

# **ARTICLES OF INCORPORATION FOR A NONPROFIT CORPORATION**

The undersigned, acting as incorporator, establishes a corporation pursuant to the provisions of the Colorado Nonprofit Corporation Act. These articles of incorporation consist of three (3) pages of typewritten text.

## **ARTICLE 1 NAME OF CORPORATION**

The name of the corporation is: **PHEASANT RIDGE HOMEOWNERS ASSOCIATION.**

## **ARTICLE 2 PURPOSES AND POWERS**

- 2.1 Purposes. This corporation is organized for the purpose of acting as a unit owner's association pursuant to the Colorado Common Interest Ownership Act codified at the time this corporation is formed at Colorado Revised Statutes Sections 38-33.3-101 et. Seq. ("the CCIOA"), for the Planned Community, Pheasant Ridge Estates, whose subdivision plat is recorded in the Office of the Mesa County Clerk and Recorder ("the Community"), formed in the Declaration of Covenants, Conditions and Restrictions of Pheasant Ridge Estates ("the Declaration").
- 2.2 Powers. The corporation shall have all of the rights, privileges and powers now or subsequently conferred on nonprofit corporations and on unit owner's associations by the laws of Colorado. The corporation shall have and may exercise all powers necessary or convenient to affect any of the purposes for which the corporation has organized.
- 2.3 Conflicts. Pursuant to Colorado Revised Statutes Sections 38-33.3-319, to the extent that provisions of the CCIOA conflict with the Colorado Nonprofit Corporation Act, articles 20 to 29 of title 7, C.R.S., the CCIOA shall control.

## **ARTICLE 3 DURATION**

3.1 Period of Duration. The corporation shall exist until the Community is terminated pursuant to the Declaration.

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3.2 Disposition of Assets Upon Dissolution. Upon dissolution, the property of the corporation shall be distributed as provided for by the CCIOA and the Declaration.

#### **ARTICLE 4 BOARD OF DIRECTORS**

4.1 The Board of Directors. There shall be a board of directors for the corporation which shall initially have the three members set out in this article. The board of directors shall thereafter be constituted in accordance with the bylaws, which may increase or decrease this number from time to time, but no decrease in number shall have the effect of shortening the term of any incumbent director. In the absence of a bylaw fixing the number of members of directors, the board of directors shall have three members. This board of directors shall be for all purposes the executive board described in the CCIOA and the directors shall be the members of the executive board for all purposes.

4.2 The name and addresses of the initial members of the board of directors are:

Edison S. Lenhart, 1132 24 Road, Grand Junction, Colorado 81505

Kathryn M. Lenhart, 1132 24 Road, Grand Junction, Colorado 81505

Robert G. Hall, 2865 Walnut Avenue, Grand Junction, Colorado 81501

4.3 The initial board of directors shall hold office until the first annual election of directors or for such other period as may be specified in the bylaws. Thereafter, directors shall be elected in the manner and for the terms provided in the bylaws. In the absence of a provision in the bylaws fixing the term of office, the term of office of a director shall be one year.

#### **ARTICLE 5 BYLAWS**

The initial bylaws of the corporation shall be adopted by the board of directors. Such bylaws shall be consistent with the Declaration and with the CCIOA. The power to alter, amend, or repeal the bylaws or adopt new bylaws shall be as provided for in the bylaws.

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## **ARTICLE 6 MEMBERSHIP**

The corporation shall have two classes of members, Class A and Class B, and the qualifications and rights of the members shall be set forth in the bylaws. Class B memberships shall be convertible into Class A memberships as provided for in the bylaws.

## **ARTICLE 7 RESTRICTION ON TRANSFER OF MEMBERSHIP**

The board of directors may adopt provisions in the bylaws which will impose reasonable restrictions on the transfer of membership.

## **ARTICLE 8 INITIAL REGISTERED OFFICE AND AGENT**

The address of the initial registered office of the corporation and the name of the initial registered agent at that address is Just Companies, Inc., a Colorado Corporation, with the address 1826 21 ½ Road, Grand Junction, Colorado 81505.

## **ARTICLE 9 INDEMNIFICATION OF BOARD MEMBERS**

The corporation shall indemnify its directors to the full extent permitted by Colorado law.

## **ARTICLE 10**

**LIMITATION OF LIABILITY**

- 10.1 Breach of Fiduciary Duty. Officers and directors are required to exercise the care required of fiduciaries of members, if such officers and board members are appointed by the incorporator.
- 10.2 No director and no officer of the corporation shall be liable for actions taken or omissions made in the performance of such duties except for wanton and willful acts or omissions, if such director or officer is not appointed by the incorporator.
- 10.3 Obligations of Corporation. The directors, officers, employees and members of the corporation shall not, as such, be liable on its obligations.

**ARTICLE 11  
INCORPORATOR**

The name and address of the incorporator is Just Companies, Inc. A Colorado Corporation with the address 1826 21 1/2 Road, Grand Junction, Colorado 81505.

Dated: 09/20/96

INCORPORATOR:

JUST COMPANIES, INC.

BY: Edison J. Lenhart  
President

Consent of Registered Agent:

I consent to act as the initial registered agent for the corporation.

Dated: 09/20/96

REGISTERED AGENT:

JUST COMPANIES, INC.

BY: Edison J. Lenhart

President

**THE BYLAWS OF  
PHEASANT RIDGE HOMEOWNERS ASSOCIATION**

**ARTICLE 1  
THE NATURE OF THE ASSOCIATION**

Section 1. Incorporation. Pheasant Ridge Homeowners Association is a corporation established as a unit owner's association pursuant to the provisions of the Colorado Common Interest Ownership Act ("the CCIOA") and the Colorado Nonprofit Corporation Act.

Section 2. Purpose. Pheasant Ridge Homeowners Association is a unit owner's association for the Planned Community, Pheasant Ridge Estates ("the Community") whose subdivision plat ("the Plat") is recorded in the Office of the Mesa County Clerk and Recorder. The community was formed in the Declaration of Covenants, Conditions, and Restrictions of Pheasant Ridge Estates ("the Declaration").

Section 3. Conflicts. Pursuant to Colorado Revised Statutes Sections 38-33.3-319, when the Colorado Nonprofit Corporation Act and the CCIOA are in conflict the CCIOA shall control. If these bylaws shall be inconsistent, in any regard, with a specific provision of the Plat or the Declaration, the Plat and the Declaration shall control as to that inconsistency. If the

Declaration shall be inconsistent, in any regard, with a specific provision of the Plat, the Plat shall control as to that inconsistency over both the Declaration and Bylaws.

**ARTICLE 2  
PRINCIPAL OFFICE**

Section 1. Principal Place of Business. The principal office of the corporation shall initially be located at 1826 21 ½ Road, Grand Junction, Colorado 81505. The board of directors may change the principal place of business at any time. The corporation may also have offices at other places within or outside of Colorado as the board of directors may from time to time approve.

**ARTICLE 3  
MEMBERS**

Section 1. Classes. The corporation shall have two classes of members, Class A and Class B, until provided otherwise by the Declaration.

Section 2. Qualifications, Rights and Obligations. Members shall have the qualifications, rights and obligations set forth in the Declaration.

**ARTICLE 4  
MEETINGS OF MEMBERS**

Section 1. Annual Meeting. The annual meeting of the members of the corporation shall be held each year on such date as may be fixed by the board of directors. The annual meeting shall be held for the election of directors and the transaction of such other business as may properly come before it. At each annual meeting, the board of directors shall submit to the membership a report of the corporation's business activities during the preceding year and the general financial condition of the corporation.

Section 2. Special Meetings. Special meetings of the members may be called by or at the direction of the president, secretary or chairperson of the board, by the Board of Directors, or by petition of members with the right to vote at least twenty percent (20%) of the owners presented to the president, secretary or chairperson of the board.

- Section 3. Notice of Meetings. Notice of any meetings, annual or special, shall specify the time, place and purpose of the meeting and shall be delivered, either personally or by mail, to all members. Notice for meetings shall be sent not less than 10 and no more than 50 days prior to the meeting.
- Section 4. Quorum. A quorum is deemed present throughout any meeting of the members if person entitled to cast twenty percent of the votes which may be cast for election of the board of directors are present, in person or by proxy at the beginning of the meeting.
- Section 5. Voting. Members shall have the right to vote based on the class of their membership as provided for in the Declaration. No votes allocated to a unit owned by the corporation may be cast. All acts and resolutions of the members shall be deemed adopted upon a favorable vote of a majority of the votes cast by members qualified to vote. A member entitled to vote may vote in person or by proxy executed in writing by the members of the members duly authorized attorney in fact. Members holding one-tenth of the votes entitled to be cast on the matter shall constitute a quorum.
- Section 6. Action Without Meeting. Any action which might be taken at a meeting of the members may be taken without a meeting if a consent in writing, setting forth the action taken, is signed by all the members entitled to vote.
- Section 7. Proxies. Votes allocated to a unit may be cast pursuant to a proxy duly executed by a unit or lot owner. If a lot is owned by more than one person, each owner of the lot may vote or register protest to the casting of votes by the other owners of the lot through a duly executed proxy. A lot owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the corporation. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven months after its date, unless it provides otherwise.

## **ARTICLE 5 BOARD OF DIRECTORS**

- Section 1. Directors. The corporation shall have a board of directors consisting of at least three members and a majority of the Directors shall be persons owning Lots within the Planned Community, unless the CCIOA shall be amended to provide otherwise. Until otherwise resolved by the Board of

Directors there shall be three directors. Directors shall not be required to be residents of Colorado or members of the corporation to serve except as provided in the preceding sentence. Directors shall serve a term of one year or until their successors are elected and qualify.

- Section 2. Vacancies. Vacancies on the board of directors may be filled for the unexpired term of the predecessor in office by a majority vote of the remaining directors at any meeting of the board of directors. A vacancy created by an increase in the number of directors may be filled for a term of office continuing only until the next election of directors.
- Section 3. Power and Duties of the Directors. The board of directors shall have control and general management of the affairs, property and business of the corporation including all powers delegated to them by the Declaration and, subject to these bylaws, the articles of incorporation, and the Declaration, may adopt such rules and regulations for that purpose and for the conduct of its meetings as the board of directors may deem proper. The powers shall include but not be limited to the appointment and removal of the officers of the corporation specified in these bylaws.
- Section 4. Election of Directors. The election of directors shall be at the annual meeting of the membership in accordance with the Declaration and at such additional times as are required by the Declaration prior to the conversion of all memberships into a single class, and shall be by secret ballot. Nominees receiving the greatest number of votes shall be elected, subject to the limitations placed on this right while there are two classes of membership by the Declaration.
- Section 5. Chairperson of the Board. From among its members, the board of directors shall elect a chairperson of the board. The chairperson of the board shall preside at meetings of the board of directors.
- Section 6. Removal. Lot owners entitled to vote Class A shares, by vote of sixty-seven percent (67%) of all votes cast at any meeting of the members at which a quorum is present and entitled to vote, may remove any member of the Board, with or without cause, other than a member of the Board voted into office by the Class B shares. Any Board member voted into office by Class B shares may only be removed by a vote of sixty-seven percent (67%) of such Class B shares voting at a meeting at which a quorum of such shares is present.
- Section 7. Open Meetings. All regular and special meetings of the board of directors

or any committee thereof, shall be open to attendance by all members of the corporation or their representatives.

The members of the board of directors or any committee thereof may however, hold an executive or closed door session and may restrict attendance to board members and such other persons requested by the board during a regular or special meeting, or a part thereof so long as the matters for discussion in executive or closed session are limited to: (a) matters pertaining to employees of the association or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the corporation; (b) consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client; (c) investigative proceedings concerning possible or actual criminal misconduct; (d) matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure; or (e) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy.

Prior to the time the members of the board of directors or any committee thereof convene in executive session, the chair of the body shall announce the general matter of discussion as enumerated above.

No rule or regulation of the board or any committee thereof shall be adopted during an executive session. A rule or regulation may be validly adopted only during a regular or special meeting or after the body goes back into regular session following an executive session. The minutes of all meetings at which an executive session was held shall indicate that an executive session was held, and the general subject matter of the executive session.

## **ARTICLE 6 MEETINGS OF DIRECTORS**

Section 1. Annual Meeting. The annual meeting of the board of directors shall be held immediately after and at the same place where the annual meeting of the membership has been held. The meeting will be held for the purpose of electing officers, appointing committees and for the transaction of any other business as may properly come before the board of directors. No notice shall be required for the annual meeting of the board of

directors.

- Section 2. Special Meetings. Special meetings of the board of directors may be called by or at the direction of the president or the chairperson of the board.
- Section 3. Notice of Meetings. Except for the annual meeting of the board of directors, notice of the time and place of any meeting of the board of directors shall be given, either written or orally, not later than 10 days prior to the meeting. Neither the business to be transacted at nor the purpose of any regular or special meeting need be specified in the notice or waiver of the meeting.
- Section 4. Voting. At all meetings of the board of directors, a majority of the board of directors shall constitute a quorum for the transaction of business. The act of the majority of the directors present when there is a quorum shall be the act of the directors.
- Section 5. Action Without Meeting. Any action which might be taken at a meeting of the board of directors may be taken without a meeting if a consent in writing, setting forth the action taken is signed by all of the directors entitled to vote.

## **ARTICLE 7 OFFICERS, COMMITTEES AND DUTIES**

- Section 1. Officers and Committee Members. The officers of the corporation shall consist of a chairperson of the board, a president, one or more vice presidents, a secretary and a treasurer. Any two or more offices and/or committee seats may be held by the same person, except the offices of a president and secretary. The Chairperson of the Board must be a member of the board of directors. Officers and committee members shall be elected by the board of directors at the annual meeting of the directors. A vacancy in any office may be filled by the board of directors at any regular or special meeting called for that purpose.

- Section 2. Chairperson of the Board. The chairperson of the board shall preside at all meetings of the members and the board of directors, and may have any other powers and duties as may be conferred by the board of directors.
- Section 3. President. The president shall, subject to the direction and supervision of the board of directors, be the chief executive officer of the corporation and shall have general and active control of its affairs and business and general supervision of its officers, agent and employees. The president shall have the authority to sign all contracts and other instruments on behalf of the corporation, except as the authority may be restricted by resolutions of the board of directors adopted from time to time.
- Section 4. Vice Presidents. Vice Presidents shall have the duties that the board of directors or the president may delegate to them from time to time. In the absence of the president or his or her inability to act, the duties and powers of the office shall be performed and exercised by a vice president.
- Section 5. Secretary. The secretary shall keep the minutes and act as secretary of all meetings of the members and of the board of directors. The secretary shall be the custodian of the corporation records. The secretary shall perform all duties usually incident to the office of the secretary, those duties specified in these bylaws, and other duties that may from time to time be assigned by the board of directors.
- Section 6. Treasurer. The treasurer shall have general supervision over the care and custody of the funds and securities of the corporation and shall deposit the same or cause the same to be deposited in the name of the corporation in the bank or banks, trust company or trust companies, that the board of directors may designate. The treasurer shall keep or cause to be kept full and accurate accounts of all receipts and disbursements of the corporation and whenever required by the board of directors, shall render or cause to be rendered financial statements of the corporation.
- Section 7. Architectural Control Committee. The Architectural Control Committee shall consist of the Board of Directors until it sees fit to appoint a separate committee. If the board of directors appoints a separate committee it

shall have three or more members appointed by the board, each with a single vote. This committee shall be deemed a committee of the board. The quorum for the committee shall be three members or a majority of the committee, whichever is greater. If the Board does not designate a chairperson for the committee, the committee shall elect a chairperson from its membership. The chairperson of the committee shall preside at all meetings of the committee, and may have any other powers and duties as may be conferred by the board of directors. The Architectural Control Committee shall have the powers vested in it by the Declaration.

Section 8. Amendment to the Declaration. The President, the Vice President, or the Secretary may prepare, execute, certify, and record amendments to the Declaration on behalf of the association.

Section 9. Removal. Any officer and any committee member may be removed by the board of directors when in their judgment the best interests of the corporation will be served thereby. The removal of an officer shall be without prejudice to contract rights, if any, of the officer so removed. The election or appointment of an officer or agent or committee member shall not of itself create contract rights.

## **ARTICLE 8 LOANS TO DIRECTORS AND OFFICERS PROHIBITED**

No loans shall be made by the corporation to its directors or officers. Any director or officer who assents to or participates in the making of any such loan shall be liable to the corporation for the amount of such loan until the repayment thereof.

## **ARTICLE 9 DELEGATION OF AUTHORITY BY THE BOARD OF DIRECTORS OR OFFICERS**

Section 1. General Rule. Except as otherwise provided herein, the Board of Directors, the Officers, any Committees, or Committee members may delegate any of its powers to other persons or to a managing agent.

Section 2. Non-Delegable Powers. A member of the Board of Directors, the Officers, and Committee members may not delegate the power they receive as a consequence of their offices to vote; participate in meetings; prepare, execute, certify, and record amendments to the Declaration; adopt, amend, or repeal bylaws or articles of incorporation. No power belonging to the Board of Directors may be delegated without a resolution of the Board of Directors. No power belonging to a Committee may be delegated without a majority vote in favor of the action by the Committee. No power under Article 9 of this act may be delegated without a resolution of the Board of Directors.

Section 3. Caveat. This article shall not be deemed to impair the right of a member to vote by proxy in a membership meeting.

## **ARTICLE 10 NEGOTIABLE INSTRUMENTS**

Section 1. Signature on Checks, Etc. All checks, drafts, bills of exchange, notes or other obligations or orders for the payment of money shall be signed in the name of the corporation by the officers or persons that the board of directors of the corporation may from time to time designate by resolution.

## **ARTICLE 11 AMENDMENTS**

Section 1. The board of directors shall have the power to alter, amend or repeal the bylaws of the corporation at any regular meeting of the board of directors or at any special meeting called for that purpose by majority vote. Such bylaws must however, be consistent with the Articles of Incorporation of the corporation, with the Declaration, with the Colorado Nonprofit Corporations Act to the extent that it is not inconsistent with the CCIOA.

Section 2. The articles of incorporation may be amended on resolution of the board of directors approved by an instrument signed by not less than two-thirds of the Class A and Class B votes of all lots existing within the planned community at the time such amendment is proposed. A resolution to amend may also be submitted to the members for approval by instrument on the request of at least one-twentieth of the members entitled to vote

on the resolution. In either case, such resolution must propose amendment consistent with the Declaration and with the CCIOA as of the date it is to take effect.