

NOT FOR PROFIT

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COLORADO DEPT. OF REVENUE
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ARTICLES OF INCORPORATION

OF

BLACK MOUNTAIN RANCHES OWNERS ASSOCIATION

In compliance with the requirements of Title 7, Articles 20 through 29 of the Colorado Revised Statutes (1973), the undersigned, who are natural persons of full age, have this day voluntarily executed these Articles of Incorporation for the purpose of forming a non-profit corporation and do hereby certify:

ARTICLE I

The name of the corporation is Black Mountain Ranches Owners Association (hereafter, "Association").

ARTICLE II

DURATION

The period of duration of the Association shall be perpetual.

ARTICLE III

PURPOSE

The purpose for which the Association is organized is for the operation of civic, recreational and social facilities and activities exclusively for the benefit of members of Black Mountain Ranches Owners Association, their families and friends.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

(a) Membership. Every person or entity who is the fee owner of a lot in Black Mountain Ranches subdivision, or who is subject to assessment, either present or future, by the Association, pursuant to the provisions of any recorded instrument relating to such assessment, shall be a member of the Association. For the purpose of determining membership,

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such ownership will be deemed to have vested upon delivery of a duly executed deed to the grantee. Repossession for any reason of a lot shall terminate the membership. BMR Land and Cattle Company, a Colorado Limited Partnership, or its successor in interest, (hereinafter "Developer"), shall also be a member so long as it owns any lots in the subdivision.

(b) Voting Rights. Voting members shall be all the owners as defined in the Membership paragraph of this Article, including the Developer. Members shall be entitled to one vote for each lot in which they hold the interest required for membership by the Membership paragraph, as shown by the records of the Association as of the last day of the third month preceding the next membership annual meeting. When more than one person holds such interest or interests in any lot, all such persons shall be members, and the vote for such lot shall be exercised as they may among themselves determine, but in no event shall more than one vote be cast with respect to any such lot. Provided, however, that regardless of the number of lots any member may own, such member, including the Developer, shall not after the date payments on assessments are to commence, be eligible to cast a number of votes in excess of the aggregate, less one, of the number of votes available to the other members of the Association.

(c) Suspension of Membership Rights. The membership rights (including voting rights) of any Member may be suspended by action of the Board of Directors if such Member shall have failed to pay when due any assessment or charge lawfully imposed upon him or upon any property owned by him, or if the Member, his family, his tenants, or the guests of any of them shall have violated any rule or regulation of the Board regarding the use of any property or conduct with respect thereto.

ARTICLE V

POWERS

Without limiting the generality of Article III of these Articles of Incorporation, the Association shall have all powers conferred upon it by law unless inconsistent with the provisions of these Articles of Incorporation, including, but not limited to, the following: to take and hold any property; to establish thereon and to administer and enforce covenants, conditions, restrictions, rules and regulations, reservations, servitudes, profits, licenses, easements, liens or charges for the support and benefit of the Association and the welfare of the members of the Association; to construct, install, extend, operate, maintain, repair and replace

utilities, systems, services or other facilities on such property for the welfare of such members; to manage, regulate and control the common or community use and enjoyment of such property, services or facilities for the welfare of such members; to sell, convey, dispose of or lease any such property; to lay out, open, construct and maintain public streets and roads; to purchase, own, lease and operate, for the benefit and use of the members, recreational, eating and lodging facilities; and to apply for and hold, sell, lease or convey franchises or apply for the transfer of licenses issued by governmental agencies pertaining to such recreational, eating and lodging facilities, including the dispensing or sale of alcoholic beverages.

The Association shall have the power to own and to manage any water rights or reservoirs or other facilities which may be conveyed to it in order to implement the plan for augmentation for The Black Mountain Ranches subdivision so as to achieve the objectives of that plan. The Association further shall have the power, if authorized by the Board of Directors, to apply for water well permits and to drill, operate and own such wells.

The Association shall have the power to borrow money, to mortgage or hypothecate property and to make assessments in amounts sufficient for it to exercise its powers.

The Association shall not be organized nor operated for profit, nor shall it participate or intervene, directly or indirectly, in any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE VI

BOARD OF DIRECTORS

The affairs of the Association shall be managed by a board of three (3) directors, who need not be members of the Association. The number of directors may be changed by amendment of the By-laws of the Association.

The names and addresses of the initial directors are:

H. J. Nerlin
130 Jackson
Denver, CO 80206

John Brenske
130 Jackson
Denver, CO 80206

Mel Husky
130 Jackson
Denver, CO 80206

They shall serve until the first annual meeting of the Association.

Directors shall be elected at the first annual meeting of the Association, and periodically thereafter as provided in the By-laws or by law.

The following provisions are inserted for the management of the business and for the conduct of the affairs of the Association and in furtherance thereof, but not in limitation or exclusion of the powers conferred by law: No contract or other transaction of the Association with any other person, firm or corporation, or in which the Association is interested, shall be affected or invalidated by (1) the fact that any one or more of the directors or officers of the Association is interested in or is a director of another corporation; or (2) the fact that any director or officer of the Association, individually or jointly with others, may be a party to or may be interested in any such contract or transaction. Each person who may become a director or officer of the Association is hereby relieved of any liability that might otherwise arise by reason of the Association entering into a contract or other transaction with him or with any enterprise in which he is interested or of which he is a director.

ARTICLE VII

INCORPORATOR

The name and address of the Association's incorporator is as follows:

Alexander L. Thomson
7430 East Caley Avenue, Suite 300
Englewood, Colorado 80111

ARTICLE VIII

DISSOLUTION OR TERMINATION

Upon dissolution or other termination of the Association, no part of the property of the Association, nor any

of the proceeds thereof, shall be distributed to the members of the Association as such, but all such property and proceeds shall, subject to the discharge of valid obligations of the Association, be distributed as directed by the members of the Association to the governing body of any community or communities for the welfare of which the Association shall have been operated; or to one or more special districts organized in whole or in part to fulfill the same or similar purposes as the Association; or to one or more corporations or other organizations not organized for profit and operated exclusively for the promotion of social welfare, and which do not participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE IX

REGISTERED AGENT AND OFFICE

The Association's initial registered agent and initial registered office are as follows:

H. J. Nerlin
130 Jackson
Denver, CO 80206

ARTICLE X

AMENDMENTS

Amendment of these Articles of Incorporation shall require the approval of a majority of members entitled to vote at the time of the proposed amendment.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Colorado, the undersigned, constituting the Incorporator of this Association, has executed these Articles of Incorporation this 14th day of June, 1985.


Alexander L. Thomson

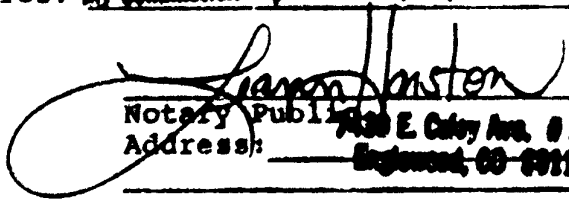
STATE OF COLORADO)
) ss.
COUNTY OF ARAPAHOE)

On this 14 day of June, 1985, before me, a Notary Public for the State of Colorado, personally appeared Alexander L. Thomson, known to me to be the Incorporator named in the foregoing instrument, and acknowledged to me that he executed said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal, the 14 day of June, 1985.

My commission expires: My Commission expires January 28, 1988

(S E A L)


Notary Public
Address: 730 E. Colby Ave. # 200
Englewood, CO 80111