

NONPROFIT

**ARTICLES OF INCORPORATION
OF
ORCHARD RUN HOMEOWNER'S ASSOCIATION, INC.**

The undersigned hereby signs and acknowledges, for delivery in duplicate to the Secretary of State of Colorado, these Articles of Incorporation (these "Articles") for the purpose of forming a nonprofit corporation under the Colorado Nonprofit Corporation Act (the "Act") in conformance with the Colorado Common Interest Ownership Act ("CCIOA").

ARTICLE I

NAME

The name of the corporation is Orchard Run Homeowner's Association, Inc. (the "Association").

ARTICLE II

PRINCIPAL OFFICE

FILED
DONETTA DAVIDSON
COLORADO SECRETARY OF STATE

The principal office of the Association is at 616 Devin Dr., Grand Junction, Colorado 81504.

ARTICLE III

DURATION

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\$ 50.00
SECRETARY OF STATE
04-25-2000 10:38:42

The period of duration of the Association will be perpetual.

ARTICLE IV

PURPOSES

The Association is organized to be and constitutes the Association to which the Orchard Run Subdivision Declaration (the "Declaration") refers. The Declaration, as amended has been recorded in the real property records of Mesa County, Colorado. All initially capitalized terms used in these Articles have the same meanings as used in the Declaration, unless otherwise defined in these Articles.

ARTICLE V

POWERS

The Association has all of the powers which a nonprofit corporation may exercise under the Act, CCIOA and the laws of the State of Colorado in effect from time to time.

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ARTICLE VI

REGISTERED OFFICE AND AGENT

The initial registered office of the Association is at 616 Devin Dr., Grand Junction, Colorado 81504. The initial registered agent of the Association at the registered office is Percy Chapman.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of the Association will be managed by Board of Directors. The duties, qualifications, number and term of directors and the manner of their election, appointment and removal will be as set forth in the Bylaws.

There are seven members of the Board of Directors. The names and addresses of the persons who serve as the initial directors are:

<u>Name</u>	<u>Address</u>
Percy Chapman	P.O. Box 613 Clifton, CO 81520
John Carson	P.O. Box 613 Clifton, CO 81520
T.J. Hernandez	P.O. Box 613 Clifton, CO 81520
Carole Klingensmith	P.O. Box 613 Clifton, CO 81520
Mary Morgan	P.O. Box 613 Clifton, CO 81520
Dennis Beard	P.O. Box 613 Clifton, CO 81520
Deanna Saelens	P.O. Box 613 Clifton, CO 81520

ARTICLE VIII

MEMBERS

Each Person, or if more than one, all Persons collectively, constituting the Owner of a Unit is a member of the Association. Each membership is appurtenant of the fee simple title to a Unit. Membership in the Association automatically terminates when a Person ceases to be otherwise, and the new Owner automatically succeeds to the membership in the Association. The Association will recognize a new member upon presentation by a new Owner of satisfactory evidence of the sale, transfer, succession, disposition, foreclosure or other transfer of a Unit. Membership in the Association may not be transferred, pledged or alienated in any way, except recognized by the Association. The Association will have no more than one class of members, as provided for in the Bylaws. In matters coming before the Association for which a vote of the Owners is required, each member has a percentage of the votes in the Association equal to the Common Allocation allocated to each Unit owned by the member, except that the Association itself is not entitled to any votes for any Unit it owns.

ARTICLE IX

PROXY VOTING

A member may vote in person, as provided in the Bylaws, and may be authorized in the Bylaws to vote by proxy on any matters on which the member is entitled to vote.

ARTICLE X

CUMULATIVE VOTING

Cumulative voting by members in the election of directors is not permitted.

ARTICLE XI

BYLAWS

The Board of Directors has the power to make and alter Bylaws, not inconsistent with these Articles, the laws of the State of Colorado or the Declaration, for the administration and regulation of the affairs of the Association. The Board of Directors may alter, amend or repeal the Bylaws or adopt new Bylaws, subject to the provisions of the Bylaws.

ARTICLE XII

AMENDMENT OF ARTICLES

The Association may amend these Articles of Incorporation from time to time in accordance with the Act by vote of the members, but only so long as these Articles as amended contain provisions that are lawful under the Act and are not contrary to or inconsistent with any provision of the Declaration. Notwithstanding the previous sentence, the Board of Directors may change the Association's registered office and the Association's registered agent.

ARTICLE XIII

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than 67% of the Members present at a meeting of the Members at which a quorum is present at the time the questions of dissolution are considered. Upon dissolution of the Association, the assets, both real and personal of the Association, will be dedicated to an appropriate public agency to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. In the event that such dedication is refused acceptance, such assets will be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes and uses that would most nearly reflect the purposes and uses to which they were required to be devoted by the Association.

ARTICLE XIV

INDEMNIFICATION AND LIMITATION OF LIABILITY

A. Indemnification. The Association will indemnify, to the maximum extent permitted by law, any person who is or was a director or officer of the Association, and may indemnify any other person, against any claim, liability or expense arising against or incurred by the person made party to a proceeding because he or she is or was a director, officer, agent, fiduciary or employee of the Association or because he or she is or was serving another entity as a director, officer, partner, trustee, employee, fiduciary or agent at the Association's request. The Association may, to the maximum extent permitted by law, purchase and maintain insurance providing such indemnification to any person by general or specific action of the board of directors, the bylaws of the Association, contract or otherwise. The Association may obtain and maintain directors' and officers' insurance and such other insurance as deemed appropriate by the board of directors from time to time.

B. Limitation on Directors' Liability. No director of the Association has any personal liability to the Association or its members for monetary damages for breach of his fiduciary duty as a director, except that the terms of this Article XIII do not eliminate or limit the personal liability of a director to the Association or to its members for monetary damages for: (i)

The undersigned having been named as the Initial Registered Agent in the Articles of Incorporation of Orchard Run Homeowner's Association, Inc., hereby consents to his appointment as the Initial Registered Agent of Orchard Run Homeowner's Association, Inc., and agrees to perform the duties of a Registered Agent for Orchard Run Homeowner's Association, Inc. as required by the Colorado Business Corporation Act.

Percy Chapman
Percy Chapman, Initial Registered Agent

STATE OF COLORADO)
) ss.
COUNTY OF Mesa)

The foregoing instrument was acknowledged before me this 8th day of January, ~~1999~~ 2000, by Percy Chapman.

Witness my hand and official seal.

My commission expires: 1/30/2001

T. Hernandez
Notary Public

