

JONATHAN ASSOCIATION BOARD RESEARCH

March 1, 2014

TOPIC:

Letting Neighborhoods Out of Jonathan/Dissolving the Association

The only legally correct process for “letting neighborhoods out of Jonathan” and/or “Dissolving the Association” is addressed and explained in the Articles of Incorporation for the Jonathan Association. The Articles of Incorporation were executed and notarized on May 21, 1971. This governing document trumps the Association’s bylaws, should there be any conflict between the two documents. Amendment of the Articles of Incorporation requires the assent of two-thirds (2/3) of each class of members of the Association. As of 03-01-2014 it is understood that there are 2,622 member properties in the Association; two-thirds (2/3) of which is 1,757.

In an effort to make sure that the Association’s bylaws do not conflict with the Association’s Articles of Incorporation, the following amendment to the bylaws was passed by a vote of 48-2 at the Annual Meeting of the Members of the Jonathan Association on 02-18-2014:

Article 8 Powers and Duties of the Board of Directors

Section (j):

Enforce the provisions, as outlined in Articles II, IV and X of the Articles of Incorporation which preclude the dissolution or release of properties from governance by the Association. Any and every alternative proposed action by the Board, or its legal counsel, regarding dissolution or release of properties from Association governance shall be deemed a deviation from Articles II, IV and X of the Articles of Incorporation. These types of actions must be first approved by an affirmative, majority vote of the Members at a duly called Annual or Special meeting of the Association. At any such meeting called for the foregoing purpose, the meeting notice shall clearly inform the Members of the intent to deviate from the Articles of Incorporation and clearly identify any and every property proposed for release from the Association. At any such meeting, the required quorum shall be a minimum of fifty percent (50%) of the Members, who must be present in person or by proxy.

Article II of the Articles of Incorporation makes it clear that no “selling”, “conveying” or “transferring” of any part of the Common Areas...or any right title, estate, or interest therein shall be legally effective unless assented to by two-thirds (2/3) vote of the members of the Association.

Article IV of the Articles of Incorporation makes it clear that a meeting called for the purpose of gaining the mandated two-thirds (2/3) vote of the members must be announced by “written notice” not less than 30 days nor more than 60 days prior to the meeting. Furthermore, at such meeting called for this purpose, a representation of those members present and those members represented by proxies must total a minimum of 60% of all the members in order to constitute a legal quorum.

Article X of the Articles of Incorporation makes it clear that the Jonathan Association may not ever be dissolved (dissolution) without the assent given in writing and signed by not less than two-thirds (2/3) of each class of members of the Association.

THUS,

- The Jonathan Board of Directors cannot release or let neighborhoods out of the Association, nor can the Board release (dedicate, sell, grant, bargain, convey or transfer) all or any part of the Common Areas
- No Committee of the Association or its Board of Directors can release or let neighborhoods out of the Association, nor can a Committee release (dedicate, sell, grant, bargain, convey or transfer) all or any part of the Common Areas
- No employee, agent or vendor of the Association – likely hired by the Board of Directors – can release or let neighborhoods out of the Association, nor can an employee, agent, or vendor of the Association release (dedicate, sell, grant, bargain, convey or transfer) all or any part of the Common Areas
- Without two-thirds (2/3) assent via vote of the Members, no neighborhood can be released from the Association; nor can any Common Areas be dedicated, sold, granted, bargained, conveyed or transferred out of the Association’s ownership

The members of the Jonathan Association should be on watch at all times to make sure that the Board of Directors, its management company, the Association’s legal counsel, employees, vendor’s and all agents are conducting themselves in accordance with the Articles of Incorporation. Actions which appear to intentionally violate the Articles of Incorporation should be immediately reported to the Minnesota State Bar Association, the MN Chapter of the Better Business Bureau, and the Community Associations Institute-MN Chapter.