

ARTICLES OF INCORPORATION OF 951002777 \$50.00
THREE ELK RUN HOMEOWNERS ASSOCIATION, INC. SECRETARY OF STATE
01-09-95 11:09

The undersigned natural person, being more than twenty-one (21) years of age, acting as incorporator, hereby establishes a non-profit corporation under and by virtue of the Colorado Non-Profit Corporation Act, and adopts the following Articles of Incorporation.

ARTICLE I

NAME

The name of the corporation is the THREE ELK RUN HOMEOWNERS ASSOCIATION, INC.

ARTICLE II

EXISTENCE

The corporation shall have perpetual existence.

ARTICLE III

PURPOSES

The nature, objects and purposes for which the corporation is organized are as follows:

1. To manage, protect, operate and maintain easements and roads serving the Three Elk Run Subdivision in Garfield County, Colorado, subject to such annual or special assessments or charges as may be required for the operation, maintenance or improvement of said easements and roads.

2. To adopt, administer and enforce Protective Covenants, including architectural control, for the architecture and appearance of the development of Three Elk Run Subdivision, for the benefit of its respective members on a cooperative basis.

3. To have and exercise, generally, all powers and to do and perform all the acts, which shall or may be necessary or proper to carry out and put into effect the purposes for which the corporation is formed and as provided by law; provided, however, that the enumeration in these Articles of Incorporation of specific powers shall not be construed to limit or restrict in any manner

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whatsoever the general powers conferred upon non-profit corporations under the laws of the State of Colorado.

4. To have and exercise, generally, all purposes and powers set forth for a unit owners association under the Colorado Common Interest Ownership Act.

5. Notwithstanding the foregoing stated purposes, the corporation is organized exclusively for purposes of holding and maintaining mutually owned and used common areas, open spaces, easements and road and enforcing Protective Covenants on a cooperative basis whereby at least eighty-five percent (85%) of its income shall be derived from assessments to members for the sole purpose of meeting expenses or losses, and in full compliance with the requirements of Sections 501(c)(4) and (12) of the Internal Revenue Code of 1986.

ARTICLE IV

FINANCES

1. No part of the income or net earnings of the corporation shall inure to the benefit of, or be distributable to, any member, director or officer of the corporation or any other private individual (except that reasonable compensation may be paid for services actually rendered to or for the corporation, and any officer, director, agent or employee, or any other person or corporation may be reimbursed for expenses advanced or incurred for the corporation's benefit, upon authorization of the Board of Directors); provided further, that no member, director or officer of the corporation, nor any other private individual, shall be entitled to share in any distribution of any of the corporate assets on dissolution of the corporation, or otherwise, except as set forth in Paragraph 3 of this Article and Article V. No substantial part of the activities of the corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation. The corporation shall not participate or intervene in any political campaign on behalf of any candidate for public office.

2. No part of the assets of the corporation shall inure to the benefit of, or be distributable to, any organization whose income or net earnings, or any part thereof, might inure to the benefit of any private shareholder or other individual, or any organization, the substantial part of the activities of which consists of carrying on propaganda or otherwise attempting to influence legislation.

3. Upon dissolution of the corporation, all of its assets remaining after payment of liabilities shall be paid over

and transferred to one or more exempt organization as are qualified for exemption from Federal income taxes under Section 501(c)(4) and (12) of the Internal Revenue Code. The proceedings for dissolution shall be conducted in accordance with Article 26, Title 7, C.R.S., as amended.

4. Notwithstanding any other provision hereof, this corporation shall not conduct or carry on any activities not permitted to be conducted or carried on, nor receive any income which is prohibited by an organization which is exempt from taxation under the provisions of Section 501(c)(4) and (12) of the Internal Revenue Code of 1986, as amended.

ARTICLE V

MEMBERSHIP

1. There shall be one class of membership, as follows:

A. Members of the corporation shall be the owner or owners of any lots located within Three Elk Run Subdivision, Garfield County, Colorado, as shown on the plat thereof recorded in the office of the Clerk and Recorder of said County.

2. Each member shall be entitled to vote, either in person or by proxy, for each lot registered in his or her name on the books of the corporation, and in the election of directors, each such voting member shall have the right to vote such number of lots for as many persons as there are directors to be elected.

3. At all meetings of the shareholders of a majority of the owners entitled to vote at such meeting, represented in person or by proxy, shall constitute a quorum.

4. Each membership, for all purposes of assessments required to carry out the purposes of the corporation, and of any lien therefor or enforcement thereof, shall be construed as a proportionate right, title and interest in and to all real property and other assets owned by the corporation, and as being appurtenant to the real estate owned by each member.

ARTICLE VI

ASSESSMENTS

1. All assessments made by the Board of Directors under the authority of these Articles of Incorporation shall be and become a lien against the respective represented memberships subject to such assessments, and the real estate to which the same

become appurtenant, and until the same shall have been paid, any such lien shall be and remain a lien against such membership and real estate. The manner of enforcing any such lien shall be set forth in the bylaws of the corporation and a recorded copy of these Articles of Incorporation, the appropriate bylaw, or any memorandum thereof, shall constitute notice of any such assessment lien, which shall become effective as of the date the same shall have been made by appropriate action of the Board of Directors.

ARTICLE VII

REGISTERED AGENT

The address of the initial registered office of the corporation is P. O. Box 182, 681 East Main Street, New Castle, Colorado 81647. The name of its initial registered agent at such address is EDWARD A. McCUNE. The business and affairs of such corporation shall be conducted and carried on within the State of Colorado. The principal office of the corporation shall be located at P.O. Box 182, 681 East Main Street, New Castle, CO 81647.

ARTICLE VIII

DIRECTORS

The number of directors constituting the initial Board of Directors of the corporation is two and the names and addresses of the persons who are to serve as directors until the first annual meeting of shareholders, or until their successors shall have been duly elected and qualified, are as follows, to wit:

Edward A. McCune
P. O. Box 182
681 East Main Street
New Castle, CO 81647

Dirk Larsen
1926 Cold Springs Road
Nederland, CO 80466

ARTICLE IX

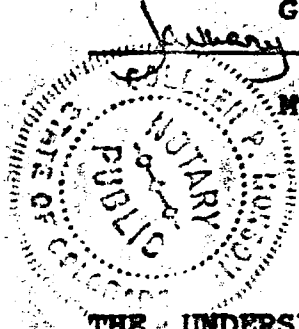
INCORPORATOR

The name and address of the incorporator is:

Edward A. McCune
P. O. Box 182
New Castle, CO 81647

truth of the facts therein stated and acknowledged that he signed and delivered said instrument of writing as his free and voluntary act.

Given under my hand and official seal this 5th day of January, 1995.



My commission expires:

December 20, 1997
Colleen F. Lawson
Notary Public

THE UNDERSIGNED CONSENTS TO THE APPOINTMENT AS THE INITIAL REGISTERED AGENT OF THREE ELK HOP HOMEOWNERS ASSOCIATION, INC.

[Signature]
Edward A. McCune