

**ARTICLES OF INCORPORATION
OF
WILLIAMS RANCH HOMEOWNERS ASSOCIATION
(A Nonprofit Corporation)**

NON-PROFIT

The undersigned incorporator hereby executes and acknowledges, for delivery in duplicate to the Colorado Secretary of State, these Articles of Incorporation for the purpose of forming a nonprofit Corporation under the Colorado Nonprofit Corporation Act.

ARTICLE 1
CORPORATE NAME

951068726 0 \$50.00
SECRETARY OF STATE
05-05-95 16:01

The name of this Corporation is WILLIAMS RANCH HOMEOWNERS ASSOCIATION.

ARTICLE 2
DURATION

The period of duration of this Corporation shall be perpetual.

ARTICLE 3
PURPOSES

The business, objectives, and purposes for which the Corporation is formed are as follows:

3.1 To operate the Williams Ranch Subdivision, a planned community (the "Common Interest Community") located in the East one-half of Section 8, Township 10 South, Range 84 West of the Sixth Principal Meridian, Pitkin County, Colorado in accordance with the Colorado Nonprofit Corporation Act, as amended, and to own the Common Elements thereof.

3.2 To promote the health, safety, welfare, and common benefit of the Unit Owners and residents of the Common Interest Community; and

3.3 To be and constitute the Association (the "Association") to which reference is made in the Declaration of Covenants, Conditions, Restrictions and Easements of Williams Ranch (the "Declaration") which is recorded in the office of the Clerk and Recorder of the County of Pitkin, State of Colorado, relating to a planned community ownership project described therein, in the County of Pitkin, State of Colorado, and to perform all obligations and

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duties of the Association and to exercise all rights and powers of the Association, as specified therein.

ARTICLE 4 POWERS

In furtherance of its purposes, but not otherwise, the Corporation shall have the following powers:

4.1 The Corporation shall have all of the powers, rights, and privileges conferred upon nonprofit corporations by the common law and statutes of the State of Colorado in effect from time to time.

4.2 The Corporation shall have all of the powers, rights, and privileges conferred upon common interest community associations under the common law and statutes of the State of Colorado in effect from time to time.

4.3 All of the powers, rights, and privileges necessary or desirable to perform the obligations and duties and exercise the rights and powers of the Association under its Declaration, Bylaws, Rules and Regulations, and other governing documents of the Association and the Corporation.

4.4 All of these powers, rights, and privileges, listed below, which are listed by way of example, and not by way of limitation, to do the following:

- (i) Adopt and amend bylaws and rules and regulations;
- (ii) Adopt and amend budgets for revenues, expenditures, and reserves and collect assessments for common expenses from Lot Owners;
- (iii) Hire and terminate managing agents and other employees, agents, and independent contractors;
- (iv) Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Lot Owners on matters affecting the common interest community;
- (v) Make contracts and incur liabilities;
- (vi) Regulate the use, maintenance, repair, replacement, and modification of common elements;

- (vii) Cause additional improvements to be made as a part of the common elements;
- (viii) Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property;
- (ix) Grant easements, leases, licenses, and concessions through or over the common elements;
- (x) Impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements other than limited common elements;
- (xi) Impose charges for late payment of assessments, recover reasonable attorney fees and other legal costs for collection of assessments and other actions to enforce the power of the association, regardless of whether or not suit was initiated, and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, bylaws, and rules and regulations of the association;
- (xii) Impose reasonable charges for the preparation and recordation of amendments to the Declaration or statements of unpaid assessments;
- (xiii) Provide for the indemnification of its officers and executive board and maintain directors' and officers' liability insurance;
- (xiv) Assign its right to future income, including the right to receive common expense assessments, but only to the extent the Declaration expressly so provides;
- (xv) Exercise any other powers conferred by the Declaration or bylaws;
- (xvi) Exercise all other powers that may be exercised in this state by legal entities of the same type as the Association;
- (xvii) Exercise any other powers necessary and proper for the governance and operation of the Association;
- (xviii) Enforce covenants, restrictions, and conditions affecting the Common Interest Community;
- (xix) Borrow money and secure the repayment of monies borrowed for any purpose of this Corporation, limited in amount or in other

respects as may be provided in the bylaws or in the Declaration;
and

- (xx) To engage in activities which will actively foster, promote, and advance the common ownership interests of the Owners of the Common Interest Community.

The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers which may now or hereafter be allowed or permitted by law; and the powers specified in each of the paragraphs of this Article are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provisions of this Article.

ARTICLE 5 MEMBERSHIP RIGHTS AND QUALIFICATIONS

The classes, rights, and qualifications and the manner of election or appointment of members are as follows:

5.1 This Corporation shall be a membership Corporation without certificate or shares of stock. Any person who holds title to a lot (the "Lot ") in the Common Interest Community shall be a member of the Corporation. There shall be one (1) membership for each Lot owned within the Common Interest Community. This membership shall be automatically transferred upon the transfer of title to the Lot to which the membership pertains, provided however, that the bylaws of the Corporation may contain reasonable provisions and requirements with respect to recording such transfers on the books and records of the Corporation.

5.2 All members shall be entitled to vote on all matters and the vote to which each membership is entitled is the vote assigned to its Lot in the Declaration. Cumulative voting is prohibited. No person other than an Owner of a Lot may be a member of the Corporation.

5.3 If title to any Lot shall be held by two (2) or more persons, then each such person shall be a member of this Corporation, provided however, that the voting rights of such Owners of the Lots shall not be divided but shall be exercised as if the Owner of the Lot consisted of only one (1) person in accordance with the proxy or other designation made by the Owners of the Lot. Individual co-owners may not cast fractional votes. If a Lot is owned by more than one (1) person, then those persons shall agree among themselves how a vote for that Lot's membership is to be cast. A vote by a co-owner for the entire Lot's membership interest shall be deemed to be pursuant to a valid proxy, unless another co-owner of the same Lot objects at the time the vote is cast, in which case such membership's vote shall not be counted. The Declarant named in the Declaration, or its successors or assigns, may exercise all voting rights with respect to any Lot owned by it.

5.4 A membership in the Corporation and the share of a member in the assets of the Corporation shall not be assigned, encumbered, or transferred in any manner except as an appurtenance to transfer of title to the Lot to which the membership pertains, provided however, that the rights of membership may be assigned to the holder of a first Mortgage or Deed of Trust as further security for a loan secured by a lien on such Lot.

5.5 The Board of Directors of the Corporation may suspend the voting rights of a member for failure to pay any assessment or for failure to otherwise comply with the rules and regulations or the bylaws of the Corporation or with any other obligations of the Owners under the Declaration, or agreement(s) created pursuant thereto.

5.6 The members of the Corporation shall be of one class. The class is comprised solely of Lot Owners who own Lots as defined in the Declaration. After the period of declarant control as set forth in Section 4.5 of the Declaration, these members shall elect all members of the Executive Board.

5.7 The bylaws may contain provisions, not inconsistent with the foregoing, setting forth the rights, privileges, duties, and responsibilities of the members.

ARTICLE 6 EXECUTIVE BOARD

6.1 The business and affairs of the Corporation shall be conducted, managed, and controlled by an Executive Board.

6.2 The Executive Board shall consist of not less than five (5) nor more than seven (7) members, the specified number to be set forth from time to time in the Bylaws, provided, however, that initially and during the period of Declarant Control (as defined in Section 6.6 below), the Board shall consist of five (5) members. The term of at least one member of the Executive Board shall expire annually.

6.3 Members of the Executive Board, referred to as directors, shall be elected in the manner determined by the Bylaws. All persons comprising the Executive Board shall be Owners.

6.4 Directors may be removed and vacancies on the Executive Board shall be filled in the manner provided in the bylaws.

6.5 If ownership of any Lot is held by a corporation, limited liability company, trust, or partnership (general or limited), then in that event, officers, directors, agents, representatives, or employees of said entity may serve as a member of the Executive Board.

6.6 Notwithstanding Sections 6.2 and 6.3, Declarant has the sole right to appoint and to remove members of the Executive Board and officers of The Association to the extent of and during the period of Declarant Control. Such members and officers need not be Owners, but shall exercise the care required of fiduciaries of the Owners. "Declarant Control" begins with the appointment of the initial Executive Board and continues until the earlier of (a) five (5) years from the date of recording the Declaration, (b) the voluntary surrender by Declarant in writing, (c) 60 days after Declarant conveys seventy-five percent (75%) of the Lots to Owners other than a Declarant, or (d) two (2) years after the last conveyance of a Lot by Declarant in the ordinary course of business; provided, however, that "Declarant Control" is extinguished 60 days after the following events: (a) to the extent of twenty-five (25%) of the members of the Executive Board (minimum of one (1)) after Declarant conveys twenty-five (25%) of the Lots to Owners other than a Declarant, and (b) to the extent of thirty-three and one-third percent (33 1/3%) of the members of the Executive Board after Declarant conveys fifty percent (50%) of the Lots to Owners other than a Declarant.

6.7 Pursuant to Article 5 of the Declaration, the Corporation shall act as a Master Association for the repair, replacement, and maintenance of certain facilities which serve the Common Interest Community and SilverLode Subdivision, an adjacent common interest community, and the assessment of certain charges to the appropriate owners within those common interest communities. The Master Association shall be governed by an executive board of two members, one of whom is elected from its own membership by all of the members of the Corporation's Executive Board and one of whom is elected from the adjacent common interest community's executive board membership.

6.8 The initial Executive Board shall consist of the following persons, who shall serve for the term indicated until their successors is duly elected and qualified:

<u>NAME</u>	<u>ADDRESS</u>	<u>TERM</u>
Gary A. Wright	201 North Mill Street, Suite 106 Aspen, CO 81611	1 year
Tom Stevens	312 Aspen Airport Business Center, Suite E Aspen, CO 81611	2 years
John Baker	1280 Ute Avenue Aspen, CO 81611	2 years
Christie S. Albouy	P. O. Box 128 Aspen, CO 81612	3 years
John D. Markel	3214 Campanil Drive Santa Barbara, CA 93109	3 years

6.9 Any vacancies in the Executive Board occurring before the first election of directors by the Lot Owners shall be filled by the remaining directors.

ARTICLE 7
INITIAL REGISTERED OFFICE AND AGENT

The initial registered agent and the initial registered office of the Corporation shall be:

Ann C. Kirwin, Esq.
Ireland, Stapleton, Pryor & Pascoe, P.C.
1675 Broadway, Suite 2600
Denver, Colorado 80202.

ARTICLE 8
INCORPORATION

The incorporator of this Corporation and her address is as follows:

Ann C. Kirwin, Esq.
Ireland, Stapleton, Pryor & Pascoe, P.C.
1675 Broadway, Suite 2600
Denver, Colorado 80202.

ARTICLE 9
DISSOLUTION

In the event of the dissolution of this Corporation, either voluntarily by the members hereof, by operation of law, or otherwise, then the assets of this Corporation shall be deemed to be owned by the members at the date of dissolution in proportion to each member's percentage interest in Common Expenses of the Williams Ranch Subdivision pursuant to the Declaration.

**ARTICLE 10
AMENDMENTS**

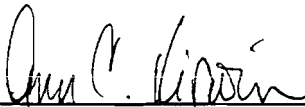
Amendments of these Articles of Incorporation shall require the approval of at least sixty-seven percent (67%) of the votes present or represented by proxy at either an annual or a special meeting. In the event there are no members, or no members entitled to vote thereon, an amendment shall be adopted at a meeting of the Executive Board upon receiving the vote of a majority of the directors in office. No amendment shall be contrary to or inconsistent with any provision of the Declaration.

WITNESS the execution hereof, in duplicate, this 5th day of May, 1995.



Ann C. Kirwin, Esq., Incorporator

Ann C. Kirwin, Esq. hereby consents to the appointment as the initial registered agent for Williams Ranch Homeowners Association.



Ann C. Kirwin, Esq., Initial Registered Agent