

State of Minnesota

SECRETARY OF STATE

CERTIFICATE OF INCORPORATION

I, Joan Anderson Grove, 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.

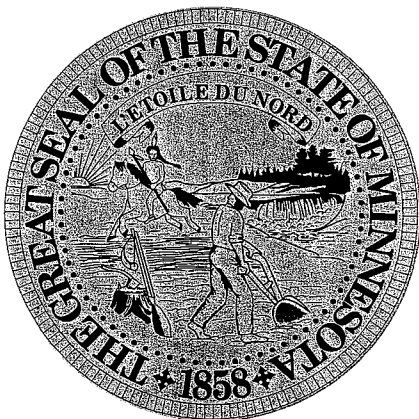
This corporation is now legally organized under the laws of Minnesota.

Corporate Name: STONEBROOKE HOMEOWNERS ASSOCIATION, INC.

Corporate Charter Number: 1Q-547

Chapter Formed Under: 317A

This certificate has been issued on 11/05/1997.



Joan Anderson Grove
Secretary of State.

1Q-547

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**ARTICLES OF INCORPORATION
OF
STONEBROOKE HOMEOWNERS ASSOCIATION, 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 Articles of Incorporation. ✓

**ARTICLE I
NAME**

The name of the corporation is STONEBROOKE HOMEOWNERS ASSOCIATION, INC., hereinafter called the "Association". ✓

**ARTICLE II
REGISTERED OFFICE**

The registered office of the Association is located at 3459 Washington Drive, Suite 204, Eagan, MN 55122. ✓

**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 a 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 528(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 Entrance Monuments and other Common Neighborhood Improvements within that certain tract of property located in the City of Lakeville, County of Dakota and State of Minnesota commonly known as Stonebrooke and legally described on Exhibit "A" hereto and such additions thereto as may hereinafter be brought within the jurisdiction of this Association as provided in a Declaration of Covenants, Conditions and Restrictions for Stonebrooke filed or to be filed in the office of the County Recorder and/or Registrar 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 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. Stat. § 317A may now or hereafter have or exercise.

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**ARTICLE V
MEMBERSHIP**

Every person or entity who is a record owner of a fee or undivided fee interest in any lot 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 persons who hold 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 as terminated. Where any such lot is being sold by the fee owner to a contract vendee who is entitled to possession of the lot, the contract vendee shall be considered the Owner of the lot for membership purposes. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association.

**ARTICLE VI
VOTING RIGHTS**

The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners of one or more lots, except D.R. Horton, Inc.-Minnesota, a Delaware corporation (the "Declarant"), and shall be entitled to one (1) vote for each lot owned. When more than one person or entity shares ownership of a lot, the vote shall be exercised as they determine among themselves.

Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each lot owned by it. The Class B membership shall cease and be converted to Class A membership on the earlier of:

- (a) December 31, 2007, or
- (b) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership.

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**

3 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 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>
Charlie Warren	1901 Ascension Boulevard Suite 100 Arlington, Texas 76006
Neil Hansen	3459 Washington Drive, Suite 204 Eagan, Minnesota 55122
Carolyn Young	3459 Washington Drive, Suite 204, Eagan, MN 55122

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 (1) year, one (1) of the directors for a term of two (2) years and one (1) of the directors for a term of three (3) years; and at each annual meeting thereafter, the Members shall fill any vacancies on the Board of Directors for a term of three (3) years.

**ARTICLE XIII
INCORPORATORS**

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

<u>Name</u>	<u>Address</u>
Charlie Warren	1901 Ascension Boulevard Suite 100 Arlington, Texas 76006
Neil Hansen	3459 Washington Drive, Suite 204 Eagan, Minnesota 55122
Carolyn Young	3459 Washington Drive, Suite 204, Eagan, MN 55122

**ARTICLE IX
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 X
CAPITAL STOCK**

The Association shall have no capital stock.

**ARTICLE XI
DISSOLUTION**

The Association may be dissolved by a vote of the Members entitled to cast two-thirds (2/3) 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 XII
DURATION**

The Association shall exist perpetually.

**ARTICLE XIII
AMENDMENTS**

These Articles may be amended at a regular or special 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.

IN WITNESS WHEREOF, we have hereunto executed these ARTICLES OF INCORPORATION effective this 17th day of Sept., 1997.

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Charlie Warren
Charlie Warren

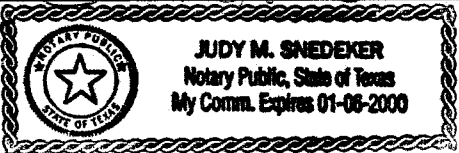
Neil Hansen
Neil Hansen

Carolyn Young
Carolyn Young

STATE OF TEXAS)
) ss.
COUNTY OF TARRANT)

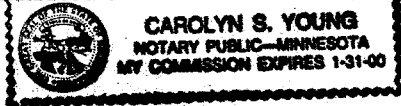
On this 22nd day of SEPTEMBER 1997, before me, a notary public, personally appeared Charlie Warren, an incorporator of Stonebrooke Homeowners Association, Inc., to me known to be the person described in, and who executed, the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

Judy M. Sneider
Notary Public



STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

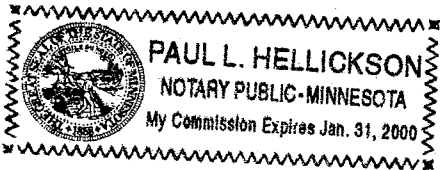
On this 17th day of September 1997, before me, a notary public, personally appeared Neil Hansen, an incorporator of Stonebrooke Homeowners Association, Inc., to me known to be the person described in, and who executed, the foregoing instrument, and acknowledged that he executed the same as his free act and deed.



Carolyn Young
Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

On this 17th day of September 1997, before me, a notary public, personally appeared Carolyn Young, an incorporator of Stonebrooke Homeowners Association, Inc., to me known to be the person described in, and who executed, the foregoing instrument, and acknowledged that she executed the same as her free act and deed.



Paul L. Hellierson
Notary Public

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EXHIBIT A

Legal Description of the Property

Lots 1 through 9 inclusive, Block 1,
Lots 1 through 5 inclusive, Block 2,
Lot 1, Block 3,
Lots 1 through 5 inclusive, Block 4,
Lot 1, Block 5,
Lot 1, Block 6, all in Zweber Farm First Addition
Outlots A,B, C, D, and E All in Zweber Farm First Addition

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED

NOV 05 1997

Grant Anderson Howe
Secretary of State

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