

**ARTICLES OF INCORPORATION**

NON-PROFIT

**OF**

**THE MCCORMICK RANCH ASSOCIATION, INC.**

**KNOW ALL MEN BY THESE PRESENTS**, that the undersigned in order to establish a non-profit corporation pursuant to the Colorado Non-Profit Corporation Act hereby certifies:

**ARTICLE I.**

**Name of Corporation**

19991133412 M  
\$ 50.00  
SECRETARY OF STATE  
07-15-1999 14:22:05

The name of the corporation shall be:

THE MCCORMICK RANCH ASSOCIATION, INC.

**ARTICLE II.**

**Period of Duration**

The corporation shall have perpetual existence, unless dissolved according to law.

**ARTICLE III.**

**Purposes**

The corporation is established not for profit and its objects and purposes for which the corporation is organized and the nature of the business to be conducted by it shall be:

1. To constitute the Association to which reference is made in the Declaration of Protective Covenants of The McCormick Ranch.

2. To be the Association for the Common Interest Community of The McCormick Ranch in accordance with the Colorado Common Interest Ownership Act and the Colorado Nonprofit Corporation Act, as they now exist and as they may hereafter be amended from time to time.

3. To exercise all powers and to administer, manage, and govern The McCormick Ranch governed by the Declaration of Protective Covenants, including all powers granted to the Association under the Declaration of Protective Covenants.

4. To own, administer and maintain all common areas, for the use and benefit of all lot owners within The McCormick Ranch.

5. To own, administer and maintain personal property for the use and benefit of all lot owners within The McCormick Ranch.

#### **ARTICLE IV.**

##### **Powers**

This nonprofit corporation shall have and may exercise all powers conferred upon a nonprofit corporation under the Colorado Nonprofit Corporation Act and the Colorado Common Interest Ownership Act, as they now exist and as they may hereafter be amended from time to time.

#### **ARTICLE V.**

##### **Membership**

This nonprofit corporation shall have members and the membership shall be constituted as follows:

1. **Members.** The owner of a lot in The McCormick Ranch, upon becoming owner, shall be entitled and required to be a member of the corporation and shall remain a member of the corporation for the period of ownership of the lot.

2. **Appurtenant Right.** Such membership shall be an appurtenant right of the ownership of a lot, shall run with title to the lot, and shall automatically be transferred to any subsequent owner of the lot upon the recording of any deed or conveyance thereof to a subsequent owner.

3. **Terms and Conditions.** The terms and conditions of membership in the Corporation shall be as set forth in these Articles of Incorporation, the Bylaws of the Corporation and the Declaration of Protective Covenants.

4. There shall be one class of members.

5. The corporation may issue a certificate evidencing membership therein.

## ARTICLE VI.

### **Board of Directors**

1. **Directors.** The business and affairs of the corporation shall be managed by a board of directors, also known as an executive board under the Colorado Common Interest Ownership Act.

2. **Qualifications of Directors.** All directors shall be members of the corporation.

3. **Number of Directors.** The initial Board of Directors shall consist of three people, whose term of office and the manner of their election shall be set forth in the Bylaws of the corporation. The size of the Board of Directors may be increased up to 7 directors by resolution of the Board of Directors.

4. **Initial Board of Directors.** The initial people comprising the Board of Directors of the corporation and their names and addresses are as follows:

Name	Address
Billy Joe Lacy	P.O. Box 836, Crested Butte, CO 81224
Daniel Dow	10713 Sun Tree Cove, Austin, TX 78730
David Dow	10713 Sun Tree Cove, Austin, TX 78730

5. **Rights of Declarant.** Notwithstanding any other provision of these Articles of Incorporation, Verzuh Ranch, Inc. as the Declarant of the Common Interest Community known as The McCormick Ranch, its successors and assigns, shall have the right to appoint the members of the Board of Directors during the period of declarant control. The period of declarant control shall terminate no later than the earlier of (1) 60 days after the conveyance of 75% of the lots within The McCormick Ranch to owners other than the Declarant or (2) 2 years after Declarant has last conveyed a lot within The McCormick Ranch in the ordinary course of business. Further, not later than 60 days after the conveyance of 25% of the lots to owners other than Declarant, at least one member and not less than 25% of the members of the Board of Directors shall be elected by the owners other than Declarant and not later than 60 days after the conveyance of 50% of the lots to owners other than Declarant, not less than 1/3 of the members of the Board of Directors must be elected by the lot owners other than Declarant.

## ARTICLE VII.

### Indemnification

The corporation shall indemnify the officers and directors of the corporation to the full extent permitted by the statutes of the State of Colorado.

## ARTICLE VIII.

### Limitation of Liability

1. **Non Liability of Director.** The personal liability of a director to the Corporation or its members for monetary damages for breach of a fiduciary duty as a director or officer is limited to the full extent provided by the statutes of the State of Colorado.

2. **Liability for Willful or Wanton Acts.** Directors shall not be liable for actions taken or omissions made in the performance of corporate duties except for wanton and willful acts or omissions.

## ARTICLE IX.

### **Bylaws**

The initial Bylaws of the corporation shall be adopted by the Board of Directors. The power to alter, amend or repeal the Bylaws or adopt new Bylaws shall be vested in the Board of Directors.

## ARTICLE X.

### **Registered Office and Registered Agent**

1. **Address and name of Office of Agent.** The address of the initial registered office of the corporation is:

215 Elk Avenue, Suite 300  
Crested Butte, Colorado 81224-0187

and the name of its initial registered agent at such address is:

David Leinsdorf

2. **Change of Office or Agent.** Either the registered office or the registered agent may be changed at any time in the manner provided by law.

3. **Initial Office.** The address of the initial principal office of the corporation is 24474 Highway 135, Crested Butte, Colorado 81224-0836.

## ARTICLE XI

### **Distribution of Assets on Dissolution**

Upon dissolution of the corporation, its assets shall be applied and distributed as follows:

1. First to pay and discharge all liabilities and obligations of the corporation.

2. To return, transfer or convey any assets as required by the provisions of Section 7-26-103, C.R.S. or as the same may be subsequently amended or modified.

3. All remaining assets of the corporation shall be distributed to its members.

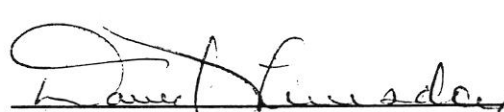
**ARTICLE XII.**

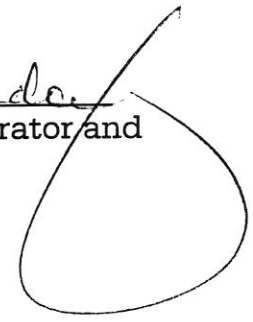
**Incorporator**

The incorporator of the corporation is:

<u>Name</u>	<u>Address</u>
David Leinsdorf	215 Elk Avenue, P.O. Box 187 Crested Butte, Colorado 81224

**IN WITNESS WHEREOF**, the above named incorporator has signed these Articles of Incorporation the 13th day of July, 1999.

  
 \_\_\_\_\_  
 David Leinsdorf, Incorporator and  
 Registered Agent



STATE OF COLORADO    )  
   ) ss.  
 COUNTY OF GUNNISON    )

The foregoing Articles of Incorporation was acknowledged before me this 13th day of July, 1999, by David Leinsdorf.

Witness my hand and official seal. My commission expires: 6/18/2002

  
 \_\_\_\_\_  
 Notary Public