

NONPROFIT

ARTICLES OF INCORPORATION

OF

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CHERRYWOOD HOMEOWNERS ASSOCIATION

In compliance with requirements of Article 7, Chapter 40 of the Colorado Revised Statutes, the undersigned, all of whom are residents of the State of Colorado and all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I

The name of the corporation is the Cherrywood Homeowners Association.

ARTICLE II

The principal office of the corporation is located at 499 Royal Ann Way, Grand Junction, Colorado 81504.

ARTICLE III

The address of the initial registered office of the corporation is 634 Main Street, Suite 100, Grand Junction, Colorado 81501, and the name of the initial registered agent at such address is Douglas A. Colaric, Esq.

ARTICLE IV  
PURPOSE AND POWERS  
OF THE ASSOCIATION

The Cherrywood Homeowners' Association, hereinafter called the "Association," does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residents lots and common area within that certain tract or property described as:

Cherrywood Subdivision, Mesa County, Colorado  
as noted in Cherrywood Subdivision Filings No. 1-3

and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association by annexation, as provided in Article IX herein, and for this purpose to:

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(a) Exercise all the powers and privileges and to perform all the duties and obligations of the Association as set forth in that certain declaration of covenants, conditions and restrictions (hereinafter called the "Declaration"), applicable to the property and recorded or to be recorded in the office of the Clerk and Recorder of Mesa County, State of Colorado, 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) Fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of this Declaration; to pay all the 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) 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) Borrow money, and with the assent of two-thirds (2/3) of each class of 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) Dedicate, sell or transfer all or any part of the common area to any public agency, authority, or 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 two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;

(f) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and common area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members;

(g) Have and to exercise any and all powers, rights and privileges which the corporation organized under the nonprofit corporation law of the State of Colorado by law may now or hereafter have or exercise.

#### ARTICLE V MEMBERSHIP

Every person or entity who is a record owner of fee or undivided fee interest in any lot which is subject by covenants of record to assessment by the Association shall be a member of

the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association. Ownership of the lot shall be the sole qualification for membership.

ARTICLE VI  
VOTING RIGHTS

The Association shall have one class of voting membership:

Class A. Class members shall be all those owners as defined in Article V with the exception of the declarant. Class A members shall be entitled to one vote for each lot in which they hold the interest required for membership by Article V. When more than one person holds such interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

ARTICLE VII  
BOARD OF DIRECTORS

The affairs of this Association shall be managed by a board of three directors, who shall be members of the Association. The number of directors may be changed by amendment of the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successor are:

NAME	ADDRESS
President: David Stewart	499 Royal Ann Way Grand Junction, CO 81504
Vice President: Brad Harrison	491 Royal Ann Way Grand Junction, CO 81504
Treasurer: Marlene Smith	482 Bing Lane Grand Junction, CO 81504

At the first annual meeting, the members shall elect one director for a term of one year, one director for a term of two years and one director for a term of three years; and at each annual meeting thereafter, the members shall elect one director for a term of three years.

ARTICLE VIII  
LIABILITIES

The highest amount of indebtedness or liability, direct or contingent, to which this Association may be subject in any one time shall not exceed ten percent (10%) of its income for the previous fiscal year, provided that additional amounts may be authorized by the assent of two-thirds (2/3) of the membership.

ARTICLE IX  
ANNEXATION OF ADDITIONAL PROPERTIES

The Association may, at any time, annex additional residential properties and common areas to the properties described in Article IV and so add to its membership under the provisions of Article V, provided that any such annexation shall have the assent of two-thirds (2/3) of the entire Class A membership.

ARTICLE X  
DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of Class A members. 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 the 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.

ARTICLE XI  
DURATION

The corporation shall exist perpetually.

ARTICLE XII  
AMENDMENTS

Amendment of these articles shall require the assent of two-thirds (2/3) of the entire membership.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Colorado, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 5<sup>th</sup> day of December, 1990.

David A. Stewart

Bradley D. Harrison

Markus Smith

STATE OF COLORADO )  
COUNTY OF MESA ) SS.

Subscribed and sworn to before me this 5<sup>th</sup> day of December, 1990, by David A. Stewart.

My commission expires: 8/29/94

(SEAL)

[Signature]  
Notary Public

STATE OF COLORADO )  
COUNTY OF MESA ) SS.

Subscribed and sworn to before me this 5<sup>th</sup> day of December, 1990, by Bradley D. Harrison.

My commission expires: 8/29/94

(SEAL)

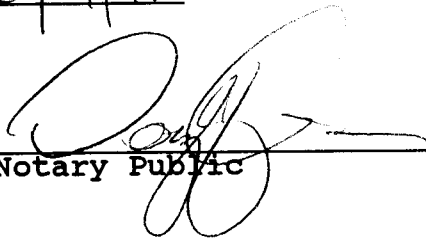
[Signature]  
Notary Public

STATE OF COLORADO )  
 ) SS.  
COUNTY OF MESA )

Subscribed and sworn to before me this 5<sup>th</sup> day of December,  
1990, by Marlene Smith.

My commission expires: 8/29/94

(SEAL)

  
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Notary Public