

ARTICLES OF INCORPORATION

OF

54, 1978

WESTERN COUNTRY RANCHES HOMEOWNERS ASSOCIATION, INC.

The undersigned, acting as the incorporator of a corporation under the Colorado Nonprofit Corporation Act, Article 20 of Title 7, Colorado Revised Statutes, 1973 as amended, hereby adopts the following Articles of Incorporation for such corporation:

FIRST: The name of the corporation is:

WESTERN COUNTRY RANCHES HOMEOWNERS ASSOCIATION, INC. (hereinafter referred to as the "Association" or "Corporation").

SECOND: The period of duration is perpetual.

THIRD: The corporation does not contemplate pecuniary gain or profit, direct or indirect, to its members. The purposes for which it is formed are primarily to promote the common good, health, safety and general welfare of the owners and residents within the Western Country Ranches, a residential development located in a portion of Section 36, T7S, R65W of the 6th P.M., except that part lying East of Elbert County Road 13; and the N 1/2 of Section 1, T8S, R65W of the 6th P.M., all in Elbert County, Colorado, (hereinafter referred to as the "Property"), and any additions thereto and, without limiting the generality of the foregoing, for the following purposes:

(a) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions of Western Country Ranches, hereinafter called the "Covenants and Restrictions", applicable to the Property, or a portion thereof, and recorded or to be recorded in the office of the Clerk and Recorder of the County of Elbert, Colorado, and as the same may be amended from time to time as therein provided, said Covenants and Restrictions being incorporated herein by this reference (the terms of which shall have the same meanings herein unless otherwise defined or unless the context requires a different meaning);

(b) To fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Covenants and Restrictions; to pay all expenses in connection therewith and all management, office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) To acquire (by gift, purchase or otherwise) own, hold,

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improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association, unless and except as provided to the contrary in the Covenants and Restrictions;

(d) To borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) To dedicate, sell or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members;

(f) To participate in management, mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional property and Common Area, pursuant to the Covenants and Restrictions;

(g) To manage, control, operate, maintain, repair and improve the Common Area and other portions of the Property and improvements thereon as provided in the Covenants and Restrictions;

(h) To enforce architectural controls, standards, covenants, restrictions and conditions affecting any portion of the Property to the extent this corporation may be so authorized under the Covenants and Restrictions;

(i) To engage in activities which will actively foster, promote and advance the common ownership interests of owners of lots and tracts, including the interest of the Declarant of the Covenants and Restrictions during its marketing and/or construction of portions of the Property;

(j) To enter into, make, perform or enforce contracts of every kind and description, and to do all other things 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;

(k) To 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 may not be inconsistent with or contrary to any provisions of these Articles of Incorporation or the Covenants and Restrictions;

(l) To have and exercise any and all powers, rights and privileges which a corporation organized under the Colorado Nonprofit Corporation Act, as such law, may now or hereafter have or exercise and to do any other lawful thing that, in the opinion of the Board of Directors of the Corporation, will promote the

social welfare, common good and general welfare of the members, residents and owners of the lots and tracts of the Property, protect values and desirability of the Property, enhance the safety of the Property or bring about civic betterment and social improvements for residents; and

(m) If required by the Covenants and Restrictions, the Association shall not do any act or exercise any power or privilege pursuant to this Article Third unless the same be approved by the members and/or first mortgages and/or other third parties, as appropriate, to the extent requested and in the manner provided in the Covenants and Restrictions.

**FOURTH:** Provisions for the regulation of the internal affairs of the Association, including provisions for the distribution of assets on a dissolution or final liquidation, are:

1. **Members and Voting.** Membership in the Association shall be limited to the Declarant of the Covenants and Restrictions along with any assignee or successor in interest to Declarant's rights under the Covenants and Restrictions, and the owners of lots and tracts in the Property, except as to any persons or entities who own any rights or interests in the Property merely as security for the performance of an obligation. The membership of the Association shall consist of such classes of members as may be provided for in the Covenants and Restrictions, and as may be further described and provided for in the Bylaws. The rights, priorities and obligations of members shall be such as prescribed by the Bylaws. Cumulative voting by members in the election of Directors shall not be permitted.

2. **Management.** The affairs of the Association shall be managed by its Board of Directors, Architectural Review Committee, and duly authorized and appointed officers as provided in the Covenants and Restrictions and Bylaws.

3. **Prohibited Activities and Distribution of Assets.** No part of the income or net earnings of the Corporation shall be distributable to or inure to the benefit of its members, directors, officers, or any individual; provided, however, that reasonable compensation may be paid for any services rendered to the Corporation, and payments and distributions may be made in furtherance of the purposes set forth in Article Third 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 by a corporation exempt from federal income taxation under the applicable provisions of Section 501(c) and/or Section 528 of the Internal Revenue Code of 1954, as amended, (or the corresponding provision of any subsequent law

of the United States or Colorado). In the event of dissolution of the Corporation other than incident to a merger, consolidation or reorganization, the property and assets of the Association remaining, after providing for all obligations and liabilities of the Corporation, shall then be disposed of exclusively for the purposes of the Corporation in such manner, or to such organization or organizations exempt from taxation under Sections 501(c) or 528 of the Internal Revenue Code of 1954, as may be amended from time to time, as determined by the Board of Directors.

4. Bylaws. The Bylaws of the Corporation shall govern its internal affairs. The Bylaws shall conform to law and the provisions of these Articles of Incorporation.

FIFTH: The address of the initial registered and principal office of the Corporation is Elizabeth Professional Building, 101 Banner Street, P.O. Box 339, Elizabeth, Colorado 80107, and the name of its first registered agent at such office is Jack W. Childs.

SIXTH: The general management of the affairs of this Corporation shall be exercised by a Board of Directors which shall consist of not less than five (5) nor less than three (3) directors. The terms of office of at least one-third (1/3) of said Board members shall expire annually. The number of Directors constituting the initial Board of Directors of the Corporation is three, and the names and addresses of the persons who are to serve as the Directors for the first year of the Corporation's existence, or until their successors are duly elected and shall qualify are:

Jack W. Childs  
P.O. Box 339  
Elizabeth Professional Building  
101 Banner Street  
Elizabeth, CO 80107

Bonnie R. Childs  
P.O. Box 339  
Elizabeth Professional Building  
101 Banner Street  
Elizabeth, CO 80107

Leslie Berends  
c/o P.O. Box 339  
Elizabeth Professional Building  
101 Banner Street  
Elizabeth, CO 80107

A change in the number of directors may be made by amendment to the Corporation's Bylaws.

