

NOT FOR PROFIT

401

FILED

ARTICLES OF INCORPORATION

OF THE

5 MAR '92

DAKOTA RIDGE HOMEOWNERS ASSOCIATION

COLORADO  
STATE OFFICE

THE UNDERSIGNED hereby establishes a non-profit corporation pursuant to the Colorado Nonprofit Corporation Act, and adopts the following Articles of Incorporation for the corporation:

ARTICLE I

Name of Corporation

The name of the corporation is Dakota Ridge Homeowners Association. The corporation is sometimes referred to in this document as the "Association."

ARTICLE II

Period of Duration

The corporation shall have perpetual existence.

ARTICLE III

Definitions

As used in these Articles, the following terms shall have the following respective definitions:

A. "Declaration" shall mean and refer to that certain instrument entitled "Declaration of Covenants of Dakota Ridge", recorded or to be recorded in the real property records of Routt County and affecting all of the property described on the Plat of Dakota Ridge, a subdivision map recorded or to be recorded in the real property records of Routt County, and all amendments thereto.

B. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. If the record owner of a Lot or parcel is a person or entity holding title in a fiduciary capacity for the benefit of another, upon written direction from the legal title holder, the beneficiary may for purposes of voting and notice be considered the owner of the Lot.

C. "Subdivision" shall mean and refer to the real property described in the Plat of Dakota Ridge (including the Lots and the Common Areas), together with such additions thereto as may hereafter be made a part of and subject to the Covenants and brought within the jurisdiction of the Association.

D. "Common Area" shall mean all of the real property or

easements owned by the Association for the common use and enjoyment of the Owners. The common areas to be owned by the Association are all roads, road easements, equestrian trails, utility easements and the other Common Areas and Restricted Common Areas which are illustrated, defined or described on the Plat of Dakota Ridge.

E. "Lot" shall mean and refer to each of the seventy-three residential tracts which are designated as a Lot on the Plat of the Subdivision, title to which Lot is or will be conveyed in fee simple to an Owner by reference to the Lot designation on the Plat.

F. "Declarant" shall mean and refer to Quarry Ridge, Ltd., a Colorado limited partnership, or any successor thereto by merger or consolidation, and any successor or assign of Quarry Ridge, Ltd., under an instrument specifically designating such successor or assign as a successor or other assign under the Declaration.

G. "First lienor" shall mean a holder of a promissory note which is secured by a first mortgage or first deed of trust encumbering a Lot. "Mortgage" shall include a deed of trust, and "Mortgagee" shall include the beneficiary of a deed of trust.

#### ARTICLE IV

##### Purposes of Association

The Association does not contemplate pecuniary gain or profit, direct or indirect, to its members. The purposes of the Association shall be:

A. To provide for the care, upkeep and supervision of the Subdivision.

B. To install, construct, manage, operate, maintain and supervise the Common Areas and any and all improvements situated thereon, and any and all personal property acquired in any way by the Association for the common use of the Owners;

C. To provide for architectural and aesthetic control within the Subdivision;

D. To enforce the provisions of the Declaration, these Articles, the Bylaws, and Rules and Regulations of the Association;

E. To define membership in the Association and the voting rights of the members;

F. To regulate and control the relationships between the Owners of Lots within the Subdivision;

G. To promote the best interests of the Owners for the purposes of securing for them the fullest utilization and enjoyment of the Common Areas; and

H. To exercise any and all powers and authority and

responsibility provided for the Association by the Declaration.

## ARTICLE V

### Powers of Association

In furtherance of its purposes, the Association shall have and may exercise all of the following powers:

A. Real and Personal Property. To acquire by any method, own, lease, operate, build, manage, use, rent, sell, hold, develop, improve, encumber, and otherwise deal in and with real and personal property of every kind. This includes tangible and intangible property, wherever located, and interests of every sort therein.

B. Borrowing. To borrow funds or raise moneys in any amount for any of the purposes of the Association and from time to time to execute, accept, endorse and deliver, as evidence of such borrowing, promissory notes, drafts, and other negotiable or non-negotiable instruments and evidences of indebtedness. The Association may also secure the payment and performance of such instruments by mortgage on, or pledge, conveyance, deed or assignment in trust of, the whole or any part of the assets of the Association, real, personal, or mixed, including contract rights, whether at the time owned or hereafter acquired; provided, however, that the Association may exercise the powers provided for in this subparagraph B only with the prior written consent of the Owners of two-thirds of the Lots and of the first lienors of such Lots.

C. Contracts. To enter into, make, amend, perform, cancel, and rescind, contracts, leases, permits, and concession agreements for any lawful purposes pertaining to its business.

D. Assessments. To fix, determine, levy and collect general assessments for common expenses pursuant to the Declaration, including without limitation, annual and special assessments, and assessments to fund any reserve deemed appropriate by the Board of Directors or required by the Declaration. The Association may also levy and collect special assessments from time to time as authorized or permitted by the Declaration or Bylaws, and may exercise and enforce any and all remedies provided in the Declaration for collection of such assessments, fees, late charges, costs and interest.

E. Rule Making. To make and enforce Rules and Regulations with regard to the management, use, occupancy, and operation of the Lots and Common Areas of the Subdivision and the assets of the Association.

F. Construction, Management, Maintenance and Repair. To construct, install, erect, replace, maintain, repair, manage and supervise buildings, recreation facilities and any other improvements now or hereafter on the Common Areas.

G. General Powers. To do everything necessary, suitable or

proper for the accomplishment of any of the purposes, or the furtherance of any of the powers set forth in this Article, either alone or in connection with other corporations, firms or individuals, and either as principal or agent. The Association may also do every act or thing incidental or connected with any of its purposes or powers, and do any act authorized or permitted by the Declaration.

H. Powers Conferred by Law. To exercise any powers granted or allowed to a non-profit corporation under Colorado law. This list of specific powers shall not limit or restrict in any manner the general powers of the Association and the enjoyment and exercise thereof as now or hereafter conferred by the laws of Colorado.

#### ARTICLE VI

##### Restrictions Upon Purposes and Powers

The purposes and powers of the Association are subject to the following limitations:

A. The Association shall at all times be organized and operated solely as a "homeowners' association" as defined in and limited by Section 528(c) of the Internal Revenue Code, being part of Section 2101 of the Tax Return Act of 1976, as now exists or may hereafter be amended;

B. The Association shall not for any taxable year receive more than 40% of its gross income from amounts other than membership dues, fees and assessments from Owners of Lots;

C. The Association shall not for any taxable year expend more than 10% of its gross expenditures for purposes other than the acquisition, construction, management, maintenance and care of real and personal property held by the Association, including the Common Areas and other property qualifying as "association property" under Section 528(c)(4) of the Internal Revenue Code; and

D. No part of the net earnings of the Association shall inure to the benefit of any member of the Association (other than by acquiring, constructing or providing management, maintenance, and care of such property of the Association qualifying as "association property" under Section 528(c)(4) of the Internal Revenue Code, and other than by a rebate of excess membership dues, fees, or assessments);

E. The Directors of the Association shall at all times and for all taxable years of the Association elect to have Section 528 of the Internal Revenue Code apply to the Association.

F. Unless the Owners of at least two-thirds of the Lots and the first lienors of such Lots have given their prior written approval,

the Association shall not be entitled to: (a) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Areas (the granting of easements for access, utilities or for other purposes consistent with the intended use of the Common Areas shall not be deemed a transfer within the meaning of this clause); (b) change the method of determining the obligations, assessments, dues or other charges which may be levied against the Owners; (c) by act or omission change, waive or abandon any scheme or regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of structures, the exterior maintenance of structures, the maintenance of the Common Areas or common fences and driveways, or the upkeep of lawns and plantings in the Subdivision; or (d) use hazard insurance proceeds for losses to any Common Areas for other than the repair, replacement or reconstruction of such Common Areas.

#### ARTICLE VII

##### Dividends and Distributions

The Association shall not pay any dividends. No distribution of the corporate assets to members (as such) shall be made until all corporate debts are paid, and then only upon final dissolution of the Association by the affirmative vote of at least eighty percent (80%) of the votes of all members at any regular or special meeting called for that purpose at which a quorum shall be represented. Upon such dissolution and distribution, the assets remaining after payment of all debts shall be distributed among the members of the Association in proportion to their respective liabilities for annual assessments of the Association.

#### ARTICLE VIII

##### Office and Agent

The operations of the Association shall be conducted at such places as may be determined by the Board of Directors. The address of the initial registered and principal office of the Association is Link & Thompson, P.C., P.O. Box 770090, Steamboat Springs, Colorado. The name of its initial registered agent at such address is Dean A. Link.

#### ARTICLE IX

##### Membership

Any individual, corporation, partnership, association, trust or other legal entity owning an undivided fee simple interest in a Lot shall automatically be and become a member of the Association. Such membership shall be continuous throughout the period that such ownership continues. The Declarant shall be a member of the Association for and as respects each Lot owned by it from time to time. Termination of memberships shall not relieve or release any former member from liability or obligation incurred by virtue of or in any way connected with ownership of a Lot, or impair any rights or

remedies which the Association or others may have against such former Owner and member arising out of or in any way connected with such ownership or membership. The Association shall have the following classes of membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant. Class A members shall be entitled to one vote for each Lot owned. When two or more Owners hold undivided fee simple interests in any Lot, whether as joint tenants, tenants in common, or otherwise, then each such person shall be a member, the voting rights allotted for such Lot shall be exercised as such Co-Owners may determine and agree, but in all events only one vote, undivided, may be cast for all such Co-Owners of such individual Lot with respect to any matter, decision or election of the Association on which a vote is taken. Any owner of a Lot which is leased may, in the lease or other written instrument, assign the voting right appurtenant to the Lot to the lessee, provided that a copy of the instrument is furnished to the secretary prior to any meeting.

Class B. The Class B member shall be the Declarant, and the Declarant shall be entitled to three (3) votes for each Lot owned by it. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (1) When the total votes outstanding in the Class A membership exceeds the total votes outstanding in the Class B membership; or
- (2) On December 31, 1990; or
- (3) When, in its discretion, the Declarant so determines.

Each corporation, partnership, association, trust or other legal entity acquiring an ownership interest in a Lot and thereby becoming a member of the Association shall from time to time designate one or two individuals who may represent it at meetings and vote on behalf of such organizational member. The secretary of the Association shall maintain a list of the persons entitled to vote on behalf of such organizational member and until the Association is notified to the contrary, any action taken by either of such individuals purporting to any on behalf of the organizational member shall be binding upon such organizational member.

#### ARTICLE X

##### Board of Directors

The control and management of the affairs of the Association and

the disposition of its funds and property shall be vested in the directors. The number of directors shall be not less than three nor more than seven, as may be set by the Bylaws. Each Director shall serve for a term of one to three years, as may be set by the Bylaws, and until his successor is duly qualified and elected. The affirmative vote of a majority of the Directors shall be required for the transaction of the business of the Directors. Cumulative voting shall not be allowed in the election of directors or for any other purpose. The initial Board of Directors shall be three and the names and addresses of those comprising the initial Board of Directors, to serve until their successors shall be duly elected, are as follows:

A. W. Slobusky	1481 N.E. 104th Street, Miami Shores, FL 33138
Sharen K. Slobusky	1481 N.E. 104th Street, Miami Shores, FL 33138
Don McGee	70 N.W. 73rd Street, Miami, FL 33150

#### ARTICLE XI

##### Officers

The Association shall have such officers as may from time to time be prescribed by the Bylaws. Their terms of office and the manner of their designation or selection shall also be determined according to the Bylaws.

#### ARTICLE XII

##### Indemnification of Directors

Each Director, whether or not then in office, shall be indemnified by the Association against all costs and expenses reasonably incurred by or imposed upon him in connection with or arising out of any action, suit or proceeding in which he may be involved, or to which he may be a party by reason of his being or having been such Director or officer (such expenses to include the cost of reasonable settlement made with a view toward curtailment of the cost of litigation), except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to have been liable for negligence or misconduct in the performance of his duty to the Association.

#### ARTICLE XIII

##### Bylaws

The initial Bylaws of the Association shall be as adopted by its Board of Directors. Except as otherwise provided herein, the Board of Directors shall have the power to alter, amend or repeal the Bylaws, and the Bylaws may also be amended by the affirmative vote of

sixty-seven percent (67%) of the membership of the Association. The Bylaws may contain any provisions for the regulation or management of the affairs of the Association which are not inconsistent with law, the Declaration, or these Articles of Incorporation.

ARTICLE XIV

Amendments

Except as provided in subparagraph "F" of Article VI, the Association reserves the right to amend, alter, change or repeal any provision contained in these Articles of Incorporation by the vote of the holders of at least two-thirds of all of the votes of each class of the members, at any regular or special meeting called for such purpose at which a quorum shall be represented.

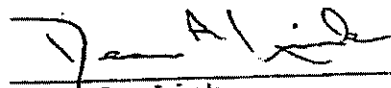
ARTICLE XV

Incorporator

The name and address of the incorporator is:

<u>Name</u>	<u>Address</u>
Dean A. Link	P.O. Box 770090, Steamboat Springs, CO 80477

DATED: March 4, 1982.

  
\_\_\_\_\_  
Dean A. Link



VERIFICATION

STATE OF COLORADO     )  
                                  ) ss.  
COUNTY OF ROUTT     )

I, Bridget Faulkner, a notary public, hereby certify that on the 4th day of March, 1982, personally appeared before me Dean Link, who being by me first duly sworn, declared that he is the person who signed the foregoing Articles of Incorporation as incorporator and that the statements therein contained are true and correct.

*Bridget O. Faulkner*  
Notary Public

my commission expires: 07-08-84

P.O. Box 770090  
Standard Signs, CO  
Notary's Address / 800179