

ARTICLES OF INCORPORATION

OF

THE BERTHOUD ESTATES COMMUNITY ASSOCIATION

The undersigned acting as incorporator under the Colorado NonProfit Corporation Act adopts the following Articles of Incorporation for such corporation:

ARTICLE ONE - NAME: The name of the corporation is THE BERTHOUD ESTATES COMMUNITY ASSOCIATION, hereinafter referred to as the "Association".

ARTICLE TWO - DURATION: The corporation shall exist perpetually.

ARTICLE THREE - REGISTERED AGENT AND REGISTERED OFFICE: The address of the Association's initial registered office and the name of the initial registered agent at that address is as follows:

- (a) Registered Agent: Les Coyle
- (b) Registered Office: 410 Main  
Longmont, Colorado 80501

ARTICLE FOUR - PURPOSE AND POWERS OF THE ASSOCIATION: This Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purpose for which it is formed is solely to provide for the transportation and treatment of sewage of the residents of the improved lots located with that certain tract of property described as:

BERTHOUD ESTATES and BERTHOUD ESTATES SUBDIVISION, SECOND FILING, subdivisions of the County of Larimer, State of Colorado, and located in the West 1/2 of Section 30, T4N, R69W and the East 1/2 of Section 25, T4N, R70W of the 6th P.M., hereinafter referred to as "The Properties";

and to promote the health, safety and welfare of the residents within The Properties and any additions thereto as may hereafter be brought within the jurisdiction of the Association and for this purpose (subject to the restrictions contained in ARTICLE TEN hereof) to:

- (a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE BERTHOUD ESTATES COMMUNITY ASSOCIATION, hereinafter called the "Declaration" recorded against The Properties as Reception No. \_\_\_\_\_ on Film \_\_\_\_\_ in the records of the Larimer County Clerk and Recorder, Ft. Collins, Colorado, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) fix, levy, collect and enforce payment by any lawful means all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) borrow money, and with the assent of two-thirds (2/3) of each class of members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all or any part of the real property of the Association to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of Members, agreeing to such dedication, sale or transfer;

(f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional property; provided that any such merger, consolidation or annexation shall have the written assent of sixty-seven percent (67%) of each class of Members; provided however, that additional property within an area as described in Article Two of the Declaration may be brought within the jurisdiction of the Association within seven (7) years of the recording of the Declaration requiring only the assent of 100% of the Class B Members.

(g) have and to exercise any and all powers, rights and privileges which a corporation organized under the Nonprofit Corporation Law of the State of Colorado by law may now or hereafter have or exercise.

ARTICLE FIVE: MEMBERSHIP: Every person or entity who is a record Owner of a fee interest in any Improved Lot (as defined in the Declaration) which is subject by covenants of record to assessment by the Association shall be a Member of the Association, including the Declarant (as defined in the Declaration) so long as it is an Owner and contract sellers; provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a Member.

Membership shall be appurtenant to and may not be separated from ownership of any Improved Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for such membership. Where more than one person holds interest in such Lot, all such persons shall be Members.

Membership shall at all times be identified with the Owner of the Improved Lot and shall not be subject to the approval of the Board of Directors or other Members.

ARTICLE SIX - VOTING RIGHTS:

Voting rights are restricted to property with improvements only.



At the first Annual Meeting of the Membership after the conversion of Class B Membership and at each Annual Meeting of the Membership thereafter, Directors shall be elected from the Membership. The initial terms of the Directors shall be fixed at the time of their election as they among themselves shall determine. Initially the term of one Director shall be fixed at one (1) year, the term of two Directors shall be fixed at two (2) years and the term of two Directors shall be fixed at three (3) years. At the expiration of the initial term of office of each respective Member of the Board of Directors a successor shall be elected to serve for a term of three (3) years. The Members of the Board of Directors shall hold office until their respective successors shall be elected by the Association.

ARTICLE EIGHT - AMENDMENTS: Amendment of these Articles will require the assent of sixty-seven percent (67%) of the entire Membership; provided however, additional property within an area described in ARTICLE TWO of the Declaration may be brought within the jurisdiction of the Association within seven (7) years of the recording of the Declaration by amendment to these Articles requiring only the assent of one hundred percent (100%) of the Class B Members, subject to the restrictions contained in ARTICLE TEN below.

ARTICLE NINE - DISSOLUTION: The Association may be dissolved with the assent given in writing and signed by not less than seventy-five percent (75%) of each class of Members subject to the restrictions contained in ARTICLE TEN below.

Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be granted, conveyed and assigned to an appropriate public agency and if such agency is not available then to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE TEN - PRIOR APPROVALS: Subject to the provisions of ARTICLE FOUR (f) and ARTICLE EIGHT, the following actions will require the prior written approval of those First Mortgagees (as defined in the Declaration), holding mortgages on Improved Lots which have at least eighty percent (80%) of the votes of the Improved Lots subject to first mortgages within The Properties, annexation of additional properties, mergers and consolidations of the Association, dissolution of the Association, amendment of these Articles and mortgaging of the Association Property.

If The Project has been or is to be approved by the Federal Housing Administration and/or the Veterans Administration, then until the conversion of the Class B Membership to Class A Membership in accordance with ARTICLE SIX hereof, each of the above actions will require the prior written approval of the Federal Housing Administration and/or Veterans Administration.

IN WITNESS WHEREOF, for the purposes of forming this corporation under the laws of the State of Colorado, I, the undersigned, constituting the incorporator of this Association, have executed these Articles of Incorporation this \_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_.