

FILED
VICTORIA BUCKLEY
COLORADO SECRETARY OF STATE

**ARTICLES OF INCORPORATION
OF
SUNSET RIDGE HOMEOWNERS ASSOCIATION
(A NONPROFIT CORPORATION)**

The undersigned natural person, being more than twenty-one years of age, and acting as incorporator, does hereby establish a nonprofit corporation under and by virtue of the Colorado Revised Nonprofit Corporation Act and adopts the following Articles of Incorporation:

**ARTICLE I
NAME**

The name of the nonprofit corporation is: Sunset Ridge Homeowners Association, ("the Association").

**ARTICLE II
DURATION**

The Corporation shall have perpetual existence.

**ARTICLE III
NONPROFIT**

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The Corporation shall be a nonprofit corporation, without shares of stock.

**ARTICLE IV
PURPOSES**

The purposes for which the Corporation is formed are as follows:

(a) To be and constitute the Association to which reference is made in the Declaration of Covenants, Conditions, Restrictions and Easements (the "Declaration") for the Sunset Ridge Villas, located in Glenwood Springs, Colorado, which Declaration is to be recorded in the Office of the Clerk and Recorder of Garfield County, Colorado, and to operate the Common Interest Community for same, in accordance with the requirements for an association of Unit Owners charged with the administration of property under the Colorado Common Interest Ownership Act, C.R.S. 38-33.3-101, et seq., as amended from time to time (the "Act"). Each capitalized term not otherwise defined in these Articles shall have the meanings specified or used in the Act. Without limiting the generality of the foregoing, the Association may perform the following acts and services on a not-for-profit basis:

(i) To acquire, construct, manage, supervise, care for, operate, maintain, renew and protect any buildings, structures, grounds, roadways and other facilities, installations and appurtenances thereto relating to the property of the Common Interest Community; to enforce any and all covenants, restrictions and agreements applicable to

the Common Interest Community; and, insofar as permitted by law, to do any other thing that, in the opinion of the Executive Board, will promote the common benefit and enjoyment of the residents of the Common Interest Community.

(ii) To prepare estimates and budgets of the costs and expenses of rendering these services and the performance, or contracting or entering into agreements for this performance, as provided for in or contemplated by this subparagraph (ii); to apportion these estimated costs and expenses among the Unit Owners; and to collect these costs and expenses from the Unit Owners obligated to assume or bear the same; and to borrow money for the Association's purposes, pledging as security the income due from Unit Owners and from others, the property of the Association.

(iii) To enforce, on behalf of the Unit Owners, rules made or promulgated by the Executive Board with respect to the safe occupancy, reasonable use and enjoyment of the buildings, structures, grounds and facilities of the Common Interest Community, and, to levy fines to enforce compliance with these rules.

(iv) To perform, or cause to be performed, all other and additional services and acts as are usually performed by managers or managing agents of real estate developments, including without limitation, keeping or causing to be kept, appropriate books and records, preparing and filing necessary reports and returns, and making or causing to be made audits of books and accounts.

(b) To retain counsel, auditors, accountants, appraisers and other persons or services that may be necessary for or incidental to any of the activities described in this document.

(c) To do and perform, or cause to be performed, all other necessary acts and services suitable or incidental to any of the foregoing purposes and objects to the fullest extent permitted by law, and to acquire, sell, mortgage, lease or encumber any real or personal property for these purposes.

(d) To promote the health, safety, welfare and common benefit of the residents of the Common Interest Community.

(e) To do any and all permitted acts, and to have and to exercise any and all powers, rights and privileges which are granted to a Common Interest Community Association under the Act, the Declaration, the Bylaws, and the laws applicable to a nonprofit corporation of the State of Colorado.

The foregoing statements of purpose shall be construed as a statement of both purposes and powers. The purposes and powers stated in each clause shall not be limited or restricted by reference to or inference from the terms or provisions of any other clause, but shall be broadly construed as independent purposes and powers. The Association shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of the Association.

ARTICLE V MEMBERS

Every person, by virtue of being a Unit Owner and while such person is a Unit Owner, shall be a member of the Association. Membership shall be appurtenant to and may not be separated from Ownership of any Unit. Membership shall be automatically transferred upon the conveyance of a Unit. No Unit Owner, whether one or more persons, shall have more than one membership per Unit owned, but all of the persons owning each Unit shall be entitled to rights of membership and use and enjoyment appurtenant to such Ownership. Voting shall be based on one vote per Unit. The members shall be of one class as defined in the Declaration. Unit Owners shall elect all members of the Executive Board and shall otherwise have all rights of a Unit Owner as provided by the Act. Notwithstanding the foregoing, during the period of Declarant control as defined in the Act and in the Declaration, the Declarant of the Common Interest Community shall have certain superseding rights and powers as permitted under the Act and the Declaration, including the right to appoint members of the Executive Board. Holders of Security Interests in the Units may have, or be granted, rights of approval or disapproval for certain actions of the Association or its members.

ARTICLE VI EXECUTIVE BOARD

The initial Executive Board shall consist of three (3) persons, and this number may be changed by a duly adopted amendment to the Bylaws, except that in no event may the number of directors be less than three (3). The names and addresses of the persons who shall serve as directors until their successors shall be elected and qualified are as follows:

Duane R. Stewart
361 Southside Drive
Basalt, CO 81621

Peter Stewart
P.O. Box 1915
Carbondale, CO 81623

Thomas Ball
% Barker Company
6200 Andrew Court
Lincoln, NE 68512

ARTICLE VII LIMITATION OF LIABILITY

The Association shall indemnify its directors and officers to the fullest extent permitted by Colorado law as the same now exists or may hereafter be amended. The personal liability of a director or officer to the Association or its members for monetary damages for breach of fiduciary duty as a director or officer is limited to the fullest extent

permitted by Colorado law as the same now exists or may hereafter be amended. The foregoing provisions of this Article shall be deemed to be a contract between the Association and each director and officer who serves in such capacity at any time while this Article is in effect, and any repeal or modification hereof shall not affect the rights or obligations then or theretofore existing or any action, suit or proceeding theretofore or thereafter brought based in whole or in part upon any such stated facts. The foregoing right of indemnification shall not be deemed exclusive of any other rights to which any director or officer may be entitled apart from the provisions of this Article.

ARTICLE VIII DISTRIBUTION OF ASSETS UPON DISSOLUTION

Upon dissolution of the Association, the Executive Board shall provide for the distribution of all assets and liabilities of the Association in the following manner:

- (a) All liabilities and obligations of the Association shall be paid and discharged, or adequate provisions shall be made therefor.
- (b) Assets held by the Association on condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred, or conveyed in accordance with such requirement.
- (c) 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 the dissolution shall be transferred or conveyed to one or more domestic or foreign corporations societies, or organizations engaged in activities similar to those of this Association, in accordance with a plan of distribution adopted pursuant to the Colorado Nonprofit Corporation Act which is not inconsistent with these Articles of Incorporation.
- (d) Assets received and held by the Association not subject to liabilities, conditions or use limitations, as specified in paragraphs (a), (b) and (c) above, shall be distributed to the Owners of Units pro rata according to their ownership interests as specified in the Declaration.
- (e) Any remaining assets may be distributed to such persons, societies, organizations, governmental entities, political subdivisions, or domestic or foreign corporations, whether for profit or nonprofit, as may be specified in a plan of distribution adopted pursuant to the Colorado Nonprofit Corporation Act and which is not inconsistent with these Articles of Incorporation.

ARTICLE IX INITIAL REGISTERED OFFICE, AGENT AND PRINCIPAL OFFICE

The address of the initial registered office of the Association is 361 Southside Drive, Basalt, Colorado, 81621. The name of its initial registered agent at such address is Duane

R. Stewart. The address of the initial principal office of the corporation is 361 Southside Drive, Basalt, Colorado, 81621.

ARTICLE X
INCORPORATOR

The name of the incorporator is Duane R. Stewart and the incorporator's address is 361 Southside Drive, Basalt, Colorado, 81621.

ARTICLE XII
AMENDMENT

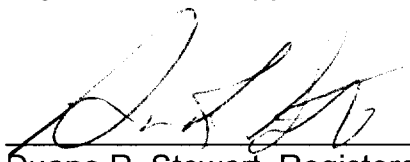
Amendment of these Articles shall require the assent of at least 67 percent of the Members.

IN WITNESS WHEREOF, the undersigned has subscribed his name to these Articles of Incorporation this 30th day of September, 1998,



Duane R. Stewart, Incorporator

The undersigned, **Duane R. Stewart**, hereby consents to appointment as the initial registered agent as provided above.



Duane R. Stewart, Registered Agent