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STATE OF COLORADO
DEPARTMENT OF STATE

ARTICLES OF INCORPORATION
OF

DOUGLASS RANCH PROPERTY OWNERS ASSOCIATION, INC.

The undersigned desiring to establish a nonprofit corporation pursuant to the Colorado Nonprofit Corporation Act, hereby certifies:

ARTICLE I
NAME

The name of the corporation shall be: Douglass Ranch Property Owners Association, Inc. (hereinafter called the "Association").

ARTICLE II
TERM OF EXISTENCE

The corporation shall have perpetual existence.

ARTICLE III
DEFINITIONS

The words and terms used herein shall be deemed to have the same definitions and meanings as in the Declaration of Protective Covenants, Conditions and Restrictions for Douglass Ranch, as may be amended from time to time (the "Declaration"), as recorded in the records of Jefferson County, Colorado.

ARTICLE IV
PURPOSES AND POWERS

(a) Purposes. To promote the health, safety, and welfare of all members of the Association and to establish, provide and maintain a desirable community and environment for all Owners.

(b) Powers. In furtherance of the foregoing purposes, but not otherwise, the Association shall have and may exercise all of the following powers:

(i) Real and Personal Property. To develop, construct, purchase, lease, own, improve, maintain, operate and hold real and personal property of every

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kind and description; to sell, convey and lease such property; and to mortgage, assign and pledge or otherwise encumber such property.

(ii) Supplementary Services. To accept such properties, improvements, rights, and interests as may be conveyed, leased, assigned, or transferred to the Association; to assume such obligations and duties as may be contained in any lease assigned or transferred to the Association; to maintain, operate and otherwise manage all buildings, structures, improvements, landscaping, parking areas, walks, common areas, recreational areas and facilities now or hereafter constructed on the Common Areas; to pay all taxes and assessments, if any, which may properly be levied against properties of the Association; to repair, rehabilitate and restore all buildings, structures and improvements on the Common Areas in accordance with the Declaration; to insure the Common Areas and all buildings and structures thereon as required by the Declaration and against such other risks as the Board shall determine.

(iii) Assessments and Charges. To make Annual Assessments, Special Assessments and Maintenance Charges as the Board shall determine in accordance with the Declaration and the Bylaws and to enforce the collection of such assessments and charges; to impose Assessment Liens against Lots to secure the payment of obligations due from the Owners thereof, and to collect, sue, foreclose or otherwise enforce, compromise, release, satisfy and discharge such assessments, charges and liens in accordance with the Declaration and the Bylaws.

(iv) Enforcement. To enforce any and all covenants, restrictions and agreements applicable to the Property.

(v) Expenses, etc. To pay all maintenance, operating and other costs and to do all things and acts which in the sole discretion of the Board shall be deemed to be in the best interests of the Members or for the peace, comfort, safety or general welfare or benefit of the Members, the Property and the owners of any interests therein, all in accordance with the Declaration; and to make and amend rules and regulations respecting the use of the Common Areas and the Property.

(vi) Taxes. To pay taxes, if any, on Common Areas.

(vii) Covenant Enforcement. To enforce any and all covenants, restrictions, agreements, or rules and regulations applicable to Douglass Ranch in any manner provided by the laws of Colorado, the Declaration or these Articles, the Bylaws or the Douglass Ranch Rules as from time to time in force and effect.

(viii) Borrowing. To borrow funds or raise moneys for any of the purposes of the Association and from time to time to execute, accept, endorse and deliver as evidences of such borrowing, all kinds of instruments and securities, including, but without limiting the generality of the foregoing, promissory notes, drafts, bills of exchange, warrants, bonds, debentures, property certificates, trust certificates and other negotiable or non-negotiable instruments and evidences of indebtedness, and to secure the payment and performance of such securities by mortgage on, or pledge, conveyance, deed or assignment in trust of, the whole or any part of the assets of the Association, real, personal or mixed, including contract rights, whether at the time owned or hereafter acquired; provided that the power of the Association to mortgage its properties shall be limited as set forth in the Declaration as from time to time in force and effect. Without limiting the generality of the foregoing, the Association may from time to time borrow funds from Declarant or any affiliate thereof.

(ix) Contracts. To enter into, make, amend, perform and carry out, or cancel and rescind, contracts, leases, permits, management agreements, and concession agreements for any lawful purposes pertaining to its business.

(x) Guaranties. To make any guaranty respecting securities, indebtedness, notes, interest, contracts or other obligations created by any individual, partnership, association, corporation or other entity, and to secure such guaranties by encumbrance upon any and all assets of the Association, to the extent that such guaranty is made in pursuance of the purposes herein set forth.

(xi) Loans. To lend money for any of the purposes set forth herein; to invest its funds from time to time and take and hold real and personal property as security for payment of funds so loaned or invested.

(xii) Insurance. To procure all types and kinds of insurance as shall be deemed to be in the best interests of the corporation.

(xiii) Douglass Ranch Pond. To construct, maintain, operate and otherwise manage the water augmentation pond known and referred to as the Douglass Ranch Pond, and related systems.

(xiv) Private Drives. To construct, maintain, operate and otherwise manage the interior Private Drive system.

(xv) Forest Management Program. To implement a forest management program in accordance with the Declaration and to impose and enforce rules and regulations in connection therewith.

(xvi) General Powers. To do everything necessary, suitable or proper for the accomplishment of any of the purposes, the attainment of any of the objects, or the furtherance of any of the powers above set forth, either alone or in connection with other corporations, firms or individuals, and either as principal or agent, and to do every act or thing incidental or appurtenant to, or growing out of, or connected with any of the aforesaid objects, purposes or powers.

(xvii) Rule Making. To make and enforce rules and regulations applicable within or pertaining to Douglass Ranch for the accomplishment of any of the purposes or to further any of the powers set forth above, and to amend such rules and regulations.

(xviii) Powers Conferred by Law. The foregoing enumeration of specific powers shall not limit or restrict in any manner the general powers of the Association and the enjoyment and exercise thereof as now or hereafter conferred by the laws of Colorado.

(c) Restrictions Upon Purposes and Powers. The foregoing purposes and powers of the Association are subject to the following limitations:

(i) Earnings of Association. That no part of the net earnings of the Association (if any) shall inure to the benefit of any Member of the Association; however, this restriction shall not limit or impair the Association's right to compensate Members for services rendered or for goods sold or leased to the Association;

(ii) Nonprofit organization. That the Association shall be organized and operated exclusively for non-profitable purposes as set forth in Section 528 of

the Internal Revenue Code of 1986, as it is now or may hereafter be amended, or in any corresponding provision of any future law of the United States of America providing for exemption of similar organizations from income taxation; and

(iii) Association Participating in Litigation. The Association shall not participate in any litigation which is, or purports to be, a "class action" without first obtaining approval of at least 80 percent of its members. This subparagraph may not be amended unless such amendment is approved by the vote of 80 percent of the members.

(d) Dividends, Distribution, etc. The Association shall not pay any dividends. No distribution of the corporate assets to Members (as such) shall be made. Upon dissolution of the Association, the assets shall be distributed as provided in Article XII herein.

ARTICLE V REGISTERED OFFICE AND AGENT

The operations of the Association shall be conducted at such places within or outside of the United States as may from time to time be determined by the board of directors. The address of the initial registered and principal office of the Association is 1725 Blake Street, 3rd Floor Denver, CO 80202. The name of its initial registered agent at such address is Robert Kessler.

ARTICLE VI MEMBERSHIP AND VOTING

(a) Members. Every Owner of a Lot which is subject to assessment shall be a Member of the Association. Each membership shall be appurtenant to and may not be separated from ownership of the Lot to which the membership is attributable. There shall be only one membership for each Lot which shall be shared by any joint Owners of, or Owners of undivided interests in, said Lot.

(b) Declarant. The Declarant shall be a Member of the Association for so long as it is the Class B Member of the Association, or owns any Lot in Douglass Ranch.

(c) Voting. The Association shall have the two classes of voting memberships set forth below:

Class A. Class A Members shall be all Owners except Declarant for so long as Declarant is the Class B Member. Once Declarant ceases to be the Class B Member it shall be a Class A Member if it is an Owner. Each Class A Member shall be entitled to one vote for each membership held by said Member, subject to authority of the Board to suspend the voting rights of Members for violation of the Declaration.

Class B. The Declarant shall constitute the sole Class B Member. The Class B Member shall be entitled to five votes for each membership held by said Member.

(d) Right to Vote. No change in the ownership of a membership shall be effective for voting purposes unless and until the Board is given actual written notice of such change and is provided satisfactory proof thereof. The vote for each such membership must be cast as a unit, and fractional votes shall not be allowed. In the event that a membership is owned by more than one person or entity and such owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Member casts a vote representing a certain membership, it will thereafter be conclusively presumed for all purposes that he was acting with the authority and consent of all other owners of the same membership unless objection thereto is made at the time the vote is cast. In the event more than one vote is cast for a particular membership, none of the said votes shall be counted and all said votes shall be deemed void.

(e) No Cumulative Voting. In any election of the members of the Board, every owner of a membership entitled to vote at such an election shall have one vote for each director to be elected. The candidates receiving the highest number of votes, up to the number of board members to be elected, shall be deemed elected. Cumulative voting shall not be allowed in the election of members of the Board or for any other purpose.

(f) Transfer of Membership. The rights and obligations of a Class A Member in the Association shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon transfer of ownership to an Owner's Lot and then only to the new Owner of the Lot. A transfer of ownership to a Lot may be effected by deed, intestate succession, testamentary disposition, foreclosure of a mortgage of record, or such other legal process as now in effect or as may

hereafter be established under or pursuant to the laws of the State of Colorado. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership to a Lot shall automatically transfer the membership appurtenant to said Lot to the new Owner thereof.

ARTICLE VII
BOARD OF DIRECTORS

(a) The control and management of the affairs of the Association and the disposition of its funds and property shall be vested in the Board. The Board shall consist of no fewer than three and no more than five directors, and the Board may increase the number of directors from time to time in the manner set forth in the bylaws. The initial board of directors shall consist of one Class A director and two Class B directors. The Class A directors shall hold office until the election of their successors as set forth below.

(b) The Board shall be divided into three classes, as nearly equal in numbers as the then total number of directors constituting the entire Board permits, with the term of office of one class expiring each year. At the annual meeting of the Members in 1991, the term of the director designated below as the Class A director shall expire and a Class A director shall be elected to hold office for a three-year term. At the annual meeting in 1992, the term of the director designated below as the Class B - One director shall expire and a Class B - One director shall be elected for a three-year term. At the annual meeting in 1993, the term of the director designated below as the Class B - Two director shall expire, and a Class B - Two director shall be elected for a three-year term.

(c) The Class A Members shall elect one director to be known as the Class A director of the Association. The term of office of the Class A director shall run as provided in (b) above. The Class B Member shall appoint two directors, to be known as the Class B - One and Class B - Two directors, with terms of office running as provided in (b) above. The Class B Member shall cease to exist and its right to appoint two directors shall terminate on the earliest to occur of (i) when the total votes outstanding in the Class A membership are equal to or greater than the total votes outstanding in the Class B membership, or (ii) ten years from the date of recordation of the Declaration in the Jefferson County records, or (iii) upon the resignation by the Class B Member. Upon the occurrence of one of the foregoing circumstances, the Class B - One and Class B - Two directors shall be elected by the Class A Members.

(d) The names and mailing addresses of the persons who are to serve as directors until the annual meetings of Members specified above at which directors of a particular class are elected or appointed or until their successors are elected or appointed and have qualified are:

<u>Class</u>	<u>Name</u>	<u>Address</u>
A	Julie Cummings	1725 Blake Street, 3rd Fl Denver, CO 80202
B-One	Joel Ehrlich	1725 Blake Street, 3rd Fl Denver, CO 80202
B-One	Robert Kessler	1725 Blake Street, 3rd Fl Denver, CO 80202

(e) The Class A director may be removed with or without cause by the vote of a majority of the votes of Class A Members entitled to vote at an election of such director. For so long as the Class B Member exists, the Class B-One or B-Two director may be removed with or without cause by the Class B Member. Any vacancy in the Board of a Class A director shall be filled only by the vote of the Class A Members, as if such meeting were a regular annual meeting for the election of directors. The person or persons having the highest number of votes from Class A Members shall be declared elected to the Board. Any vacancy in the Board of a Class B director shall be filled by appointment by the Class B Member, for so long as said Class B membership continues to exist.

ARTICLE VIII OFFICERS

The Association shall have such Officers as may from time to time be prescribed by the Bylaws. Their terms of office and the manner of their designation or selection shall also be determined by the Bylaws from time to time in effect.

ARTICLE IX EXECUTION OF INSTRUMENTS

Authority to convey or encumber the property of the Association and to execute any deed, contract or other instrument on behalf of the Association for itself or as attorney-in-fact for one or more of the Members is vested in the president or any vice president. All instruments conveying or

encumbering such property (whether or not executed as such attorney-in-fact) shall be executed by the president or a vice president and attested by the secretary or an assistant secretary of the Association.

ARTICLE X
MANAGEMENT OF BUSINESS

The following provisions are inserted for the management of the business and for the conduct of the affairs of the Association and are in furtherance of and not in limitation or exclusion of the powers granted by law:

(a) Contracts with Directors, Officers or Members. No contract or other transaction of the Association with any other person, firm or corporation shall be affected or invalidated by (i) the fact that any one or more of the directors, officers or Members of the Association is interested in, or is a director, trustee or officer of another corporation, or (ii) the fact that any director, officer or Member, individually or jointly with others, may be a party to or may be interested in any such contract or transaction. Each person who may become a director, officer or Member of the Association is hereby relieved from any liability that might otherwise arise by reason of his contracting with the Association for the benefit of himself or any firm or corporation in which he may be in anyway interested.

(b) Board of Directors to Exercise General Power. All corporate powers except those which by law or by these articles expressly require the consent of the Members shall be exercised by the Board or the executive committee.

(c) Compensation of Directors and Members. The Board is hereby authorized to make provision for reasonable compensation to its Members for their services, and to reimburse such Members for expenses incurred in connection with furthering the purposes of the Association. The Board shall fix the basis and conditions upon which such compensation and reimbursement shall be paid. Any director of the Association may also serve in any other capacity and receive compensation and reimbursement for such other work.

(d) Indemnity. Each director or officer, whether or not then in office, and each person who may have served at the request of the Association as a director or officer of another corporation in which it owns capital stock or of which it is a member or a creditor, and his personal representatives and assigns, shall be indemnified by the Asso-

ciation against all costs and expenses reasonably incurred by or imposed upon him in connection with or arising out of any action, suit or proceeding in which he may be involved, or to which he may be made a party by reason of his being or having been such a director or officer (such expenses to include the cost of a reasonable settlement made with a view to curtailment of the costs of litigation), except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to have been liable for gross negligence or willful misconduct. The foregoing right of indemnification shall not be exclusive of other rights to which he may be entitled as a matter of law.

(e) Liability Insurance . The Association may insure its officers and directors against certain losses which such persons may incur because of their acts or omissions as officers or directors, including, but not limited to, losses resulting from judgments, settlements and costs of litigation. Such insurance shall be limited to reasonable amounts of coverage for such officers and directors.

ARTICLE XI DISSOLUTION

The Association may be dissolved only upon termination of the Declaration. Written notice of a proposal to dissolve, setting forth the reasons therefore and the disposition to be made of the assets, as set forth below, shall be mailed to every member at least 90 days in advance of any action taken. Upon dissolution of the Association, the assets both real and personal of the Association, shall be dedicated to an appropriate public agency or agencies or utility or utilities 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 not accepted, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. No such disposition of Association Land shall be effective to divest or diminish any right or title of any Member vested in him under the recorded covenants and deeds applicable to Douglass Ranch, unless made in accordance with the provisions of such covenants and deeds.

ARTICLE XII
BYLAWS

The initial Bylaws of the Association shall be adopted by its Board. The Board shall have power to alter, amend or repeal the Bylaws. The Bylaws may contain any provisions for the regulations or management of the affairs of the Association which are not inconsistent with law, the Declaration or these Articles as the same may from time to time be in force and effect.

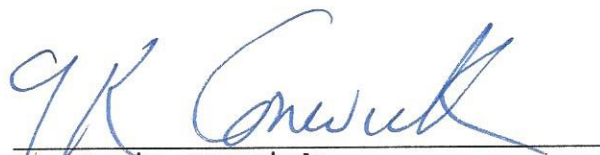
ARTICLE XIII
AMENDMENT

The Association reserves the right to amend, alter, change, or repeal any provision contained in these Articles by the affirmative vote of the Class B Member (if any) and at least 51 percent of the votes of the Class A Members at any regular or special meeting called for that purpose, unless a higher or different voting requirement is set forth herein with respect to any particular provision, and further provided that any such amendment shall not be inconsistent with the Declaration as from time to time in force and effect.

ARTICLE XVI
INCORPORATOR

The name and address of the incorporator is:
G. Kevin Conwick 1700 Lincoln
 Suite 4100
 Denver, CO 80203

Dated: April 13, 1989



G. Kevin Conwick

VERIFICATION

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

I, Terri Rowe, a notary public hereby certify that on the 13th day of April, 1989, personally appeared before me G. Kevin Conwick, who being by me first duly sworn declared that he was the person who signed the foregoing document as incorporator and that the statements therein contained are true.

Terri Rowe
Notary Public

My commission expires: June 23, 1992