

**ARTICLES OF INCORPORATION OF
EAST RIVER RANCHES HOMEOWNERS' ASSOCIATION, INC.
(A NONPROFIT CORPORATION)**

The undersigned incorporator, being a natural person over the age of eighteen (18) years, and desiring to form a nonprofit corporation and a homeowners' association under the laws of the State of Colorado, states as follows:

**ARTICLE 1
Name**

The name of the corporation is East River Ranches Homeowners' Association, Inc.

**ARTICLE 2
Duration**

This corporation shall exist perpetually unless dissolved according to law.

**ARTICLE 3
Purpose, Activities and Powers**

The corporation is organized for the general purpose of constituting the Association for East River Ranches, a planned community created on the property described on Exhibit A, attached hereto, and to perform all obligations and duties of the Association and to exercise all rights and powers of the Association, as specified in the Declaration filed in the records of the Clerk and Recorder for Gunnison County to create East River Ranches. The corporation will not engage in any regular business ordinarily carried on for profit. Activities and powers of the corporation shall include providing an entity for the furtherance of the interests of all the Owners within East River Ranches, including the Declarant executing the Declaration, and establishing and maintaining the quality and value of East River Ranches, and enhancing and protecting its value, desirability and attractiveness.

In furtherance of the purposes and activities set forth in this Article 3, the corporation shall have and may exercise all of the rights, powers, and privileges now or hereafter conferred upon (1) corporations organized under and pursuant to the Colorado Nonprofit Corporation Act, as amended, and (2) an Association pursuant to the Colorado Common Interest Ownership Act, as amended.

**ARTICLE 4
Definitions**

Terms defined in the Declaration of Protective Covenants for East River Ranches shall have the same meaning when used in these Articles.

**ARTICLE 5
Nonprofit**

East River Ranches Homeowners' Association, Inc., shall be a nonprofit corporation, without shares of stock.

**ARTICLE 6
No Private Benefit**

No part of the net earnings of the corporation shall inure to the benefit of or be distributable to the Members, Directors, or officers of the corporation, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered to it and to make payments and distributions in furtherance of the purposes set forth in Article 3 hereof.

**ARTICLE 7
Dissolution**

In the event of the dissolution of this corporation, the assets of the corporation shall be deemed to be owned by the Members at the date of dissolution as their interests may appear as provided for by the Declaration and the Colorado Common Interest Ownership Act.

**ARTICLE 8
Members**

The corporation shall have two classes of Members, which shall consist exclusively of Owners of East River Ranches, and associate Members who own property adjacent to East River Ranches and who share in maintenance, repair, and other costs of easements and roads used conjunctively with Owners within East River Ranches. There shall be one membership for each Lot, or parcel of land. This membership shall be automatically transferred upon the conveyance of a Lot. Only one vote may be cast per Lot. Individual co-owners of a Lot may not cast fractional votes.

ARTICLE 9
Corporate Office

The address of the initial principal office of the corporation shall be P.O. Box 2078, Crested Butte, Colorado, 81224-0836. The location of the principal office of the corporation may be changed by resolution of the Executive Board or by amendment of the Bylaws.

ARTICLE 10
Registered Agent

The initial registered agent shall be Brent A. Waite [Or other agent], whose address is Bratton & McClow LLC, 232 W. Tomichi Ave., Suite 202 (P.O. Box 669), Gunnison Colorado, 81230.

ARTICLE 11
Executive Board (Board of Directors)

The initial Executive Board, or Board of Directors, shall be determined and appointed by the Declarant and shall consist of the number of Directors specified in the Bylaws. The Declarant, at its discretion, may appoint or remove Directors, subject to the provisions below in this Article. Not later than 60 days after conveyance to Owners other than Declarant of 25 percent of the Lots within East River Ranches that may be created, at least one Director and not less than 25% of the Directors of the Executive Board shall be elected by Owners other than the Declarant. Not later than 60 days after conveyance to Owners other than Declarant of 50 percent of the Lots of East River Ranches that may be created, not less than 33⅓% of the Directors must be elected by Owners other than Declarant. Not later than the termination of the Period of Declarant Control specified in the Declaration, the Owners shall elect all Directors of the Executive Board, a majority of whom must be Owners other than Declarant or designated representatives of Owners other than Declarant. The Declarant may not remove any Director elected by the Owners.

Following notice under C.R.S. § 38-33.3-308, the Members, by a vote of 75 percent of all persons present and entitled to vote at any meeting of the Members at which a quorum is present, may remove any Director of the Executive Board other than a Director appointed by the Declarant with or without cause.

ARTICLE 12
Officers

The corporation shall have as officers a President, a Vice-President, a Secretary/Treasurer and such other officers as the Executive Board believes will be in the best interest of the Association. Any two or more offices may be held by the same person, except the offices of President and Secretary/Treasurer. The President, Vice-President,

and Secretary/Treasurer shall all be Directors of the Executive Board. All other officers shall have such duties as prescribed by the Executive Board and shall be appointed by and shall hold office at the pleasure of the Executive Board.

ARTICLE 13 Master Association

The powers of the Association may be delegated to a profit or nonprofit corporation that exercises those or other powers on behalf of one or more common interest communities for the benefit of the unit owners of one or more common interest communities. Either the Executive Board or the Members may delegate any powers of the Association to a master association. Any election to delegate powers to a master association is revocable by the Members. The master association may adopt and amend budgets for revenues, expenditures, and reserves and collect assessments for Common Expenses from Owners, if such power is expressly delegated. The Executive Board of the master association must be elected after the termination of the Period of Declarant Control in one of the following ways:

13.1 All unit owners of all common interest communities subject to the master association may elect all members of the master association's executive board;

13.2 All members of the executive boards of all common interest communities subject to the master association may elect all members of the master association's executive board;

13.3 All unit owners of each common interest community subject to the master association may elect specified members of the master association's executive board; or

13.4 All members of the executive board of each common interest community subject to the master association may elect specified members of the master association's executive board.

ARTICLE 14 Amendments

Amendments to these Articles of Incorporation shall be adopted, if at all, by a vote of 67 percent of all Members; provided, however, that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with the provisions of the Declaration.

ARTICLE 15 Incorporator

The name and address of the incorporator is Gary F. Garland, P.O. Box 2078, Crested Butte, CO, 81224.

IN WITNESS WHEREOF, the above named incorporator signed these Articles of Incorporation on _____, 1997.

Gary F. Garland

CONSENT

Brent Waite hereby consents to his appointment as the initial registered agent as provided in the above Articles of Incorporation.

Brent Waite