

7 PAGE DESIGN

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ARTICLES OF INCORPORATION
Please include a typed self-addressed envelope OF A COLORADO NONPROFIT CORPORATION

Book 2626 Page 607

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THE GLEN @ HORIZON DRIVE
CONDOMINIUM ASSOCIATION

THE UNDERSIGNED, for the purpose of forming a non-profit corporation under the laws of the State of Colorado, and in accordance therewith, hereby executes and acknowledges these Articles of Incorporation and certifies as follows:

ARTICLE I
NAME

The name of the Non-Profit corporation shall be The Glen @ Horizon Drive Condominium Association.

ARTICLE II
ADDRESS

The address of the initial registered office of the nonprofit corporation in Colorado is: C/O Oates, Knezevich & Gardenswartz, P.C., 533 East Hopkins Avenue, Aspen, Colorado 81611. The address of the principal place of business is: 712 Glen Court, Grand Junction, Colorado 81501. The name of its initial registered agent at the address of its registered agent is: Oates, Knezevich & Gardenswartz, P.C.

Acceptance of appointment:

OATES, KNEZEVICH & GARDENSWARTZ, P.C.

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By: Leonard M. Oates
Leonard M. Oates, President

**ARTICLE III
TERM**

The defined terms contained herein are defined in the Condominium Declaration for The Glen @ Horizon Drive Condominium (the "Declaration") and any supplements or amendments thereto, recorded or to be recorded in the real property records of Mesa County, Colorado. The term of the Association shall be perpetual, unless the Association is terminated sooner by the unanimous action of its members. The Association shall be terminated by the termination of the Project (as hereinafter defined) in accordance with the provisions of the Declaration.

**ARTICLE IV
PURPOSE**

The purpose for which the Association is organized is to provide an entity pursuant to Colorado Revised Statutes 38-33.3-101 *et. seq.* ("Colorado Common Interest Community Act" or "CCIOA") and pursuant to Colorado Revised Statutes 7-121-101, *et. seq.* ("Colorado Revised Non-Profit Corporation Act") to govern the real property located in Mesa County, Colorado, the legal description of which is attached to the Declaration, and which Project will consist of Sixty-eight (68) townhomes ("Unit" or "Units" as the case requires) developed or to be developed pursuant to the Declaration as a common interest community (the "Project").

**ARTICLE V
POWERS**

1. The Association shall have all of the common law and statutory powers of a non-profit corporation which are not in conflict with the exclusive and mandatory provisions of CCIOA, or terms of these Articles and the Declaration.
2. The Association shall have all of the powers and duties set forth in CCIOA except as limited by these Articles and the Declaration for the Project and all of the powers and duties reasonably necessary to operate the Association as set forth in the Declaration and as it may be amended from time to time, including but not limited to, subject to the Declaration, the following:
 - 2.1 To acquire, own, lease, hold, use, transfer and convey any and all real or personal property that may be necessary to attain the purposes of the Association.
 - 2.2 To make and collect assessments against members to pay the Common Expenses of the Association.
 - 2.3 To use the proceeds of assessments in the exercise of its powers and duties.

- 2.4 To maintain, care for, repair, replace and operate the Project as provided in the Declaration.
- 2.5 To purchase insurance upon the Project and to provide protection for the Association and its members as provided by the Declaration.
- 2.6 To reconstruct Improvements after casualty and to further improve the Project as provided in the Declaration.
- 2.7 To make and amend reasonable rules and regulations respecting the use of the Association's Common Elements and the Project.
- 2.8 To enforce by legal means the provisions of CCIOA, the Colorado Revised Non-profit Corporation Act, the Declaration, these Articles, the By-Laws of the Association, and any Rules and Regulations for the use of the Project.
- 2.9 To contract for the management of the Project and to delegate to such manager all powers and duties of the Association except as such are specifically required by the Declaration to have approval of the Executive Board or the membership of the Association.
- 2.10 To contract for the management or operation of portions of the Common Property susceptible to separate management or operation.
- 2.11 To employ personnel to perform the services required for proper operation of the Association and of the Project.
- 2.12 To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from a Member as is provided in the Declaration and the By-Laws.
- 2.13 To protect and defend in the name of the Association any part or all of the Project from loss and damages by suit or otherwise.
- 2.14 To borrow funds in order to pay for any expenditure or outlays required pursuant to authority granted by provisions of the Declaration and By-Laws, and to execute all such instruments (evidencing such indebtedness) deemed necessary.
- 2.15 To execute contracts to carry out the duties and powers of the Association.
- 2.16 To engage in activities which may now or hereafter be allowed or permitted by law for a non-profit corporation to actively foster, promote and advance the common interest of the Members, who are owners of Units in the Project.

3. All funds and the titles of all properties acquired by the Association and the proceeds thereof shall be held in the name of the Association for the members of the Association in accordance with the provisions of the Declaration, these Articles and the By-Laws of the Association.
4. The powers of the Association shall be subject to and shall be exercised in accordance with the provisions of the Declaration and the By-Laws of the Association.

ARTICLES VI MEMBERS

1. The Association will have voting members whose rights and privileges are as provided for in the Declaration.
2. Change of membership in the Association shall be effected and established by the recording in the public records of Mesa County, Colorado, of a deed or other instrument establishing a change in record title to a Unit and the delivery to the Association of a certified or machine copy of such instrument. The membership of the prior Member shall thereby be terminated; provided, however, that the rights of membership may be assigned to the holder of a mortgage, deed of trust, or other security instrument on a Unit as further security for a loan secured by a lien or such Unit as provided for in the Declaration.
3. The share of a Member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to that Member's Unit.
4. A Member of the Association shall be entitled to one (1) vote for each Unit owned by that Member. The exact number of votes to be cast by a Member and the manner of exercising voters' rights shall be determined by the Declaration and By-Laws of the Association. Failure to comply with Rules and Regulations or the By-Laws of the Association or with any other obligations of the Members under the Declaration shall suspend the right of a Member to vote during the period such violation, default or failure to comply shall continue.
5. The right of a Member to vote may be denied if that Member is delinquent in payment of Association Assessments for Common Expenses.

ARTICLE VII EXECUTIVE BOARD

1. The affairs of the Association will be managed by an Executive Board (hereinafter the "Board"). The term Executive Board shall have the same meaning as the term Board of Directors consisting of the number of Board members as shall be determined by the By-Laws of the Association.

- 2. The Declaration and By-Laws shall fix the number of members of the Board and their terms and qualifications. The names and addresses of the person who are to serve as the first Board members until their successors are elected and qualified are:

William H. Engelman
 C/O: The Glen @ Horizon Drive II, LLC.
 A Colorado Limited Liability Company
 418 East Cooper Avenue, Suite #204
 Aspen, Colorado 81611

Morton A. Heller
 C/O: Vectra Bank
 534 East Hyman Avenue
 Aspen, CO 81611

Howard W. Engelman
 C/O: City Capital Corporation
 10801 National Boulevard, Suite 600
 Los Angeles, California 90064

- 3. Each Member of the Board shall have one (1) vote in Board matters.

**ARTICLES VIII
 OFFICERS**

The By-Laws shall fix the number, designation, terms and qualification of Officers. The names of the persons show are to serve as Officers until their respective successors are duly elected and qualified are as follows:

President: William H. Engelman

Vice-President: Howard W. Engelman

Secretary/Treasurer: Morton A. Heller

**ARTICLE IX
 INDEMNIFICATION**

No member of the Executive Board shall be personally liable to the Association for monetary damages for any breach of fiduciary duty as a member of the Executive Board, except that no Executive Board member's liability to the Association for monetary damages shall be eliminated or limited on account of any of the following: [a] Any breach of the Executive Board member's duty of loyalty to the Association or its members; [b] Any acts or omissions of the Executive Board member

not in good faith or that involve intentional misconduct or a knowing violation of the law; [c] the Executive Board member's assent to or participation in a loan by the Association to any Executive Board member or officer of the Association; [d] Any transaction in which the Executive Board member received improper personal benefit. Nothing herein will be construed to deprive any Executive Board member of the right to all defense ordinarily available to a Executive Board member nor will anything herein be construed to deprive any Executive Board member of any right for contribution from any other Executive Board member or other person. Any repeal or modification of this Article shall be prospective only and shall not adversely affect any right or protection of an Executive Board member of the Association existing at the time of such repeal or modification. Provisions for the indemnification of Executive Board members and officers of the Association are contained in the Association's By-Laws.

**ARTICLE X
BY-LAWS**

The first By-Laws of the Association shall be adopted by the Board and may be altered, amended or revoked in the manner provided by the By-Laws.

**ARTICLE XI
AMENDMENTS**

Amendments to the Articles of Incorporation shall be proposed and adopted pursuant to and as required by the terms of the Colorado Revised Non-profit Corporation Act, as amended from time to time, the Declaration and the By-Laws, subject to the limitations contained therein.

**ARTICLE XII
DISSOLUTION AND LIQUIDATION**

Provisions regarding the distribution of assets on liquidation, dissolution or winding up are: Payment of all corporation's liabilities, then to the Members, pursuant to a plan to be adopted by members on dissolution as more fully provided in the Declaration. Any assets that should be transferred to a creditor, claimant or Member who cannot be found or who is not legally competent to receive them shall be reduced to cash and deposited with the state treasurer as property presumed to be abandoned under the provisions of Article 13 of Title 38, C.R.S.

**ARTICLE XIII
NON-PROFIT ASSOCIATION**

This Association is not organized for profit. No Member, member of the Board, officer, or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any member of the Board, officer, or Member; provided, however, always (a) that

reasonable compensation may be paid to any Member, Board member or officer while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (b) that any Member, Board member or officer may, from time to time, be reimbursed for actual and reasonable expenses incurred in connection with the administration of the affairs of the Association with the approval of the Board.

**ARTICLE XIV
INCORPORATOR**

The name and address of the incorporator of these Articles of Incorporation is:

Leonard M. Oates
533 East Hopkins Avenue
Aspen, CO 81611


**ARTICLE XV
EFFECTIVE DATE**

These Articles of Incorporation shall have an immediate effective date.

**ARTICLE XVI
COMPLIANCE WITH GOVERNING LAW**

In the event any provision of these Articles of Incorporation shall contravene any mandatory provision of CCIOA or the Colorado Revised Non-Profit Corporation Act (collectively the "Act"), then the provision of the Act shall govern. In the event any provision of these Articles of Incorporation shall be different from what is permitted under any optional provisions of the Act, then the provisions of these Articles of Incorporation shall govern.

IN WITNESS WHEREOF, the above named incorporator hereby executes these Articles of Incorporation this 27th day of May, 1999.



Leonard M. Oates

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