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Articles of Amendment

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1. For the entity, its ID number and entity name are

ID number 19871084990
(Colorado Secretary of State ID number)

Entity name HERMIT LAKES RECREATION, INC.

2. The new entity name (if applicable) is _____.

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HERMIT LAKES RECREATION, INC.

ARTICLES OF AMENDMENT TO CERTIFICATE OF INCORPORATION

Approved September 1, 2018



**ARTICLES OF AMENDMENT
TO
CERTIFICATE OF INCORPORATION**

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**ARTICLES OF AMENDMENT
TO
CERTIFICATE OF INCORPORATION
OF
HERMIT LAKES RECREATION, INC.**

KNOW ALL MEN BY THESE PRESENTS that we, the members of HERMIT LAKES RECREATION INC., having voted and approved by a two-thirds majority, hereby do amend and revise the Certificate of Incorporation of Hermit Lakes Recreation Inc., as herein set forth.

**ARTICLE I
NAME**

The name of this Corporation is HERMIT LAKES RECREATION, INC.

**ARTICLE II
DURATION**

The period of duration of the Corporation is perpetual.

**ARTICLE III
Purpose and Powers**

Section 1: The purposes for which the corporation is organized are as follows:

- a) Said Corporation is a body corporate, not for pecuniary profit, organized and existing under the provisions of Colorado Revised Statutes; 'Corporations not for Profit', having as its purpose to provide for the social, cultural and recreational enjoyment of its members, principally through its ownership, development, utilization, expansion and management of a tract of land in Hinsdale County, Colorado, known as Hermit Lakes, and including all water and water rights thereto appurtenant, presently used and enjoyed in connection therewith or to be used and enjoyed in connection therewith. Said lands, and the waters running or impounded thereupon shall be utilized as a place for the social intercourse, cultural development and recreation of the members of said corporation, their families and friends, and likewise through the exchange or acquisition, in like manner, of all property, of every kind and character, real or personal, which may be deemed requisite or proper from time to time for the establishment, maintenance and conduct of the social, cultural and recreational facility in the mountains of Colorado to which its members, and friends, (under such limitations as from time to time may be prescribed) may come and at which they may spend time in social, cultural and recreational pursuit.
- b) The Corporation has as its further purpose to do all things necessary, proper, convenient, or advisable to achieve those purposes set out in subparagraph (a) of this Section 1.

Section 2: Powers

Subject to any specific limitations imposed by this certificate of incorporation, the powers of the Corporation are as follows.

- a) To act and be a body corporate; to make and enforce contracts in relation to its business, powers and objects; to sue and be sued in its corporate name; to have a seal; to acquire, hold, encumber, and dispose of property, real, personal or mixed; to adopt and alter by-laws; to amend its certificate of incorporation; and to exercise every right and privilege necessary, incident, or appertaining to its business, objects and purposes.
- b) To exercise all implied powers requisite or necessary to the exercise of its expressed powers.

ARTICLE IV MEMBERSHIP

Section 1: Qualifications

- a) Subject to termination or limitation of membership as in this amended certificate of incorporation provided, all persons who were members of the corporation at the time this Amended Certificate of Incorporation was adopted shall continue to be members thereof.
- b) Until such time as determined to the contrary by a majority vote of a quorum of the members, the number of memberships shall be One Hundred and twenty-two (122). The number of memberships may be held by, or issued for consideration to, any number of natural persons, or the Corporation may retain said memberships.
- c) The Board of Directors may confer membership upon natural persons upon payment to the corporation by such persons of the standard fee, the amount of which shall be stated in the by-laws. No such membership shall be conferred unless upon approval by a majority vote of a quorum of the Board of Directors met in regular or special meeting may be either in person, by telephone or teleconferencing.
- d) No "one natural person" may own more than two membership certificates.
- e) The area referred to as Upper Hermit Lakes located as recorded in the office of Hinsdale County Clerk and Recorder on 10/17/97 shall not be available for selection of membership sites.
- f) Certain sites within the boundaries of Hermit Lakes Inc. have been deemed not suitable for building sites by the Board of Directors.

g) Membership Conduct

- 1) Conduct by a member, family member or guest of that member brought to the attention of the Board of Directors by the membership that's aggressive to the Corporation may be grounds for sanctions to that membership. The Board of Directors shall develop a process to define and addresses such situations in a fair and equitable manner.
- 2) No member shall operate or engage in a commercial, corporate or business enterprise within the boundaries of Hermit Lakes.

Section 2: Transfers

No membership shall be transferred by sale, gift, exchange, hypothecation, pledge, assignment, descent, devise or otherwise except upon approval by a majority vote of a quorum of the Board of Directors.

Section 3: Certificates

The Board of Directors may issue, according to its sound discretion, certificates of membership for the sole purpose of identifying members of the corporation. Such certificates shall not be deemed or construed as shares of stock in the Corporation, and they shall represent no equity of ownership in the Corporation's assets. Such certificates shall be non-transferable and they must be yielded up to the secretary of the Corporation upon transfer of the membership represented by the same.

Section 4: Meetings

- a) The regular meetings of the members of the Corporation shall be convened yearly at the home of the Corporation, Hermit Lakes in Hinsdale County, Colorado, or other place in case of emergency as the Board may designate. Notice of such meeting shall be given by mailing a copy of the same, together with an agenda of anticipate business to be entertained by such meeting to each member at his last known address as shown by the corporation's records. Proper postage shall be affixed to such mailing as to assure its delivery. Such notice shall be given at least thirty (30) days before such meeting, and shall take effect upon deposit in the mail. Special meetings of the members may be called by the president or by two (2) members of the Board of Directors or by 20 percent of the members.
- b) Notice of such meeting shall be given by mailing a copy of the same, together with an agenda of anticipate business to be entertained by such meeting to each member at his last known address as shown by the corporation's records. Proper postage shall be affixed to such mailing as to assure its delivery. Such notice shall be given at least thirty (30) days before such meeting, and shall take effect upon deposit in the mail. Special meetings of the members may be called by the president or by two (2) members of the Board of Directors or by 20 percent of the members.

- c) Certificate Holders may vote by proxy executed in writing by such Certificate Holder and submitted to the board prior to the commencement of the Annual Meeting
- d) To transact business at any regular or special meeting of the members shall consist of 51 percent of the total number of issued memberships present in person or by proxy.

Section 5: Assessments:

- a) The Board of Directors shall recommend the amount of Annual Assessments to the membership at the Annual Meeting based on the recommended annual balanced budget for a vote to be approved by a simple majority of the membership.
If any assessment levied against any Certificate Holder remains unpaid for a period of one year from date of such levy, the Certificate Holder shall surrender their Certificate to the Board of Directors. The Board of Directors will hold that Certificate for one year to allow the member under suspension to redeem the membership after all payments has been made. In such event of non-payment by the member at the end of the second year, the Corporation will seek a legal judgment as entitled under Colorado State Statute.
- b) The Board of Directors shall approve or deny an application for membership or transfer within ninety days after receiving written application.

ARTICLE V BOARD OF DIRECTORS

Section 1: Powers:

A Board of Directors of five members of the Corporation shall direct the affairs of the Corporation. This board will serve as a voluntary board not due compensation for other than Corporation operating expenses.

Section 2: Manner of Selection and Term of Office:

- a) The term of office of each member of the Board of Directors shall be three (3) years. There shall be elected a sufficient number of directors for a term of three years each year as necessary to fill expired terms of office to the Board of Directors. Directors shall be elected by a majority vote of the members of the corporation at the Annual Meeting. Should any vacancy occur upon the board of directors, the same shall be filled by a majority vote of the remaining directors. The person appointed should serve until the next regular meeting of the membership, at which time the membership shall elect a director to fill the remaining un-expired term, if any. The Board of Directors meeting shall convene

immediately following the Annual Meeting at which time they shall select their officers as the first order of business.

- b) All or any part of the Board of Directors may be removed at any regular or special meeting of the membership, provided the notice of the proposal to so remove shall have been given in the manner required by this amended certificate of incorporation for giving notice of meetings. In such event, the membership shall elect forthwith a sufficient number of directors by a majority vote of a quorum of members to fill the un-expired terms of directors so removed.

Section 3: Committees, Agents and Employees:

- a) The Board of Directors may appoint such special committees as appear appropriate, expedient or convenient. Such committees shall act in advisory capacity and they shall not have power to act for or on behalf of the Board of Directors. Special committees are abolished at the completion of their assigned task. The Board of Directors shall have power to employ or otherwise engage the services of so many employees or agents as appear requisite, expedient or convenient to manage the affairs of the Corporation.
- b) An independent financial audit shall be required of the Corporations financial reports.

Section 4: Membership Assessments:

The Board of Directors shall levy annual assessments as approved by majority vote of the membership at the Annual Meeting. Annually, the Board of Directors shall develop a budget for the ensuing year based on the best available information of anticipated revenues and expenditures. Revenues and expenditures shall be assigned to specific categories which best describes the source of revenues and purpose. The budget as presented to the certificate holders at the Annual Meeting shall be a balanced budget. The budget shall footnote all anticipated Capital Improvements projects and the estimated cost of each. The secretary shall mail a copy of said budget to each member of the Corporation at the address shown by the corporate records not less than thirty (30) days before such assessment shall be levied.

Section 5: Meeting of the Board:

The Board of Directors shall meet in regular meeting, at such time, and upon such notice as the by-laws may prescribe. Special meetings of the Board of Directors may be called by the president or by any three (3) directors. A quorum of the board shall consist of three directors. Such quorum may act by majority vote thereof upon all business coming before it.

Section 6: By-laws:

- a) The By-laws of the Corporation may be amended by recommendation of the Board of Directors to the total membership. This action must be approved by not less

than a majority vote of a quorum of the membership of the Corporation at any regular or special membership meeting. The Board of Directors or the members of the Corporation may amend said by-laws in the same manner as their adoption.

- b) A Special Committee may be appointed by the Board of Directors to review the By-laws. The Board of Directors shall approve any recommendations for changes or additions; said changes have to be approved by a majority vote of the membership.

ARTICLE VI OFFICERS

Section 1: Officers of the Corporation:

The officers of the Corporation shall be a president, a vice-president, a treasurer and a secretary.

Section 2: Qualification, Election and Term of Office:

All officers shall be members of the Corporation. The officers of the Corporation shall be elected from the members of the Board of Directors. The term of office of each officer shall be one year unless sooner removed by a majority vote of a quorum of the Board of Directors or members of the Corporation met in special membership meeting. In the event of removal of an officer at a special membership meeting, a new officer shall be elected forthwith to fill the un-expired term of the office so vacated.

Section 3: President:

The president shall preside at all meetings of the board of directors and at all regular and special membership meetings. The president shall have all powers and perform all duties customary for the chief executive officer or a corporation. The president shall execute all instruments of conveyance, contracts, debt, obligation or encumbrance for and on behalf of the Corporation.

Section 4: Vice-President:

The vice-president shall act as president of the Corporation in the event of absence, disability or death of the president.

Section 5: Secretary:

The secretary shall ensure that minutes are taken at all meetings of the Board of Directors and all membership meetings. The secretary shall be the custodian of the seal of the Corporation, and when such seal is affixed to any instrument attested to by the secretary, such instrument will be presumed to have been executed upon authority of the Corporation. The secretary shall be custodian of all records of the Corporation. Such records shall be kept and maintained at the principal place of business of the

Corporation and shall be made available for reasonable inspection by any member of the Corporation upon reasonable notice. The secretary shall give all notices of meetings or the business thereof required by this Amended Certificate of Incorporation.

Section 6: Treasurer:

The treasurer of the Corporation may be the same person as the secretary. The treasurer shall post such bond for try performance of his/her duties as may be required by the Board of Directors, and all expenses thereunto incurred shall be borne by the Corporation. All items of receipt of money by the Corporation shall be delivered or reported to the treasurer, who shall be responsible for the custody and an accounting of the same. The treasurer shall ensure an income statement is prepared for each membership meeting. The income statement examined will show income and expenses of the Corporation for the twelve-month period ending one week prior to such meeting.

ARTICLE VII REGISTERED OFFICE AND REGISTERED AGENT

The Corporation shall have and maintain at all times a registered office and a registered agent according to the usage of these terms in Colorado Revised Statutes. By written resolution adopted by the Board of Directors, said board shall designate the registered office of the Corporation and the registered agent of the Corporation. The business office of the registered agent shall be identical with the registered office of the Corporation.

ARTICLE VIII AMENDMENT

This Amended Certificate of Incorporation may be amended by a two-thirds (2/3) majority of the membership in regular, special membership meeting or by mail in ballot, provided that notice of the general nature of proposed amendment is included in the notice of such meeting. When an amendment has been introduced for consideration by such meeting, it may be amended in any fashion prior to membership approval.

Filed for record the October 1, 2018 with the Colorado Secretary of State.

Rvsd. June 23, 2018

Membership Approval through Mail-In Ballot August 2018

Board Approved September 1, 2018