

NONPROFIT

ARTICLES OF INCORPORATION
OF
THE PINES HOMEOWNERS ASSOCIATION, INC.

FILED

NOV 16 1989

STATE OF COLORADO
DEPARTMENT OF STATE

ARTICLE I

Name

The name of the corporation is The Pines Homeowners Association, Inc., hereafter called the "Association."

ARTICLE II

Registered Agent

The initial registered agent and the address of the initial registered office shall be as follows:

Darrell J. Gubbels
240 Wilcox Street
Castle Rock, CO 80104

The corporation may conduct all or part of its affairs in any other part of Colorado, of the United States or of the world. It may hold, purchase, mortgage, lease and convey real and personal property in any such places.

ARTICLE III

Purpose and Powers of the Association

This 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 the Lots and Common Area within The Pines, Filings No. 1 and 2, Elbert County, Colorado (hereinafter called the "Property"), and to promote the health, safety, and welfare of the residents within the Property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose to:

a. Make and collect assessments against Members of the Association for the purpose of payment of the Common Expenses including the expense incurred in exercising its powers or performing its functions;

b. Borrow funds and give security therefor in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration of Covenants, Conditions and Restrictions of The Pines recorded or to be recorded in the records of the Clerk and Recorder of

Elbert County, Colorado (the "Declaration"), these Articles of Incorporation, or the Bylaws, and to execute all such instruments in evidence of such indebtedness as may be necessary or appropriate.

c. Subject to the Declaration and the Bylaws of the Association, buy or otherwise acquire, sell, or otherwise dispose of, mortgage, or otherwise encumber, exchange, lease, hold, use, operate, and otherwise deal with and in real or personal property of any kind, and any right or interest therein;

d. Manage, control, operate, maintain, repair, and improve the Common Area and maintain and repair the Common Maintenance Areas;

e. Enforce covenants, restrictions, and conditions affecting the Property or any portion thereof to the extent this corporation may be authorized under the Declaration;

f. Engage in activities which will actively foster, promote, and advance the common ownership interests of Owners;

g. Enter into, make, perform, or enforce contracts of every kind and description, and do all other acts necessary, appropriate, or advisable in carrying out any purpose of this Association with or in association with any person, firm, association, corporation, or other entity or agency, public or private;

h. Adopt, alter, and amend or repeal such Bylaws as may be necessary or desirable for the proper management of the affairs of this Association, provided, however, that such Bylaws shall not be inconsistent with or contrary to any provisions of these Articles of Incorporation or the Declaration; and

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

For convenience of reference, the terms used herein shall have the same meaning as in the Declaration.

ARTICLE IV

Membership

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is now or hereafter subject to assessment as provided in the Declaration, including contract sellers, shall be a Member of the Association. 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 separate from ownership of any Lot which is subject to assessment by the Association.

A transfer of membership, including all rights of an Owner with respect to the Common Area, shall occur automatically upon the transfer of title to the Lot to which the membership pertains. The Association may suspend the voting rights of a Member for a period not to exceed sixty (60) days for any infraction of published rules and regulations of the Association, or for any period during which any assessment against such Owner's Lot remains unpaid. All Members shall be entitled to vote on all matters, except any Members who are in default in any obligations to the Association.

ARTICLE V

Voting Rights

The Association shall have one class of voting membership. Those members shall all be Owners of Lots and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any such Lot. Cumulative voting is prohibited.

ARTICLE VI

Board of Directors

The business and affairs of the Association shall be conducted, managed, and controlled by a Board of Directors. The Board of Directors shall consist of not less than one (1), the specific number to be set forth from time to time in the Bylaws of the Association. The members of the Board of Directors need not be Owners (as defined in the Declaration). In all events, however, the terms of at least one-half (1/2) of the members of the Board shall expire annually.

At the first meeting of the Association, the members shall elect nine Directors in the following manner: four (4) directors whose term of office shall be fixed for two (2) years and five (5) directors whose term of office shall be fixed for one (1) year. At the expiration of the initial term of office of each respective Director, as long as there are nine Directors, his successor shall be elected to serve a term of two (2) years. If the number of Directors is increased above nine (9), the terms of office shall be such that each year the terms of at least one-half (1/2) of the Directors shall expire.

Members of the Board of Directors shall be elected at the annual meeting of the members in the manner provided for in the Bylaws.

Directors may be removed and vacancies of the Board of Directors shall be filled in the manner to be provided in the Bylaws.

The names and addresses of the members of the first Board of Directors who shall serve until the first election of Directors and until their successors are duly elected and qualified are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Charles R. Campbell	37194 Forest Trail P.O. Box 955 Elizabeth, CO 80107
P. Roger Holbrook	37021 Pheasant Run Elizabeth, CO 80107
Charlene Florin Mace	37110 Timber Drive Elizabeth, CO 80107
Deborah Grant	37286 Pheasant Run Elizabeth, CO 80107
Diane Allen	37021 Pheasant Run Elizabeth, CO 80107
Debra Breeden	37242 Pheasant Run Elizabeth, CO 80107
Milton Gabrielski	37185 Forest Trail Elizabeth, CO 80107
Floyd Jones	36988 Forest Trail P.O. Box 1106 Elizabeth, CO 80107
Anita Schmeling	36532 Forest Trail Elizabeth, CO 80107

Any vacancies on the Board of Directors occurring before the first election of Directors shall be filled by the remaining Directors

Limited Liability of Directors

No director of this corporation shall have any personal liability for monetary damages to the corporation or its members for breach of his/her fiduciary duty as a director except that this provision shall not eliminate or limit the liability of a director to the corporation or its members for monetary damages for (1) any breach of the director's duty of loyalty to the corporation or its

members, (2) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) acts specified in CRS Section 7-24-111, (4) or any transaction from which the director derived an improper personal benefit.

ARTICLE VII

Dissolution

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the Members, and by the County of Elbert, Colorado, until such time as the Property may be annexed by or otherwise incorporated in any municipality. Upon dissolution of the Association other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this 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 VIII

Officers

The Board of Directors may appoint a President, one or more Vice Presidents, a Secretary, a Treasurer, and 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 of the corporation and shall serve at the pleasure of the Board of Directors.

ARTICLE IX

Duration

The Association shall exist perpetually.

ARTICLE X

Amendments

Amendment of these Articles of Incorporation shall require the assent of two-thirds (2/3) of the Members; Provided that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with any provision of the Declaration.

ARTICLE XI

FHA/VA Approval

The following actions will require the prior approval of the Federal Housing Administration of the U.S. Department of Housing and Urban Development of the Veterans Administration, if such approval is required: annexation of additional properties, mergers and consolidation, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles of Incorporation

Incorporator

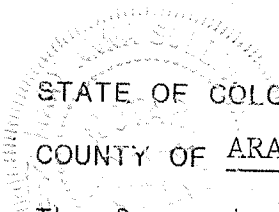
The name and address of each incorporator is:

<u>NAME</u>	<u>ADDRESS</u>
Charles R. Campbell	37194 Forest Trail Elizabeth, CO 80107

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Colorado, the undersigned, the Incorporator of this Association, has executed these Articles of Incorporation this 11 day of September, 1989.



Charles R. Campbell

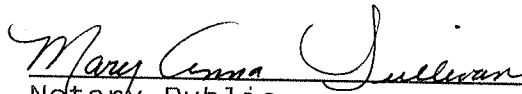


STATE OF COLORADO)
) ss.
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me this 11th day of September, 1989, by Charles R. Campbell as Incorporator of The Pines Homeowners Association, Inc.

Witness my hand and official seal.

My commission expires November 27, 1991.



Notary Public