

**ARTICLES
OF
INCORPORATION**

FILED
DONETTA DAVIDSON
COLORADO SECRETARY OF STATE

ARTICLES OF INCORPORATION
OF
CRYSTAL VALLEY RANCH MASTER ASSOCIATION, INC.

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SECRETARY OF STATE
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In compliance with the requirements of the Colorado Revised Nonprofit Corporation Act, Sections 7-121-101 through 7-137-301, C.R.S., as amended, the undersigned, of full age, has this day, for the purpose of forming a non-profit corporation, certified as follows:

ARTICLE 1. NAME

The name of the corporation is Crystal Valley Ranch Master Association, Inc., hereafter called the "Master Association."

ARTICLE 2. PRINCIPAL OFFICE

The principal office of the Master Association is c/o Crystal Valley Ranch Development Co., LLC, 409 South Wilcox Street, Suite G, Castle Rock, Colorado 80104.

ARTICLE 3. REGISTERED AGENT

Anthony J. Rechlitz, whose address is c/o Rechlitz and Shimel, LLC, 1660 South Albion Street, Suite 916, Denver, Colorado 80222, is hereby appointed the initial registered agent of this Master Association, and such address shall be the registered address of this Master Association.

ARTICLE 4. PURPOSE AND POWERS OF THE MASTER ASSOCIATION

Section 4.1. This Master Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of certain property and improvements within the property described on Exhibit A to the Master Declaration (as hereinafter defined), and any additions thereto as may hereafter be brought within the jurisdiction of this Master Association (hereinafter called the "Community"), and to promote the health, safety and welfare of the residents within the Community, and for the following purposes to:

4.1.1. exercise all of the powers and privileges and perform all of the duties and obligations of the Master Association as set forth in that certain Master Declaration of Covenants, Conditions and Restrictions of Crystal Valley Ranch, hereinafter called the "Master Declaration," applicable to the Community and recorded or to be recorded in the Office of the Clerk and Recorder of Douglas County, Colorado, as the same may be amended, clarified and supplemented from time to time, said Master Declaration being incorporated herein as if set forth at length (terms which are defined in the Master Declaration shall have the same meanings herein unless otherwise defined);

4.1.2. have and exercise any and all powers, rights and privileges which a corporation organized under the Colorado Revised Nonprofit Corporation Act by law may now or hereafter have or exercise;

4.1.3. exercise any powers enumerated in the Bylaws of the Master Association; and

4.1.4. exercise any other powers necessary and proper for the governance and operation of the Master Association, including without limitation those powers granted in CCIOA.

ARTICLE 5. MEMBERSHIP

The Owners of each Lot which is now or hereafter subject to assessment as provided in the Master Declaration, including contract sellers, shall be a Member of the Master Association. Following termination of the Community, the membership shall consist of all former Owners entitled to distribution of proceeds under CCIOA or their heirs, personal representatives, successors or assigns. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Master Association. A transfer of membership shall occur automatically upon the transfer of title to the Lot to which the membership pertains. Each Lot shall have one (1) membership in the Master Association and there is only one (1) Member per Lot, even if the Lot is owned by multiple Owners.

ARTICLE 6. MEMBER VOTING RIGHTS; DELEGATES; DELEGATE VOTING RIGHTS

Section 6.1. All Members shall have voting rights as more fully provided in the Master Declaration, the Articles of Incorporation and the Bylaws of the Master Association, but subject to any limitations or restrictions contained therein.

Section 6.2. The Community will be divided into Districts and each Lot shall be a part of only one (1) District. The District Members shall elect a Delegate to represent the District Members, as more fully provided in the Master Declaration and the Bylaws of the Master Association.

Section 6.3. Each Delegate shall have one (1) vote for each Lot located in the District represented by such Delegate, except that no vote shall be attributable to any Lot whose Owner(s) are then in default in any obligation to the Master Association. Members may instruct a Delegate as to the manner in which the Delegate is to vote on any issue as provided in the Master Declaration and the Bylaws of the Master Association.

Section 6.4. Cumulative voting is prohibited.

ARTICLE 7. BOARD OF DIRECTORS

The affairs of this Master Association shall be managed by a Board of Directors of five (5) directors, except that the Board which shall serve until 25% of the Lots that May Be Included have been conveyed to Owners other than a Master Declarant, shall consist of three (3) directors. Directors shall be Members which, in the case of any Members who are not natural persons, may include the officers, directors, partners, members, employees, or authorized agents of each such Member. Notwithstanding the foregoing, the number of directors may be changed from time to

time as provided in the Bylaws; provided, however that, except as provided above, the number of directors may not be greater than nine (9) nor less than five (5). The names and addresses of the Persons who are to act in the capacity of directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
Julie A. Walker	409 South Wilcox Street, Suite G, Castle Rock, Colorado 80104
Allan J. Block	409 South Wilcox Street, Suite G, Castle Rock, Colorado 80104
James L. Ostenson	409 South Wilcox Street, Suite G, Castle Rock, Colorado 80104

The successors to the initial and subsequent Board of Directors shall be appointed or elected in the manner set forth in the Bylaws.

ARTICLE 8. DISSOLUTION

The Master Association may be dissolved, at a regular or special meeting of the Delegates, with the assent given in writing and signed by the Delegates to which at least percent (67%) of the votes in the Master Association are allocated. Upon dissolution of the Master Association other than incident to a merger or consolidation, the assets of the Master Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Master Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE 9. OFFICERS

The Board of Directors shall appoint a president, a secretary, and a treasurer, and may appoint such other officers as the Board, in accordance with the provisions of the Bylaws, believes will be in the best interests of the corporation. The officers shall have such duties as may be prescribed in the Bylaws and as may be designated by the Board of Directors from time to time, and shall serve at the pleasure of the Board of Directors.

ARTICLE 10. DURATION

The Master Association shall exist perpetually.

ARTICLE 11. LIMITED LIABILITY OF DIRECTORS AND OFFICERS; INDEMNIFICATION

Section 11.1. There shall be no personal liability, either direct or indirect, of any director or officer of the Master Association to the Master Association or its Members, for monetary damages for any breach(es) of fiduciary duty as a director or officer, except that this provision shall not eliminate the liability of a director or officer, to the Master Association or its

Members, for monetary damages for any breach, act, omission or transaction as to which the Colorado Revised Nonprofit Corporation Act (as in effect from time to time) expressly prohibits the elimination of liability. This provision is effective on the date of incorporation of the Master Association, and shall not eliminate or limit the liability of a director or officer to the Master Association or to its Members for monetary damages for any act or omission occurring prior to such date. However, this provision shall not limit the rights of directors or officers of the Master Association for indemnification or other assistance from the Master Association. Also, this provision shall not restrict or otherwise diminish the provisions of Section 13-21-116(2)(b), Colorado Revised Statutes, as amended, or any other law that would limit or eliminate liabilities. Any repeal or modification of the foregoing provisions of this Article by the Delegates, or any repeal or modification of the provisions of the Colorado Revised Nonprofit Corporation Act which permits the limitation or elimination of liability of directors or officers, shall not adversely affect any elimination of liability, or any right or protection, for any breach, act, omission or transaction that occurred prior to the time of such repeal or modification.

Section 11.2. The Master Association shall indemnify its directors and officers as now or hereafter required by the Colorado Revised Nonprofit Corporation Act or CCIOA, and may indemnify its directors, officers, and employees as otherwise permitted by law or as the Board may deem appropriate from time to time.

ARTICLE 12. AMENDMENTS

Amendment(s) of these Articles shall be approved if, at an annual or special meeting of the Delegates, the votes cast by Delegates favoring the amendment exceed the votes cast by Delegates opposing the amendment; provided, however, that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with any provision of the Master Declaration. In addition to the foregoing, these Articles of Incorporation may be amended by a vote of Delegates by written ballot as provided in the Bylaws of the Master Association.

Notwithstanding the foregoing, the Board of Directors may at any time amend these Articles of Incorporation, without Delegate action, if and to the extent provided in the Colorado Revised Nonprofit Corporation Act.

Notwithstanding anything to the contrary contained in this Article, the written approval of HUD or VA shall be required for any amendments enacted during the 75% Control Period if, at the time such amendment is enacted, HUD has insurance or VA has a guarantor(s) on one or more Security Interests and HUD or VA requires such approval.

ARTICLE 13. CONFLICT OF PROVISIONS

In case of any conflict between the Master Declaration and these Articles of Incorporation, the Master Declaration shall control. In the case of any conflict between these Articles of Incorporation and the Bylaws of the Master Association, the Articles of Incorporation shall control.

The name and address of the incorporator is Anthony J. Rechltz, Rechltz and Shimel, LLC, 1660 So. Albion Street, Suite 916, Denver, CO 80222.

The name and mailing address of the individual who causes this document to be delivered for filing, and to whom the Secretary of State may deliver notice if filing of this document is refused, is: Anthony J. Rechlitz, Rechlitz and Shimel, LLC, 1660 So. Albion Street, Suite 916, Denver, CO 80222.

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