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17797970002

**ARTICLES OF INCORPORATION  
OF  
SANCTUARY OF LAKE ELMO HOMEOWNERS ASSOCIATION**

The undersigned, being of legal age, for the purposes of forming a nonprofit 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 Articles of Incorporation.

**ARTICLE I  
NAME**

The name of this Corporation shall be **SANCTUARY OF LAKE ELMO HOMEOWNERS ASSOCIATION**.

**ARTICLE II  
REGISTERED OFFICE**

The registered office of this Corporation shall be at 12415 – 55<sup>th</sup> Street North, Lake Elmo, MN 55042.

**ARTICLE III  
PURPOSES AND AUTHORITY**

This Corporation is formed generally for civic, recreational, social and community welfare purposes, and specifically for the purposes of constituting and acting as an association of the owners of lots in that certain residential community situated in the City of Lake Elmo, Washington County, Minnesota, on property legally described in Exhibit A attached hereto and incorporated herein by reference, (the "Property").

The Property is being developed as a permanent, detached, single-family residential community, with permanently protected open space. For the purposes of managing, maintaining, repairing, replacing and operating certain common area facilities located thereon as may be made in accordance with the Declaration hereinafter referred to, all for the preservation of the value and amenities of said development as provided in said Declaration, and in fulfillment of such purposes, this Corporation shall have the power:

- (a) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association described in that certain Declaration of Easements, Covenants, Conditions, Restrictions and Reservations for St. Croix's Sanctuary, City of Lake Elmo, Washington County, Minnesota, herein referred to as the "Declaration", applicable to the aforementioned Property and recorded or to be recorded in the Office of the County Recorder of Washington County, Minnesota, and 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) To fix, levy, collect and enforce the payment of, 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 aforementioned property of the Association;
- (c) To 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;
- (d) To borrow money, and with the assent of all the 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) Subject to the restrictions of the Conservation Easement, to dedicate, sell or transfer all or any part of the common areas to any public agency, authority, 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 all members, agreeing to such dedication, sale or transfer;
- (f) To participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of all members;
- (g) To enforce provisions of the Declaration, the Conservation Easement and any and all other covenants, conditions or restrictions applicable to the aforementioned Property; and
- (h) To, insofar as permitted by law, and consistent with the provisions and purposes hereof and of the Declaration, do any other thing that, in the opinion of the Board of Directors, will promote the common benefit and enjoyment of the members.

#### **ARTICLE IV PECUNIARY GAIN TO MEMBERS**

This Corporation does not and shall not afford pecuniary gain, incidentally or otherwise, to its members. None of its members shall be personally liable for corporate debt. Members, however, shall be liable to this Corporation for the assessments as specified in the Declaration.

## **ARTICLE V MEMBERSHIP**

Every person or entity who is a record owner of a fee or undivided fee simple interest or a contract vendee, in any Lot as described in the Declaration (an "Owner"), shall be a member of this Corporation. The foregoing is intended to exclude contract vendors, unless the contract provides otherwise, and other persons or entities that hold an interest in any Lot merely as security for the performance of any obligation. Membership in this Corporation shall be appurtenant to and may not be separated from the above-described ownership interest in each such Lot.

## **ARTICLE VI VOTING RIGHTS**

This Corporation shall not have capital stock, but each member shall have equal voting rights.

The "Declarant Control Period" shall mean the time period during which Declarant has the exclusive right to appoint the members of the Board of Directors as described in Section 11.5.5 of the Declaration.

The right of any Member to vote and the right of any Member, the Member's family or guests to use any recreational facilities, if any, that may be acquired by the Association shall be suspended during any period in which such Member shall be in default 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 adopted by the Association.

## **ARTICLE VII BOARD OF DIRECTORS**

The business and affairs of this Corporation 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 first full Board of Directors consisting of three members shall have been elected, the first and interim Board of Directors shall consist of three Directors whose names and addresses are as follows:

| <u>Name</u> | <u>Address</u>   |
|-------------|--|
| John Arkell | 12415 – 55 <sup>th</sup> Street North<br>Lake Elmo, MN 55042 |
| Case Arkell | 12415 – 55 <sup>th</sup> Street North<br>Lake Elmo, MN 55042 |
| Cort Arkell | 12415 – 55 <sup>th</sup> Street North<br>Lake Elmo, MN 55042 |

Said first directors shall serve until the first annual meeting of the members or until their successors have been duly elected and qualified.

### **ARTICLE VIII ELECTION OF DIRECTORS**

At the first annual meeting, the members shall elect 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.

Not later than the end of the Declarant Control Period, a special meeting shall be held to elect Directors (the "Special Election"). At the Special Election, all members shall elect a new Board of Directors. A majority of the Directors elected at the Special Election and in all elections of Directors thereafter shall be members other than the Declarant (or an affiliate of Declarant).

### **ARTICLE IX WRITTEN ACTION BY DIRECTORS**

Any action required or permitted to be taken at a meeting of the Board of Directors of this Corporation may be taken by written action signed by the number of directors that would be required to take the same action at a meeting of the board at which all directors were present.

### **ARTICLE X DIRECTOR LIABILITY**

To the fullest extent permitted by Chapter 317A, Minnesota Statutes, as the same exists 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 XI DURATION**

The duration of this Corporation shall be perpetual.

### **ARTICLE XII DISSOLUTION**

This Corporation may be dissolved only with the written consent of members holding at least 90% of the voting power of the Corporation. Written notice of a proposal to dissolve, setting forth the reasons therefor and the disposition to be made of its assets (which shall be consistent with Article XIII hereof) shall be mailed to every member at least ninety (90) days prior to any meeting at which such dissolution shall be voted upon.

**ARTICLE XIII  
DISPOSITION OF ASSETS UPON DISSOLUTION**

Upon dissolution of this Corporation, all of its property and assets, both real and personal, including, but not limited to, sewer and water lines, if any, first shall be dedicated or transferred to an appropriate municipality, public agency or utility, or if such transfer or dedication be refused, such assets then shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other entity, to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by this Corporation. No disposition of the assets of this Corporation shall be effective to divest or diminish any vested right or title of any member in any such assets arising under recorded covenants and deeds applicable to such assets unless made in accordance with the provisions of such covenants and deeds.

**ARTICLE XIV  
AMENDMENTS**

These Articles of Incorporation may be amended only with the assent of 75% of the Members of each class.

**ARTICLE XV  
FHA APPROVAL**

During the Declarant Control Period, the following actions will require the prior approval of the Federal Housing Administration: mergers and consolidations, mortgaging of common areas; dedication of common areas, dissolution, and amendment of these Articles.

**ARTICLE XVI  
INCORPORATORS**

The following person constitutes the incorporator who is forming this Corporation:

Name

Address

John Arkell

12415 – 55<sup>th</sup> Street North  
Lake Elmo, MN 55042



**EXHIBIT A****LEGAL DESCRIPTION**

Lots 1 through 9, inclusive, Block 1; Lots 1 through 5, inclusive, Block 2; Lots 1 through 7, inclusive, Block 3; Lots 1 through 4, inclusive, Block 4; Lots 1 and 2, Block 5; Lots 1 through 5, inclusive, Block 6; Lots 1 through 12, inclusive, Block 7; Lots 1 through 3, inclusive, Block 8; Lots 1 through 3, inclusive, Block 9; Lots 1 through 5, inclusive, Block 10; and, Outlots A through C, inclusive, and Outlots F through N, inclusive, all according to the recorded plat of St. Croix's Sanctuary, Washington County, Minnesota.

STATE OF MINNESOTA  
DEPARTMENT OF STATE  
FILED

APR 04 2006

*Mary Hiffray*  
Secretary of State

# 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: SANCTUARY OF LAKE ELMO HOMEOWNERS ASSOCIATION

Corporate Charter Number: 1779797-2

Chapter Formed Under: 317A

This certificate has been issued on 04/04/2006.



*Mary Kiffmeyer*  
Secretary of State.