

# 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 cooperative, under and in accordance with the provisions of the chapter of Minnesota Statutes listed below.

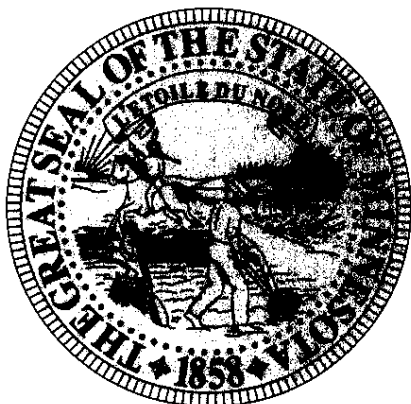
This cooperative is now legally organized under the laws of Minnesota.

Cooperative Name: Cokato Lake RV Resort Cooperative Association

Cooperative Charter Number: 1261082-2

Chapter Formed Under: 308A

This certificate has been issued on 03/04/2005.



*Mary Kiffmeyer*  
Secretary of State.

COOP OK



**ARTICLES OF INCORPORATION  
OF  
COKATO LAKE RV RESORT COOPERATIVE ASSOCIATION**

In compliance with the requirements of the Minnesota Cooperative Law, Minnesota Statutes, Chapter 308A and Minnesota Common Interest Ownership Act, Minnesota Statutes Section 515B.2-121, the undersigned, who is a resident of the State of Minnesota and who is of full age, has this day voluntarily associated himself for the purpose of forming an association organized as a cooperative not for profit under Chapter 308A and does hereby adopt the following Articles of Incorporation and certify:

**ARTICLE I.**

**NAME**

The name of this cooperative is Cokato Lake RV Resort Cooperative Association, hereinafter called the "Association."

**ARTICLE II.**

**REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS**

The registered office and principal place of business of the Association is located at 5835 Juneau Lane North, Plymouth, Minnesota 55446.

**ARTICLE III.**

Mark Weber, whose address is hereby appointed the initial registe

, Plymouth, Minnesota 55446, is

**PURPOSE AND POWERS OF THE ASSOCIATION**

The Association is created and shall be operated pursuant to the provisions of Minnesota Statutes Chapter 515B, known as the Minnesota Common Interest Ownership Act for the purpose of creating a "personal property cooperative" in connection with the ownership, leasing and management of a maximum of 250 unit RV campsite resort development, including two (2) cabins, a main common area building (with a camp store, gift shop, rest rooms, game room and onsite managers' living quarters), two separate facilities for restrooms and showers, laundry facilities, a chapel, a pavilion and storage facility, fish cleaning facilities, a miniature golf course, softball field, basketball and tennis courts, volleyball area, horseshoe pits, outdoor swimming pool, playground area, an animal park, dumping station, boat and trailer parking, boat launch

area, centralized dock system with slips, and miscellaneous garage and tractor sheds, all as shown on the Drawing attached to the Declaration as hereinafter referenced, and four rental boats and three (3) motors located upon the real property situated in Wright County, Minnesota, which is legally described on Exhibit A attached hereto and incorporated herein by reference, (the "Property").

The Association shall hold fee simple title to the personal and real property as legally described on Exhibit A attached hereto and made a part hereof, enter into proprietary leases, enter into mortgages (upon the affirmative vote of at least two-thirds of the Members authorizing the borrowing of money, mortgaging, pledging, or otherwise hypothecating its assets as may be necessary), enter into subleases on behalf of the Members, manage, maintain, repair, replace, preserve and operate the Property and improvements located thereon for the preservation of the value and amenities of said RV campsite resort development, and in fulfillment of such purposes, the Association shall have the power to:

- (a) accept, exercise, perform, execute and carry out on behalf of its Members the powers, rights, duties and responsibilities as set forth in the Declaration hereinafter defined;
- (b) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions, Restrictions, and Reservations for the RV campsite resort development (the "Declaration") applicable to the Property to be recorded in the Office of the County Recorder of Wright 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;
- (c) fix, levy, collect, and enforce payment by any lawful means, of all charges, dues, assessments for common expenses, or fees of the Association against the Units subject to this Association 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;
- (d) allocate assessments among the Members in a fair and equitable manner;
- (e) adopt, amend and revoke rules and regulations not inconsistent with these Articles of Incorporation, the Bylaws and Declaration, as follows:
  - (i) regulating the use of the Common Elements;
  - (ii) regulating the use of the Units, and conduct of Unit occupants, which may jeopardize the health, safety or welfare of other occupants, which involves noise or other disturbing activity, or which may damage the Common Elements or other Units;
  - (iii) regulating or prohibiting animals;
  - (iv) regulating changes in the appearance of the Common Elements and conduct which may damage the common interest community;

- (v) regulating the exterior appearance of the common interest community, including, for example, parking areas within the Unit, the age of the RV to be located upon the Unit, signs and other displays, regardless of whether inside a Unit;
  - (vi) implementing these Articles of Incorporation, Declaration and Bylaws, and exercising the powers granted herein; and
  - (vii) otherwise facilitating the operation of the common interest community;
- (f) adopt and amend budgets for revenues, expenditures and reserves, and levy and collect assessments for Common Expenses from Unit owners;
  - (g) set aside a portion of net income to create or maintain a capital reserve as the Board of Directors may determine, set aside an amount not to exceed Five (5%) percent of the annual net income of the Association for promoting and encouraging Association organization, and set aside or establish and accumulate reserves for new buildings, machinery and equipment, depreciation, losses and other proper purposes;
  - (h) hire and discharge managing agents and other employees, agents, and independent contractors;
  - (i) institute, defend, or intervene in litigation or administrative proceedings:
    - (i) in its own name on behalf of itself or two or more Unit owners on matters affecting the Common Elements or other matters affecting the common interest community or,
    - (ii) with the consent of the owners of the affected Units on matters affecting only those Units;
  - (j) make contracts and incur liabilities;
  - (k) regulate the use, maintenance, repair, replacement and modification of the Common Elements and the Units;
  - (l) cause improvements to be made as a part of the Common Elements;
  - (m) acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, encumber, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;
  - (n) grant public utility easements through, over or under the Common Elements, and, subject to approval by resolution of Unit owners other than Declarant or its affiliates at a meeting duly called, grant other public or private easements, leases and licenses through, over or under the Common Elements;

- (o) impose and receive any payments, fees, or charges for the use, rental, or operation of the Units and/or Common Elements, other than limited Common Elements, and for services provided to Unit owners, including management of the Units;
- (p) impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, Bylaws, and Rules and Regulations of the Association;
- (q) impose reasonable charges for the review, preparation and recordation of amendments to the Declaration, resale certificates required by section 515B.4-107, statements of unpaid assessments, or furnishing copies of Association records;
- (r) provide for the indemnification of its officers and directors, and maintain directors' and officers' liability insurance;
- (s) provide for reasonable procedures governing the conduct of meetings and election of directors;
- (t) exercise any other powers conferred by law, or by the Declaration, these Articles of Incorporation or Bylaws;
- (u) exercise any other powers necessary and proper for the governance and operation of the Association;
- (v) participate in mergers and consolidations with other nonprofit associations or cooperatives organized for the same purposes, provided that any such merger or consolidation shall have the unanimous consent of two-thirds of all Members of each class of Members;
- (w) have and exercise any and all powers, rights, and privileges which a Cooperative organized under the Minnesota Cooperative Law, Minnesota Statutes Chapter 308A may now or hereafter have or exercise consistent with the Declaration and these Articles;
- (x) insofar as permitted by law, and consistent with the provisions and purposes hereof and 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, including cooperative developments or undertakings with adjacent properties; and,
- (y) delegate any of the above-referenced powers, rights, duties and responsibilities under this Article IV to a management company for enforcement, exercise, performance and execution.

## **ARTICLE V.**

### **MEMBERSHIP**

Members of the Association shall be every person or entity who is a record lessee in a proprietary lease for a Unit of the common interest community (as defined in the Declaration), which Unit is subject to covenants of record and to assessment by the Association. The foregoing is intended to exclude persons or entities who hold an interest merely as a security for the performance of an obligation unless and until such mortgagee or lien holder has acquired title pursuant to foreclosure of said mortgage or lien and the period in which the lessee of the proprietary lease may redeem from such foreclosure has terminated or by any proceeding in lieu thereof. Membership shall be appurtenant to and may not be separated from the proprietary lease for a Unit which is subject to assessment by the Association. Ownership of the lessee's interest in a proprietary lease for a Unit shall be classified as personal property (and not real property) and shall be the sole qualification for Membership.

After the expiration of the Declarant Control Period, Members may transfer or sell or assign their lessee's interest in the proprietary lease for a Unit of the common interest community only with the approval of the Board of Directors, which approval shall not be unreasonably withheld.

## **ARTICLE VI.**

### **MEMBER VOTING**

No Member of the Association shall be entitled to any cumulative voting rights.

The Members of the Association shall take action by the affirmative vote of the holders of a majority of the Membership Certificates present and entitled to vote, except where a larger proportion is required by law, these Articles of Incorporation or the Declaration.

## **ARTICLE VII**

### **PREEMPTIVE RIGHTS**

No Member of this Association shall have any preferential, preemptive, or other rights of subscription to any Membership Certificate of any class or series of Membership Interests of this Association allotted or sold or to be allotted or sold, whether now or hereafter authorized, or to any obligations or securities convertible into any class or series of Membership Interests of this Association.

## **ARTICLE VIII.**

### **VOTING RIGHTS**

The Association is organized on a membership basis and the aggregate number of Membership Certificates which this Association shall have the authority to issue is Two Hundred

Fifty (250). Said Membership Certificates shall be issued to Members only upon receipt by the Association of a fully executed proprietary lease for a specific Unit of the common interest community, together with a copy of the Bill of Sale for said Unit. The Association may only have two (2) classes of voting Memberships as follows:

Class A. All Members described in Article V hereinabove, with the exception of the Class B Member, its successors and assigns, shall be Class A Members and 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 the voting power for any Unit may not 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.

Class B. The Class B Member shall be the Declarant (as defined in the Declaration), its successors and assigns, which shall be entitled to three (3) votes for each Unit owned. Upon the end of the Period of Declarant Control (as hereinafter defined), the Class B Membership shall cease and the Class B Member shall be deemed to be a Class A Member; if then an Owner, the Declarant shall be entitled to one vote for each Unit in which Declarant holds the interest required for Class A Membership.

Pursuant to Minnesota Statutes Section 515B.3-103(c), the "Declarant Control Period" shall mean the period commencing on the date of the first proprietary lease with an Owner other than the Declarant and continuing until the earlier of:

- (a) Declarant's voluntary surrender of its control;
- (b) three (3) years after the date of the first proprietary lease with an Owner other than Declarant; or
- (c) sixty (60) days after entering into proprietary leases for seventy-five percent (75%) of the Units with Owners other than the Declarant.

The right of any Member to vote and the right of any Member, the Member's family or guests to use any recreational facilities that exist or may be developed on the Property shall be suspended during any period in which such Member shall be in default in the payment of any assessment levied by the Association after receipt of thirty (30) days written notice of said default and if default has not been cured. 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 IX.**

**BOARD OF DIRECTORS**

The business and affairs of this Association shall be managed by a Board of Directors. The number of Directors shall be prescribed in the By-Laws of the Association. The initial Board of Directors shall consist of five (5) Directors, who shall continue in office until the first meeting of the Members and until their successors are elected and qualified, at which time new Directors shall be elected. The names and addresses of the Association's First Board of Directors are:

<u>Name</u>	<u>Address</u>
John Blanck	6625 Walnut Drive Minnetrista, Minnesota 55364
Mark Weber	5835 Juneau Lane North Plymouth, Minnesota 55446
Jack Weber	13822 84 <sup>th</sup> Place North Maple Grove, Minnesota 55369
Bruce Charles Michaelson	2945 County Road 4 S.W. Cokato, Minnesota 55321
Aimee Lynn Michaelson	2945 County Road 4 S.W. Cokato, Minnesota 55321

During the "Declarant Control Period" as defined herein, in Minnesota Statutes Section 515B.3-103(c) and in the Declaration, the Declarant may appoint and remove Directors and officers of the Association.

Not later than sixty (60) days after entering into proprietary leases for fifty percent (50%) of the Units to Owners of a Lessee's interest other than the Declarant, a special meeting shall be held to elect Directors, at which not less than 33 and 1/3 percent (33%) of the Directors shall be elected by Unit owners other than Declarant or an affiliate of Declarant. Upon the termination of the Declarant Control Period, the Members shall elect the Board. All Members shall have the right to nominate and elect new Directors. Directors must be Members and shall serve until the next annual meeting. At the next annual meeting, the Members shall elect Directors, each for a term of one year or until their successors have been duly elected and have qualified; at each annual meeting thereafter, the Members shall elect new Directors to the Board of Directors for a term of one year. Cumulative voting shall not be allowed. The qualification, terms of office, method of election, powers, authority and duties of the Directors, the time and place of their meetings, and such other provisions with respect to them as are not inconsistent with the express provisions of these Articles of Incorporation may be specified or changed by the By-Laws, or an amendment of the



By-Laws of the Association. The number of Directors may be changed at any time by amendment of the By-Laws of the Association.

Any action, other than an action requiring Membership approval, may be taken by the Board of Directors by written action signed by the number of Directors that would be required to take the same action at a meeting of the Board of Directors at which all Directors were present; provided that all Directors shall be notified of the text of the written action prior to the signing by any of the Directors. All Directors shall be notified immediately of the effective date of any such written action that is duly taken.

## **ARTICLE X.**

### **DISSOLUTION**

The Association may be dissolved only with the written consent of Members holding at least ninety (90%) percent of the voting power of each class of Members. 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 this Article) shall be mailed to every Member at least ninety (90) days prior to any meeting at which such dissolution shall be voted upon.

Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association, including but not limited to, sewer and water lines, if any, shall be dedicated or transferred to an appropriate municipality, public agency or utility, or if such transfer or dedication shall be refused by the appropriate municipality, public agency or utility, such assets then shall be granted, conveyed and assigned to any nonprofit cooperative, 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 Association. No disposition of the assets of this Association 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 XI.**

### **DURATION**

The Association shall have perpetual existence.

## **ARTICLE XII.**

### **AMENDMENTS**

Amendment of these Articles shall require the consent of at least seventy-five (75%) percent of the Members of each class.

**ARTICLE XIII.**

**NO PECUNIARY GAIN TO MEMBERS**

The Association shall not, incidentally or otherwise, afford or pay any pecuniary gain, dividends, or other pecuniary remuneration to its Members as such, and no part of the net income or net earnings of the Association shall, directly or indirectly, be distributable to or otherwise inure to the benefit of any Member or private person. Any surplus funds remaining after payment of or provision for Common Expenses and reserves, shall be credited against future assessments or added to reserves as determined by the Board of Directors.

**ARTICLE XIV.**

**NO PERSONAL LIABILITY**

The Members, officers and directors of the Association shall have no personal liability for the debts or obligations of the Association of any nature whatsoever, nor shall any of the property of the Members, officers or directors be subject to the payment of the debts or obligations of the Association to any extent whatsoever; nor shall a Member, officer or director be personally liable to the Association or its Members for monetary damages for breach of fiduciary duty as a Member, officer or director. Members, however, shall be liable to the Association for the assessments as specified in the Declaration.

**ARTICLE XV.**

**INCORPORATOR**

The name and address of the incorporator of this Association, who is a natural person of full age, is:

Marvin A. Liszt

Bernick and Lifson, P.A.  
5500 Wayzata Boulevard, Suite 1200  
Minneapolis, Minnesota 55416-1270

IN WITNESS WHEREOF, for the purpose of forming this Association under the laws of the State of Minnesota, the undersigned, the Incorporator of this Association, has executed these Articles of Incorporation on this 4th day of March, 2005.

/s/Marvin A. Liszt  
Marvin A. Liszt, Incorporator

**EXHIBIT A**

**LEGAL DESCRIPTION**

The South 320.00 feet of Government Lot 2;

AND

That part of Government Lot 2 of Section 14, Township 119, Range 28, Wright County, Minnesota described as follows:

Commencing at the Southeast corner of said Section 14; thence on an assumed bearing of North 01 degrees 30 minutes 15 seconds East along the East line of said Section 14, a distance of 878.60 feet; thence North 87 degrees 21 minutes 45 seconds West, a distance of 652.07 feet to the beginning of a line hereinafter known as Line A; thence South 02 degrees 38 minutes 15 seconds West, along said Line A, a distance of 203.48 feet to the point of beginning; thence continue South 02 degrees 38 minutes 15 seconds West, along said Line A, a distance of 94.92 feet to the termination of Line A; thence South 87 degrees 21 minutes 21 seconds East, a distance of 60.00 feet; thence South 02 degrees 38 minutes 17 seconds West, a distance of 60.00 feet; thence North 87 degrees 21 minutes 21 seconds West, a distance of 58.17 feet; thence South 09 degrees 56 minutes 59 seconds West, a distance of 44.67 feet; thence North 87 degrees 49 minutes 19 seconds West, a distance of 255.00 feet, more or less, to the shoreline of Cokato Lake; thence Southerly along said shoreline to the North line of the South 320.00 feet of said Government Lot 2; thence South 89 degrees 43 minutes 40 seconds East, along said North line, a distance of 1023.00 feet, more or less, to the East line of said Section 14; thence North 01 degrees 30 minutes 15 seconds East along said East line, a distance of 83.00 feet to the North line of the South 402.98 feet of said Government Lot 2; thence North 89 degrees 43 minutes 40 seconds West, along the North line of the South 402.98 feet of said Government Lot 2, a distance of 437.93 feet; thence North 01 degrees 30 minutes 15 seconds East, a distance of 299.09 feet to a line that bears South 89 degrees 43 minutes 40 seconds East from the point of beginning; thence North 89 degrees 43 minutes 40 seconds West, a distance of 218.19 feet to the point of beginning.

Together with a 60.00 foot easement for ingress and egress purposes over and across a tract of land lying Easterly of and adjoining Line A.

AND

The South 750.00 feet of the Southwest Quarter of Section 13, Township 119, Range 28, Wright County, Minnesota.

STATE OF MINNESOTA  
DEPARTMENT OF STATE  
FILED

MAR 04 2005

*Mary Hoffmeyer*  
Secretary of State

*CR*