

ARTICLES OF INCORPORATION

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DONETTA DAVIDSON  
COLORADO SECRETARY OF STATE

OF

SADDLE RIDGE RANCH ESTATES HOMEOWNERS ASSOCIATION

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, acting as incorporator, hereby establishes a corporation pursuant to the Colorado Revised Nonprofit Corporation Act and adopts the following Articles of Incorporation:

ARTICLE I  
Name of Corporation

19991178407 M  
\$ 50.00  
SECRETARY OF STATE  
09-23-1999 08:53:36

The name of this corporation is:

SADDLE RIDGE RANCH ESTATES HOMEOWNERS ASSOCIATION

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 the objects and purposes for which the corporation is organized and the nature of the business to be conducted by it shall be:

3.1 To own, operate, administer, manage and lease Saddle Ridge Ranch Estates.

3.2 To constitute the Association to which reference is made in the Declaration of Protective Covenants of Saddle Ridge Ranch Estates.

3.3 To be the Association for the Common Interest Community of Saddle Ridge Ranch Estates in accordance with the Colorado Common Interest Ownership Act and the Colorado Revised Nonprofit Corporation Act, as they now exist and as they may hereafter be amended from time to time.

3.4 To exercise all powers and to administer, manage, and govern the Saddle Ridge Ranch Estates, governed by the Declaration of Protective Covenants of Saddle Ridge Ranch Estates, including all powers granted to the Association under the Declaration of Protective Covenants.

3.5 To own, administer and maintain all property, whether real or personal or interests therein, for the use and benefit of all Owners within Saddle Ridge Ranch Estates governed by the Declaration of Protective Covenants of Saddle Ridge Ranch Estates.

#### ARTICLE IV

##### Powers

This nonprofit corporation shall have and may exercise all powers conferred upon a nonprofit corporation under the Colorado Revised 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:

5.1 Members. The owner of a Lot in Saddle Ridge Ranch Estates governed by the Declaration of Protective Covenants of Saddle Ridge Ranch Estates upon becoming such 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.

5.2 Number of Members. The corporation shall have 18 members only, with one membership for each of the 18 Lots in Saddle Ridge Ranch Estates.

5.3 Appurtenant Right. Such membership shall be an appurtenant right of the ownership of a Lot, shall run with a 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.

5.4 Terms and Conditions. The terms and conditions of membership in the Corporation shall be as set forth in these Articles of Incorporation and the Bylaws of the Corporation.

5.5 One Class of Membership. There shall be one class of members.

5.6 Certificates of Membership. The corporation may issue a certificate evidencing membership therein.

#### ARTICLE VI

##### Board of Directors

6.1 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.

6.2 Qualifications of Directors. All directors shall be members of the Corporation.

6.3 Number of Directors. The initial Board of Directors shall consist of two persons whose term of office and the manner of their election shall be set forth in the Bylaws of the Corporation. The number of directors may be increased or decreased to not less than two nor more than five by a majority vote of the board of directors or the members.

6.4 Initial Board of Directors. The persons comprising the initial Board of Directors of the Corporation and their names and addresses are as follows:

<u>Name</u>	<u>Address</u>
Douglas C. DaPuzzo	5324 Deer Creek Court Boulder, Colorado 80301
June W. DaPuzzo	5324 Deer Creek Court Boulder, Colorado 80301

6.5 Rights of Declarants. Notwithstanding any other provision of these Articles of Incorporation, Roscoe Development Corporation, a Colorado corporation, as the Declarant of the Common Interest Community known as Saddle Ridge Ranch Estates, 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 Saddle Ridge Ranch Estates to Owners other than the Declarants or (2) 2 years after Declarants have last conveyed a Lot within Saddle Ridge Ranch Estates in the ordinary course of business. Further, not later than 60 days after the conveyance of 25% of the Lots to Owners other than Declarants, 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 Declarants and not later than 60 days after the conveyance of 50% of the Lots to Owners other than Declarants, not less than 1/3 of the members of the board of directors must be elected by the Owners other than Declarants.

#### 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

8.1 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.

8.2 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 Agent

10.1 Address and Name of Office and Agent. The address of the initial registered office of the corporation is:

120 North Taylor Avenue  
Post Office Box 179  
Gunnison, Colorado 81230

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

Russell, Wilderson, O'Hayre and Dawson, P.C.

10.2 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.

10.3 Principal Office: the principal office of the Corporation shall be:

511 Red Lady Avenue, Suite 222  
P.O. Box 307  
Crested Butte, Colorado 81224

#### ARTICLE XI Distribution of Assets on Dissolution

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

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

11.2 To return, transfer or convey any assets as required by the provisions of the Colorado Revised Nonprofit Corporation Act or as the same may be subsequently amended or modified.

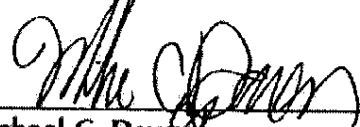
11.3 All remaining assets of the corporation shall be distributed to its members in proportion to each member's ownership interest in the corporation.

**ARTICLE XII**  
**Incorporator**

The incorporator of the corporation is as follows:

<u>Name</u>	<u>Address</u>
Michael C. Dawson	P.O. Box 179 Gunnison, Colorado 81230

IN WITNESS WHEREOF, the above named incorporator has signed these Articles of Incorporation the 16<sup>th</sup> day of September, 1999.

  
\_\_\_\_\_  
Michael C. Dawson


Consent of Registered Agent:

I consent to act as the initial registered agent for the corporation.

Dated: September 16, 1999

Registered Agent:

RUSSELL, WILDERSON, O'HAYRE & DAWSON,  
P.C., a Colorado professional corporation

By:   
\_\_\_\_\_  
Michael C. Dawson  
Vice President and Treasurer