.

DURATION

The corporation shall exist perpetually.

ARTICLE X.

AMENDMENTS

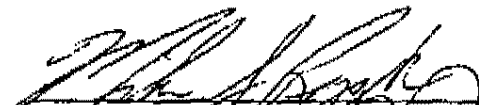
Amendment of these Articles shall require the assent of seventy-five percent (75%) of the entire membership.

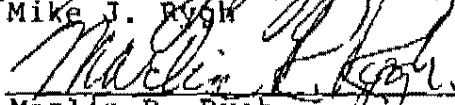
ARTICLE XI.

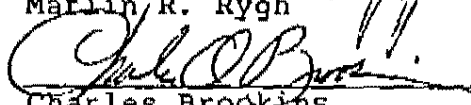
FHA/VA APPROVAL

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: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

IN WITNESS WHEREOF, for the purposes of forming this corporation under the laws of the State of Minnesota, we, the undersigned, constituting the incorporators of this ASSOCIATION, have executed these Articles of Incorporation this 17 day of July, 1986.

  
 \_\_\_\_\_  
 Mike J. Rygh

  
 \_\_\_\_\_  
 Marlin R. Rygh

  
 \_\_\_\_\_  
 Charles Brookins

STATE OF MINNESOTA )  
 ) ss.  
COUNTY OF WASHINGTON )

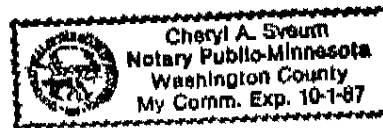
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On this 17th day of July, 1986, personally appeared before me Mike J. Rygh, Marlin R. Rygh and Charles Brookins, to me personally known, who being by me sworn, did say that they are the persons who executed the foregoing instrument and they acknowledge that they executed the same as their free act and deed.

  
\_\_\_\_\_  
Notary Public

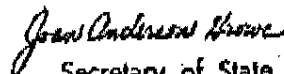
DRAFTED BY:

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STATE OF MINNESOTA  
DEPARTMENT OF STATE  
FILED

JUL 22 1986 D

  
Secretary of State