

NONPROFIT

ARTICLES OF INCORPORATION  
OF  
BLUE RIVER RUN  
HOMEOWNERS ASSOCIATION

I, the undersigned, being a natural person of the age of nineteen (19) years or more, acting as the incorporator of a corporation under the Colorado Nonprofit corporation law, state as follows:

ARTICLE I  
NAME

19971209883 0  
\$ 50.00  
SECRETARY OF STATE  
12-29-97 14:29:11

The name of the corporation is Blue River Run Homeowners Association ("Association").

ARTICLE II  
DEFINED TERMS

Terms used and capitalized herein which are defined in the Declaration of Covenants, Conditions, Restrictions and Easements for Blue River Run (the "Declaration") shall have the same meaning as in the Declaration unless otherwise defined herein.

ARTICLE III  
PURPOSE

The purposes for which the corporation is formed are as follows:

(a) To operate the planned community project known as Blue River Run, located in the Town of Silverthorne, Summit County, Colorado, in accordance with the requirements for an association of Owners charged with the administration of property under the Colorado Common Interest Ownership Act of the Statutes of the State of Colorado, as amended, including, without limiting the generality of the foregoing statement, the performance of the following acts and services for a not-for-profit basis:

(i) To manage, supervise, care for, operate, maintain, repair, replace and renew all Common Areas, the Townhome Lots (if submitted to the Declaration) and other facilities, installations and appurtenances thereto relating thereto or to the property of the Association; to enforce any and all covenants, restrictions and agreements applicable to the Association; and, insofar as permitted by law, to do any other thing that, in the opinion of the Executive Board, will promote the common benefit and enjoyment of the residents of the Association.

(ii) To prepare estimates and budgets of the costs and expenses of rendering these services and the performance, or contracting or entering into agreements for this performance, as provided for in or contemplated by this subparagraph (ii); to apportion these estimated costs and expenses among the Owners; and to collect these costs and expenses from the Owners obligated to assume or bear the same; and to borrow money for the Association's

purposes, pledging as security the income due from Owners and from others and the property, if any, of the Association.

(iii) To enforce, on behalf of the Owners, Association Rules made or promulgated by the Executive Board with respect to the safe occupancy, reasonable use and enjoyment of the Common Areas and other facilities of the Association, and, to levy fines to enforce compliance with these rules.

(iv) To perform, or cause to be performed, all other additional services and acts as are usually performed by managers or managing agents of real estate developments, including without limitation, keeping or causing to be kept, appropriate books and records, preparing and filing necessary reports and returns, and making or causing to be made audits of books and accounts.

(b) To retain counsel, auditors, accountants, appraisers and other persons or services that may be necessary for or incidental to any of the activities described in this document.

(c) To do and perform, or cause to be performed, all other necessary acts and services suitable or incidental to any of the foregoing purposes to the fullest extent permitted by the Declaration or by law, and to acquire, sell, mortgage, lease or encumber any real or personal property of the Association for these purposes.

(d) To promote the health, safety, welfare and common benefit of the residents of the planned community.

(e) To do any and all permitted acts, and to have and to exercise any and all powers, rights and privileges which are granted to a planned community association under the Colorado Common Interest Ownership Act, the Declaration, the Bylaws, and the laws applicable to a nonprofit corporation of the State of Colorado.

The foregoing statements of purpose shall be construed as statements of both purpose and powers. The purposes and powers stated in each clause shall not be limited or restricted by reference to or inference from the terms or provisions of any other clause, but shall be broadly construed as independent purposes and powers. The Association shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of the Association.

#### ARTICLE IV DURATION

The duration of the Association shall be perpetual.

#### ARTICLE V QUALIFICATION OF MEMBERS AND CLASSES

The authorized number and qualifications of members of the Association, the different classes of membership, if any, voting and other rights and privileges of members, members' liability for dues and assessments and the method of collection of dues and assessments shall be set forth in the Bylaws and the Declaration.

ARTICLE VI  
CORPORATE OFFICE

The initial principal office of the corporation shall be 1114 West 7th Avenue, Denver, Colorado 80204.

ARTICLE VII  
AGENT FOR SERVICE

The initial registered agent of this corporation shall be Kurt W. Hogue, whose address is 1114 West 7th Avenue, Denver, Colorado 80204., whose written consent to appointment is provided in the attached accompanying document.

ARTICLE VIII  
BOARD OF DIRECTORS

The initial Board of Directors shall consist of three (3) persons designated by the Declarant, none of whom need be Owners except as provided in Article XI of this document. The names and address of the initial Directors are:

Kurt W. Hogue  
1114 West 7th Avenue  
Denver, CO 80204

Carl Brainard  
5402 S. Fulton Court  
Greenwood Village, CO 80111

Gordon Hogue  
1114 West 7th Avenue  
Denver, CO 80204

ARTICLE IX  
INCORPORATOR

The name and address of the incorporator is:

Ronald K. Reeves  
Messner, Pavak & Reeves, LLC  
1202 Bergen Parkway, Suite 300  
Evergreen, CO 80401

ARTICLE X  
AMENDMENT

Amendment of these Articles shall require the assent of at least 67% of the Board of Directors and, if the amendment amends any provisions of the Declaration, the assent of 67% of the Owners of all Parcels in the project as shown in the Declaration.

ARTICLE XI  
MEMBERSHIP CLASSES, RIGHTS  
AND QUALIFICATIONS

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

(a) Any person who holds title to a Lot in Blue River Run shall be a member of the corporation. There shall be one membership for each Lot owned within Blue River Run. This membership shall be automatically transferred upon the conveyance of that Lot. Voting shall be one vote per Lot.

(b) If a Lot is owned by more than one (1) person, those persons shall agree among themselves how a vote for that Lot's membership is to be cast. Individual co-owners may not cast fractional votes. 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.

(c) The members shall be one class, Owners who own Lots as defined in the Declaration. These owners shall elect all members of the Executive Board, following the Declarant Control Period.

(d) Notwithstanding the foregoing, the Declarant shall have additional rights and qualifications as may be provided under the Colorado Common Interest Ownership Act and the Declaration, including the right to appoint members of the Executive Board. The Declaration and Bylaws provide that during the Declarant Control Period, the Declarant, or persons designated by Declarant, may appoint and remove the officers and members of the Executive Board subject to the following restrictions:

(i) Not later than sixty (60) days after conveyance by Declarant to Owners of twenty-five percent (25%) of the total number of Lots, including all Lots permitted to be located in the Expansion Property, at least one member and not less than twenty-five percent (25%) of the members of the Executive board shall be elected by Owners other than Declarant.

(ii) Not later than sixty (60) days after conveyance by Declarant to Owners of fifty percent (50%) of the total number of Lots, including all Lots permitted to be located in the Expansion Property, not less than thirty-three and one-third percent (33 1/3%) of the members of the Executive Board shall be elected by Owners other than Declarant.

(iii) Not later than the termination of the Declarant Control Period, the Owners shall elect an Executive Board at least a majority of whom shall be Owners other than Declarant or designated representatives of Owners other than Declarant.

(iv) The Declarant Control Period is hereby defined as the period of time commencing on the date of incorporation of the Association and terminating on the earliest of the following events: (i) sixty (60) days after the conveyance by Declarant to Owners of seventy-five percent (75%) of the total number of Lots, including all Lots permitted to be located in the Expansion Property; (ii) two (2) years after the last conveyance of a Lot by Declarant in the ordinary course of business; or (iii) the date on which Declarant voluntarily relinquishes such

power, evidenced by a notice recorded in the office of the Clerk and Recorder for Summit County, Colorado.

(e) If Declarant voluntarily surrenders the right to appoint and remove officers and members of the Executive Board before termination of the Declarant Control Period, the Declarant may require, for the duration of the Declarant Control Period, that specified actions of the Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

(f) Except as otherwise provided above, not later than the termination of the Declarant Control Period, the Owners shall elect an Executive Board of at least three (3) members, at least a majority of whom shall be Owners. The Executive Board shall elect the officers. The Executive Board members and officers shall take office upon election.

(g) Notwithstanding any provision of the Declaration or Bylaws to the contrary, following notice under C.R.S. § 38-33.3-308 of the Colorado Common Interest Ownership Act, the Owners, by a vote of 67% of all persons present and entitled to vote at any meeting of the Owners at which a quorum is present, may remove any member of the Board of Directors other than a member appointed by the Declarant, with or without cause.

(h) Mortgagees may have, or be granted, rights of approval or disapproval for certain actions of the Association or its members.

## ARTICLE XII NOT FOR PROFIT

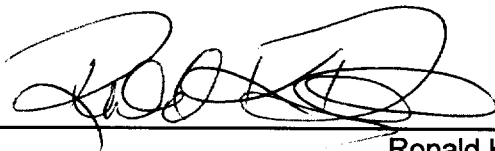
The Association shall be a nonprofit corporation, without shares of stock. No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its members, trustees, officers or other private persons except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article III hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in, (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code or corresponding section of any future tax code or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code or corresponding section of any future Federal Tax Code.

## ARTICLE XIII DISSOLUTION

Upon the dissolution of the corporation other than incident to a merger or consolidation, assets shall be distributed for one or more express purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future Federal Tax Code or shall be distributed to the Federal Government or to a state or local government for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of general jurisdiction of the county in which the principal office of the corporation is then located exclusively

for such purposes or such organization or organizations as said Court shall determine which are organized and operated exclusively for such purposes.

EXECUTED this 10<sup>th</sup> day of December, 1997, by the undersigned incorporator.




Ronald K. Reeves

STATE OF COLORADO     )  
  ) ss.  
COUNTY OF JEFFERSON    )

I, Louise Parker, a Notary Public, hereby certify that on the 10<sup>th</sup> day of December, 1997, Ronald K. Reeves personally appeared before the undersigned and who, being first duly sworn, declared that he signed the foregoing document as Incorporator and that the statements therein contained are true to the best of his knowledge, information and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 10<sup>th</sup> day of December, 1997.

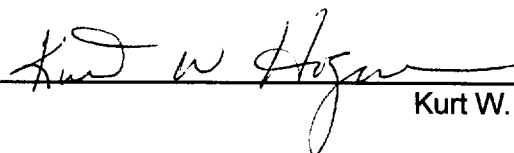
My commission expires May 14, 1998.



Notary Public

#### CONSENT

The undersigned, Kurt W. Hogue, hereby consents to his appointment as the initial registered agent as provided in Article VII above.



Kurt W. Hogue