

NONPROFIT

ARTICLES OF INCORPORATION
OF
CODY SUBDIVISION HOMEOWNERS ASSOCIATION, INC.
(A Nonprofit Corporation)

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SECRETARY OF STATE
01-26-95 11:13

The undersigned, who is a natural person and is eighteen years of age or older, hereby establishes a nonprofit corporation pursuant to the Colorado Nonprofit Corporation Act as amended and adopts the following Articles of Incorporation:

ARTICLE I
(Name)

The name of the nonprofit corporation is **CODY SUBDIVISION HOMEOWNERS ASSOCIATION, INC.**, (hereafter referred to as "Corporation").

ARTICLE II
(Purposes and Powers)

1. The Corporation is formed under the Colorado Nonprofit Corporation Act and is not for pecuniary profit or financial gain. No part of the income or net earnings of the Corporation shall inure to the benefit of, or be distributable to, any member, director, officer, agent or employee of the Corporation or any other person; except, however, reasonable compensation may be paid for services rendered to or for the Corporation affecting one or more of its purposes. Reimbursement may be made for any expenses incurred for the Corporation by any officer, director, agent or employee, or any other person or corporation, pursuant to and upon authorization of the Board of Directors. The Corporation shall not participate in or intervene (including the publishing or distributing of statements) in any political campaign on behalf of or in opposition to any candidate for public office. The Board of Directors may elect to qualify as a "Homeowners Association", as defined by the Internal Revenue Code, for tax purposes.

2. The Corporation shall have and may exercise all of the rights, powers and privileges now or hereafter conferred upon nonprofit corporations organized under the laws of Colorado. In addition, the Corporation may do everything necessary or convenient to effect any or all of the purposes for which the Corporation is organized and may conduct part or all of its business in any part of Colorado, the United States or the world.

ARTICLE III
(Duration)

The Corporation shall have a perpetual existence.

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**ARTICLE IV
(Members)**

1. This Corporation shall be a membership nonprofit corporation without certificates or shares of stock. As more fully provided in the Declaration of Covenants, Conditions, Restrictions and Easements (hereafter "Declaration"), the owner of record, whether one or more person(s) or entity(ies) who own(s) fee simple title to a lot which is subject to the Declaration, including the Declarant, shall be a member of the Corporation. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Ownership of a lot entitles the owner to one vote for each lot owned, except that, the Declarant shall be entitled to three votes for each lot owned.

2. Membership in the Corporation and the share of a member in the assets of the Corporation shall not be assigned, encumbered or transferred in any manner except as appurtenant to the transfer of title to the lot to which the membership pertains. Provided, however, that the rights of membership may be assigned to the holder of a mortgage, deed of trust or other security instrument on a lot as further security for a loan secured by a lien on such lot.

3. A transfer of membership shall occur automatically upon the transfer of title to the lot to which the membership pertains. Provided, however, that the Bylaws of this Corporation may contain reasonable provisions and requirements with respect to recording such transfers on the books and records of the Corporation.

4. Members shall have the right to purchase other lots and to exercise the membership rights appurtenant thereto as provided in the Declaration.

5. The Corporation may suspend the voting rights of a Member for failure to comply with the rules and regulations of the Bylaws of the Corporation or with any other obligation(s) of the owners of a lot under the Declaration. All members shall be entitled to vote on all matters, except any members who are in default in any obligation(s) to the Corporation. Cumulative voting is prohibited.

6. The Bylaws may contain additional provisions setting forth the rights, privileges, duties and responsibilities of the members. Provided, however, the provisions of these Articles of Incorporation and the Bylaws shall be subject to the covenants, terms and provisions of the Declaration which shall control in the event of any conflict, and the provisions of these Articles of Incorporation shall control over any conflicting provision in the Bylaws.

ARTICLE V
(Indemnification and Liability)

1. The following provisions are inserted for the management of the Corporation and for the conduct of the affairs of the Corporation, and the same are in furtherance of and not in limitation or exclusion of the powers conferred by law.

(a) **Indemnification.** The Corporation shall indemnify, to the maximum extent permitted by law, any person who is or was a director, officer, agent, fiduciary or employee of the Corporation against any claim, liability or expense arising against or incurred by such person made party to a proceeding because he is or was a director, officer, agent, fiduciary or employee of the Corporation or because he is or was serving another entity as a director, officer, partner, trustee, employee, fiduciary or agent at the Corporation's request. The Corporation shall further have the authority to the maximum extent permitted by law to purchase and maintain insurance providing such indemnification.

(b) **Limitation on Director's Liability.** No director of this Corporation shall have any personal liability for monetary damages to the Corporation or its voting members for breach of his fiduciary duty as a director, except that this provision shall not eliminate or limit the personal liability of a director to the Corporation or its voting members for monetary damages for: (i) any breach of the director's duty of loyalty to the Corporation or its voting members; (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (iii) voting for or assenting to a distribution in violation of Colorado Revised Statutes or the Articles of Incorporation if it is established that the director did not perform his duties in compliance with Colorado Revised Statutes, provided that the personal liability of a director in this circumstance shall be limited to the amount of the distribution which exceeds what could have been distributed without violation of Colorado Revised Statutes or the Articles of Incorporation; or (iv) any transaction from which the director directly or indirectly derives an improper personal benefit. Nothing contained herein will be construed to deprive any director of his right to all defenses available to a director nor will anything herein be construed to deprive any director of any right he may have for contribution from any other director or other person.

ARTICLE VI
(Dissolution, Merger or Consolidation)

The Corporation may be dissolved, merged or consolidated in the manner provided by Colorado law then in effect. Upon dissolution of the Corporation, other than incident to a merger or consolidation, the assets of the Corporation shall be distributed and transferred as the members may direct, subject to the

requirements, limitations and other provisions of the Bylaws and the Declaration. In such event, the assets may be granted, conveyed and assigned to any public agency, nonprofit corporation, association, trust or other organization to be devoted to purposes similar to those for which the Corporation was created. No member, director or officer of the corporation, or any other private individual shall be entitled to share in any distribution of any of the corporate assets upon dissolution of the corporation or otherwise.

**ARTICLE VII
(Board of Directors)**

The number of directors of the Corporation shall be fixed by the Bylaws, or if the Bylaws fail to fix such a number, then by resolution adopted from time to time by the board of directors, provided that the number of directors shall not be less than one. One director shall constitute the initial board of directors. The following person is elected to serve as the Corporation's initial director until the first annual meeting of the members or until his successor is duly elected and qualified:

NAME: John Davis
ADDRESS: 1023 24 Road
Grand Junction, Colorado 81505

**ARTICLE VIII
(Incorporator)**

The name and address of the incorporator is:

John Davis
1023 24 Road
Grand Junction, Colorado 81505

**ARTICLE IX
(Registered Agent/Address)**

The street address of the initial registered office of the corporation is 1023 24 Road, Grand Junction, Colorado 81505. The name of the initial registered agent of the corporation at such address is John Davis.

DATED the 23 day of January, 1995.



John Davis, Incorporator

I, John Davis, hereby consent to the appointment as the initial registered agent for **CODY SUBDIVISION HOMEOWNERS ASSOCIATION, INC.** (a nonprofit Corporation).

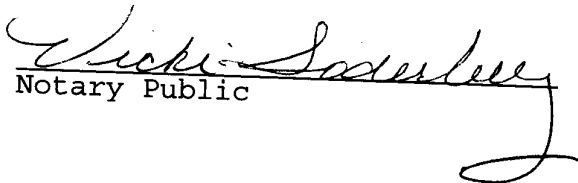


John Davis,
Initial Registered Agent

State of Colorado)
)ss.
County of Mesa)

The foregoing was subscribed and sworn to before me this 23rd day of Jan, 1995, by John Davis.

Witness my hand and official seal.
My commission expires: 6-25-95



Notary Public