

19981113960 M
\$ 50.00
SECRETARY OF STATE
06-19-1998 14:24:08

ARTICLES OF INCORPORATION
OF

NONPROFIT

VILLA SAN MARCOS CONDOMINIUMS HOMEOWNERS ASSOCIATION

In compliance with the requirements of the Colorado Nonprofit Corporation Act, the undersigned, who is a resident of the State of Colorado, hereby establishes a corporation not for profit and adopts the following Articles of Incorporation:

ARTICLE I

NAME

The name of the corporation is VILLA SAN MARCOS CONDOMINIUMS HOMEOWNERS ASSOCIATION, hereafter called the "Association."

ARTICLE II

REGISTERED OFFICE AND AGENT

The registered office of the Association is located at 1015 N. 7th Street, Grand Junction, CO 81501, and the name of its initial registered agent at such office is LES SMITH.

ARTICLE III

DURATION

The Association shall have perpetual existence.

ARTICLE IV

NON-PROFIT STATUS

The Association does not contemplate pecuniary gain or profit, direct or indirect, to its members. The purposes for which it is formed are:

(a) To promote the health, safety and welfare of the residents within the subdivision known as the Villa San Marcos Condominiums Subdivision, in Mesa County, Colorado, filed with the Mesa County Clerk & Recorder.

(b) To fix assessments or charges to be levied against the properties, and to pay all expenses incident to the conduct of the business of the Association.


REGISTERED OFFICE COMPLETE

(c) To enforce any and all covenants, conditions, and restrictions set forth in the Declaration of Covenants, Conditions, and Restrictions of Villa San Marcos Condominiums (Declaration).

(d) To pay taxes, if any, on common properties and facilities.

(e) To perform those acts delegated to the Association pursuant to the Declaration.

(f) Insofar as permitted by law, to do any other thing that in the opinion of the Board of Directors, will promote the common benefit and enjoyment of the residents of the properties.

(g) To transact all lawful business for which non-profit corporation may be incorporated pursuant to the Colorado Nonprofit Corporation Code.

ARTICLE V

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Unit in Villa San Marcos Condominiums Subdivision, Mesa County, Colorado, including contract sellers, 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 any obligation. Membership shall be appurtenant to and may not be separated from ownership of any Unit which is subject to assessment by the Association. When more than one person holds an interest in any Unit, the vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Unit.

ARTICLE VI

BOARD OF DIRECTORS

(a) The affairs of this Association shall be managed by a Board of three Directors, who need not be members of the Association. The number of directors may be changed by amendment of the By-laws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

<u>Name</u>	<u>Address</u>
Les Smith	1015 N. 7th Street Grand Junction, CO 81501

C. Kay Sturdevent

961 South 1060 East
Springville, Utah 84663

Norma Sturdevent

961 South 1060 East
Springville, Utah 84663

(b) 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.

(c) The Association's directors and officers shall have the benefit of the same limitations on personal liability for any injury to person or property arising out of a tort as set forth in C.R.S. 7-5-119, as amended, for directors and officers, respectively, of corporations for profit.

(d) The Association shall indemnify the directors, officers, employees and agents to the full extent provided in C.R.S. 7-3-101.5, as amended, and said directors, officers, employees and agents shall have the full benefits thereunder as provided to such officials of corporations for profit.

(e) To the fullest extent permitted by the Colorado Corporation Code as the same exists or may hereafter be amended, a director of this Association shall not be liable to the Association or its members for monetary damages for breach of fiduciary duty as a director.

ARTICLE VII

DISTRIBUTION OF ASSETS ON DISSOLUTION OR FINAL LIQUIDATION

Upon dissolution of the Association the assets of the Association shall be applied and distributed as follows:

All liabilities and obligations of the Association shall be paid, satisfied and discharged, or adequate provisions shall be made therefor.

Assets held by the Association upon condition requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirements.

Assets received and held by the Association subject to limitations permitting their use only for charitable, religious, eleemosynary, benevolent, educational or similar purposes, but not held upon a condition requiring return, transfer or conveyance by reason of dissolution, shall be transferred or conveyed to one or more domestic

corporations, societies or organizations engaged in activities substantially similar to those of this Association. To the extent that the Association acting by and through its Board of Directors has discretion in the distribution of the assets of the Association, such assets shall be distributed exclusively for the purpose of the Association in such manner and to such organization or organizations organized and operating exclusively for charitable, education, religious or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision at any future United States Internal Revenue Law), as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the District Court of Mesa County, Colorado, sitting in equity or by a subsequently organized Court having similar jurisdiction in the premises if the principal office of the Association is located within such jurisdiction, exclusively for such purposes or to such organization or organizations as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE VIII

USE OF INCOME AND ASSETS

No part of the net income of this Association shall inure to the benefit of or be distributable to its members, trustees, officers, or other private persons, except that the institution shall be authorized and empowered to pay reasonable compensations for services actually rendered and to make payments and distributions in furtherance of the purposes for which such Association is organized. No part of the activities of the Association shall be carrying on of propaganda or otherwise attempting to influence legislation and the Association shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provisions of these Articles, this Association shall not carry on any other activities not permitted to be carried on by an Association except from income tax under §501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue Law) or by an association, contributions to which are deductible under §170(c)(2), 2055 and 2522 of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue Law).

ARTICLE IX

AMENDMENTS

Amendment of these Articles shall require the assent of seventy-five percent (75%) of the entire membership.

ARTICLE X

