

State of Minnesota

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# 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: ST. FRANCIS TOMORROWS NO. 7, INC.

Corporate Charter Number: 17-746

Chapter Formed Under: 317A

This certificate has been issued on 07/22/1999.



*Mary Kiffmeyer*  
Secretary of State

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**ARTICLES OF INCORPORATION**

**OF**

**ST. FRANCIS TOMMONES NO. 7, INC.**

We, the undersigned, being of legal age, for the purpose of forming a non-profit corporation under Chapter 317A of Minnesota Statutes, as amended, and in compliance with the requirements thereof, do hereby voluntarily associate ourselves as a body corporate, not for profit, but for the purposes herein conferred and adopt these Article of Incorporation

**ARTICLE I  
NAME**

The name of the corporation is **ST. FRANCIS TOMMONES NO. 7, INC.** hereinafter referred as the "Association".

**ARTICLE II  
REGISTERED OFFICE**

The registered office of the Association is located at 6645 267th St., Elk, MN 55020.

**ARTICLE III  
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 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.

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 of 1986, as amended ("Internal Revenue Code").

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**ARTICLE IV  
PURPOSE AND POWERS OF THE ASSOCIATION**

This Association is formed as a "Residential Real Estate Management Association" within the meaning of Section 320 (c) of the Internal Revenue Code. The specific purposes for which the Association is formed are to provide for the maintenance, preservation, and architectural control of the townhomes within that certain tract of land located within the City of Lakeville, County of Dakota, and State of Minnesota commonly known as St. Francis Woods Townhomes, and legally described in the attached Exhibit A and B hereto and such additions thereto as may hereinafter be brought within the jurisdiction of this Association as provided within the Declaration of St. Francis Woods Townhomes filed or to be filed in the Office of County Recorder or Register of Titles of Dakota County, Minnesota ("Declaration") and to promote the health, safety and welfare of the residents within the above described property, and in fulfillment of this purpose to do the following:

- (a) To exercise all of the powers and privileges and to perform all the duties and obligations of the Association as set forth in the Declaration as the same may be amended from time to time as therein provided, the Declaration being incorporated herein as if set forth at length.
- (b) To fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration and 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) To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate and maintain and, subject to the terms 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 the terms 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) To participate in mergers, consolidations or contracts with other non-profit corporations organized for the same purposes or annex additional residential

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property, provided that such additional consent required by the Declaration is obtained; and

- (f) To have and exercise any and all powers and rights which a corporation organized under the Minn. Statute Section 317A may now or hereinafter have or exercise.

#### ARTICLE V MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any townhome which is subject to assessment by the Association (an "Owner") shall be a member of the Association (a "Member"). The foregoing is not intended to include a person who holds an interest merely as security for the performance of an obligation unless and until such mortgagee has acquired title pursuant to foreclosure of said mortgage or proceedings or deed in lieu of foreclosure, and the period in which the fee owner may redeem from such foreclosure has terminated. Where any such townhome is being sold by the fee owner to a contract for deed vendee who is entitled to possession of the townhome, the contract vendee shall be considered the Owner of the townhome for membership purposes. Membership shall be appurtenant to and may not be separated from ownership of any townhome which is subject to assessment by the Association.

#### ARTICLE VI VOTING RIGHTS

This Corporation shall not have capital stock, but members of the Association shall be entitled to one (1) vote for each unit owned. When more than one (1) person holds the interest in a Unit required by Article V for membership, all such persons shall be members but the vote for such Unit shall be exercised as they among themselves shall determine, subject, however to limitation that no more than one (1) vote may be cast with respect to any Unit and the further limitation that no vote may be split.

The vote for any Unit which is owned by more than one (1) member may not be cast at any meeting unless such members have filed with the Secretary of the Association prior to such meeting the name of one (1) of their number who then shall be the only person authorized to cast such vote at such meeting. In lieu of such filing prior to every meeting, such members may file, as aforesaid, a document executed by all of them, designating one (1) of their number as the person authorized to cast their vote at all future meetings and such authorization shall continue to be valid until such time as such authorization shall have been rescinded in writing by all of such members.

Notwithstanding the foregoing, Declarant, as defined in the

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Declaration, shall control the operation and administration of the Association, including without limitation the power to appoint and remove the members of the Board pursuant to Section 515B.3-103 of the Act during the Declarant Control Period, which shall commence as of this date and terminate upon the earliest of: (i) voluntary surrender of control by Declarant, (ii) an Association meeting which shall be held within 60 days after conveyance to Owners other than Declarant of 75% of the total number of Units authorized to be included in the Property, or (iii) the date five (5) years following the date of the first conveyance of a Unit to an Owner other than a Declarant, provided, the members other than Declarant shall have the right to nominate and elect not less than 33 1/3 % of the Directors at a meeting of the Owners which shall be held within 60 days following the conveyance by Declarant of 50% of the total number of Units authorized to be included in the Property.

Members shall have no rights of cumulative voting. Members may vote by voice, ballot, mail or other reasonable means. The right of any Member to vote shall be suspended during any period in which such Member shall be delinquent in the payment of any assessment levied by the Association. Such rights may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days for any infraction of any rules or regulations published by the Association.

**ARTICLE VII  
BOARD OF DIRECTORS**

The business and affairs of the Association shall be managed by a Board of Directors consisting of three Directors, or such other number of Directors as may be determined in accordance with the By-Laws. Until the full board of Directors consisting of three members shall have been elected, the first and interim Board of Directors shall consist of two Directors whose names and addresses are as follows:

- Dale Pexa                                    6545    260th St., Elko, MN    55020
- William W. Svoboda    1003 Eclipse Parkway, New Prague MN    56071
- Joseph E. Van Den Boom    22428 Wagon Wheel Tr., Lakeville MN 55044

The initial members of the Board of Directors shall serve until such time as the Association shall hold the first annual meeting of the Association following the termination of the Class B Membership. At the first annual meeting following the termination of the Class B membership, the Members of the Association shall elect one (1) of the directors for a term of one year, one (1) of the directors for a term of two (2) years and one (1) of the directors for a period of three (3) years.

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**ARTICLE VIII  
INCORPORATORS**

The following persons constitute the incorporators who are forming the Association:

- Dale Pera                      6645    260th St., Elko, MN    55020
- William W. Svoboda    1003 Eclipse Parkway, New Prague MN    56071
- Joseph E. Van Den Boom    22428 Wagon Wheel Tr., Lakeville MN 55044

**ARTICLE IX  
ELECTION OF DIRECTORS**

At the first annual meeting following the termination of the term of all directors appointed by Declarant as authorized by the Declaration, the members shall elect three Directors each for a term of one year and until their successors have been duly elected and have qualified; and at each annual meeting thereafter the members shall elect any new members to the Board of Directors for a term of one year.

The term of all directors appointed by Declarant as authorized by the Declaration, shall terminate upon the earliest of (i) voluntary surrender of control by Declarant, (ii) an Association meeting which shall be held within 60 days after conveyance to Owners other than a Declarant of 75% of the total number of Units authorized to be included in the common interest community or (iii) the date five (5) years following the date of the first conveyance of a Unit to an Owner other than a Declarant. The term of office of any director elected to the first board of Directors by Owners other than the Declarant shall terminate at the same time as those appointed by Declarant.

Not later than sixty (60) days after the conveyance of fifty percent (50%) of the Units that may be created to Owners other than the Declarant, a special meeting shall be held to elect Directors (the "First Special Election"). At the First Special Election and all subsequent elections at annual meetings, all members other than the Declarant shall have the right to nominate and elect not less than 33 1/3% of the Directors. Directors elected at the First Special Meeting shall serve until the next annual meeting.

Not later than the end of the Declarant Control Period, a special meeting shall be held to elect Directors (the "Second Special Election"). At the Second Special Election, all members

shall elect a new Board of Directors. If the Second Special Election is held before the end of the Declarant Control Period, for the purposes of voting for new Board of Directors, the Declarant shall vote along with the other members on the basis of one vote for each lot owned. A majority of the Directors elected at the Second Special Election and in all elections of Directors thereafter shall be members other than the Declarant.

**ARTICLE X  
PERSONAL LIABILITY OF MEMBERS**

The Members of the Association shall not be liable for Association obligations except as provided for and authorized under the Declaration.

**ARTICLE XI  
DIRECTOR LIABILITY**

To the fullest extent permitted by Chapter 317A, Minnesota Statutes, as the same exists for or may hereafter be amended, a Director of this Corporation shall not be personally liable to the Corporation or its members for monetary damages for breach of fiduciary duty as a director.

**ARTICLE XII  
DISSOLUTION**

The Association may be dissolved by a vote of the Members entitled to cast two-thirds of the votes of each class of membership provided that such additional consent required by the Declaration is obtained. 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. No such disposition of Association properties shall be effective to divest or diminish any right or title to any member vested in him or her under the Declaration unless made in accordance with the provisions of such Declaration.

**ARTICLE XIII  
DURATION**

The Association shall exist perpetually.

**ARTICLE XIV  
AMENDMENTS**

These Articles may be amended at a regular or special

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meeting of the Members by a vote of seventy-five percent (75%) of each class of members present in person or by proxy, provided that such additional consent as required by the Declaration is obtained.

**ARTICLE IV  
FHA/VA APPROVAL**

During the Declarant Control Period described in Article VI, the following action will require the prior approval of the Federal Housing Administrator or the Veterans Administration, if necessary: annexation of additional properties, mergers and consolidations, mortgaging of Common Areas, dedication of Common Areas, dissolution and amendment of these Article of Incorporation.

IN WITNESS WHEREOF, we have hereunto executed these ARTICLES OF INCORPORATION, effective this 20 day of July, 1999.

Dale Pexa  
Dale Pexa

William W. Svoboda  
William W. Svoboda

Joseph E. Van Den Boom  
Joseph E. Van Den Boom

STATE OF MINNESOTA)  
COUNTY OF 20 ) ss.

On this 20 day of July, 1999, before me a notary public, personally appeared Dale Pexa, William W. Svoboda and Joseph E. Van Den Boom, as incorporators of St. Frances Woods Townhomes No. 7, Inc., to be known to be the persons described in, and who executed the foregoing instrument, and their free act and deed.

Scott A. Marek  
Notary Public



STATE OF MINNESOTA  
DEPARTMENT OF STATE  
FILED  
JUL 22 1999  
Henry Hoffmann  
Secretary of State