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ARTICLES OF INCORPORATION
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STEAMBOAT PROPERTY OWNERS' ASSOCIATION

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned person, being at least eighteen years of age, hereby establish a non-profit corporation under and by virtue of the "Colorado Non-Profit Corporation Act" of the State of Colorado for the purposes hereinafter set forth, and I hereby certify as follows:

ARTICLE I
NAME

The name of this non-profit corporation shall be STEAMBOAT PROPERTY OWNERS' ASSOCIATION (the "Association").

ARTICLE II
PERIOD OF DURATION

The period of duration of this non-profit corporation shall be perpetual.

ARTICLE III
PURPOSES AND POWERS

(a) Purposes. The objects and purposes of the Association shall be: (i) to establish, maintain and operate a homeowners association not for profit, for the mutual benefit to be derived therefrom, and to provide for the care, upkeep and supervision of the subdivision known as Fairway Meadows Subdivision, Piling No. 1, Routt County, Colorado (the "Subdivision"); (ii) to protect, benefit and improve the property in the Subdivision for the benefit and interests of the members; (iii) to empower the Association to levy and assess from the members dues, general assessments, special assessments and fees and to effectuate and provide remedies for the normal collection of said monies, including (but not limited to) the right and power of lien and foreclosure of lien, as hereinafter provided; (iv) to provide for architectural and aesthetic control within the Subdivision; (v) to enforce the provisions of the Declaration of Covenants, Conditions and Restrictions recorded October 21, 1976 in Book 424, Page 242 of the records of Routt County and all amendments and supplements to that Declaration (the "Protective Covenants"), and applicable rules and regulations; (vi) to provide for the indemnification of the directors and officers of the Association; (vii) to regulate and control the relationships between the Owners of lots within the Subdivision; (ix) to promote the best interests of the Owners for the purposes of securing for them the fullest utilization and enjoyment of the Subdivision; (x) to acquire, own, improve, develop, operate, manage, encumber and sell real and personal property for the common use and benefit of the members of the Association; and (xi) to exercise say and all powers and authority provided for in the Protective Covenants.

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All terms and words defined specifically in the Protective Covenants shall have the same definition and meaning when used in these Articles and in the bylaws.

(b) Powers. In furtherance of the foregoing purposes, the Association shall have and may exercise all of the following powers:

(i) Real and Personal Property. To acquire, by gift, purchase, trade or any other method, to own, lease from third parties, operate, build, manage, rent, sell, develop, encumber and otherwise deal in and with real and personal property of every kind and character, tangible and intangible, wherever located, and interests of every sort therein, including "association property" as defined in Section 528 of the Internal Revenue Code;

(ii) 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 evidences of such borrowing, all kinds of securities and secured and unsecured instruments of indebtedness;

(iii) Contracts. To enter into, make, amend, perform and carry out, or cancel and rescind, contracts, leases, permits and agreements for any lawful purposes pertaining to its business;

(iv) Loans. To lend money for any of the purposes above set forth; to invest its funds from time to time and take and hold real and personal property as security for payment of funds so loaned or invested;

(v) Maintenance and Improvements. To maintain, repair, improve, manage, and keep in good order, condition and repair, all property, real and personal, of the Association.

(vi) Assessments and Liens. To fix, determine, levy and collect dues, fees and general assessments to be paid by the Owners of Lots in the Subdivision to meet the common expenses of the Association, and to create a contingency reserve therefor, if necessary in the discretion of the Board of Directors of the Association, and to fix, determine, levy and collect special assessments. The directors may adjust the general assessments or dues from time to time in its discretion. Special assessments may be levied and collected against an owner as liquidated damages for violation of any rule, regulation, provision or resolution with respect to operation, use and occupancy, by such owner or his guests, invitees, agents or tenants. Special assessments may also be levied and collected against each of the owners whenever in the opinion of the Board of Directors it is necessary or advisable to do so (a) to meet increased operating, maintenance or repair expenses or costs, (b) to provide for additional capital expenses or for repairs with respect to any property of the Association, or (c) because of emergencies. Dues, fees and assessments do not require prior approval of Owners or members. The determination, levy and collection of dues, fees, general assessments and special assessments is left strictly to the discretion and determination of the Board of

Directors. All general and special assessments (other than liquidated damages for violating any rule, regulation, provision or resolution) shall be in itemized statement form, and special assessments shall set forth the purposes of and an estimate of the expenses for which the special assessments are being levied. Interest on unpaid dues, fees and assessments shall be charged at the rate of 3% per month, and, in addition, the bylaws may provide for imposition of late payment fees or penalties. Unpaid dues, fees and assessments, and interest thereon and late payment penalties, not paid when due shall be and constitute a lien on the Lot of the Owner against whom such dues, fees and assessments were levied. In the event therefore that any Owner shall fail to pay any dues, fees, general assessment, or special assessment within ten days of the date the same is due, which due date shall be the last day of the calendar month in which the dues, fees or assessment is billed, the Association shall be empowered to record, with the Clerk and Recorder of Routt County, Colorado, a statement of lien encumbering said delinquent Owner's Lot or Lots in the Subdivision. Thereafter, the Association shall have the power to collect said delinquent assessments and accrued interest and late payment fees, by suit, by foreclosure of lien, by exercise of any power granted by the Protective Covenants, bylaws, or otherwise, and to enjoin or seek damages from said delinquent Owner. Said delinquent Owner shall pay all costs of collecting said delinquent dues, assessments, interest and fees, whether by foreclosure of lien or otherwise, including a reasonable attorney's fee and costs of suit. Any statement of lien shall be executed and acknowledged by the President or Secretary of the Association, shall constitute a lien and encumbrance on the Lot or Lots therein described from and after the date of recording thereof, and shall be foreclosed in the same manner as a mortgage in Colorado.

(vi) In General. To do everything necessary, suitable or proper for the accomplishment of any of the purposes, the attainment of any of the objects, or the furtherance of any of the powers above set forth, either alone or in connection with other corporations, firms or individuals, and either as principal or agent, and to do every act or thing incidental or appurtenant to, or growing out of, or connected with any of the aforesaid objects, purposes or powers, and to do any act authorized or permitted by the Protective Covenants or bylaws;

(vii) Rule Making. To make and enforce rules and regulations in furtherance of its purposes;

(viii) Powers Conferred by Law. The foregoing enumeration 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, and the Association shall have all powers conferred upon or permitted for non-profit corporations by the laws of Colorado.

(c) Restrictions Upon Purposes and Powers. Unless otherwise provided by resolution of the Board of Directors, the purposes and powers of the Association are subject to the following limitations:

(i) The Association shall at all times be organized and operated solely as a "homeowners' association" as defined in and limited by Section 528 of the Internal Revenue Code, as now exists or may hereafter be amended;

(ii) The Association shall not for any taxable year receive more than 60% of its gross income from amounts other than membership dues, fees and assessments;

(iii) 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, improvement, and care of property held by the Association and other property qualifying as "association property" under Section 528 of the Internal Revenue Code;

(iv) No part of 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 of the Internal Revenue Code, and other than by a rebate of excess membership dues, fees or assessments);

(v) The Directors shall at all times and for all taxable years elect to have Section 528 of the Internal Revenue Code apply to the Association, as now exists or may hereafter be amended.

(d) Dividends, Distributions, etc. The Association shall not pay dividends. No distribution of the corporate assets to members shall be made until all corporate debts and encumbrances on corporate assets are paid and discharged, and then only upon final dissolution of the Association by the affirmative vote of at least two-thirds (2/3) of all votes then entitled to be cast 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 and discharge of all encumbrances shall be, upon the affirmative acceptance of two-thirds of the Owners, distributed among the members in proportion to their respective voting rights in the Association.

(e) Relation to Protective Covenants. The Protective Covenants refer in Article III thereof to the Steamboat Property Owners' Association, a non-profit corporation. The non-profit corporation formed under these Articles shall be, upon the affirmative acceptance of two-thirds of the Owners, the non-profit corporation referred to and described in such Protective Covenants and shall have all powers, duties and responsibilities assigned or granted to Steamboat Property Owners' Association in such Protective Covenants.

ARTICLE IV CAPITAL STOCK

There shall be no capital stock of this non-profit corporation.

ARTICLE V
REGISTERED OFFICE AND REGISTERED AGENT

The address of this non-profit corporation's registered office shall be 1187 Memphis Belle Court, Box 770580, Steamboat Springs, Colorado, 80477, and the name of its initial registered agent at such address shall be W. Edward Goodyear.

ARTICLE VI
BOARD OF DIRECTORS

The management of the affairs of this non-profit corporation shall be vested in the Board of Directors. The number of Directors constituting the Board of Directors of this corporation shall be fixed by the Bylaws, with the initial Board of Directors consisting of six members. The name and address of the persons constituting the initial Board of Directors are as follows:

W. Edward Goodyear
1187 Memphis Belle Court
P. O. Box 77153
Steamboat Springs, Colorado 80477

Don Kinney
c/o Health Center Pharmacy
100 Park, Suite 201
Steamboat Springs, Colorado 80487

James L. Berry
1660 Cornice Road
c/o Storm Meadows
P. O. Box 773420
Steamboat Springs, Colorado 80477

Jan Miller
P. O. Box 771501
Steamboat Springs, Colorado 80477

Jack H. Morrison
1643 Matches Way
P. O. Box 881518
Steamboat Springs, Colorado 80477

Charles E. Johnston
1495 Mark Twain Lane
P. O. Box 2001
Steamboat Springs, Colorado 80477

ARTICLE VII
MEMBERSHIP

(a) Members. Any individual, corporation, partnership, association, trust or other legal entity or combination of entities, owning in fee simple an undivided interest in a Lot in the Property at any time shall automatically be a member of the Association. Such membership shall be continuous throughout the period that ownership continues. Termination of membership shall not relieve or release any former member from any 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.

(b) Classes of Membership. The Association shall have the following classes of membership:

(i) Individual Membership. Any individual acquiring an ownership interest in a Lot shall automatically become an individual member of the Association.

(ii) Organizational Membership. Any corporation, partnership, association, trust, or other legal entity acquiring an ownership interest in a Lot shall automatically become an organizational member of the Association. Each organizational member shall from time to time designate in writing to the Association one individual who may represent it at meetings and vote on behalf of such member. The Association shall maintain a record of the person entitled to vote on behalf of such member and, until the Association is notified in writing to the contrary, only such designated person, or the written proxy of such designated person, may cast the vote of the organizational member, and any action taken by such person purporting to act on behalf of the organizational member shall be binding upon such member. At no time shall the organizational members be so great in number as to cause the Association to lose its tax exempt status under Section 528 of the Internal Revenue Code.

(c) Voting Rights. Each Lot is allotted one vote. Therefore, if a Lot is owned entirely by one individual member or one organizational member, such individual member or the designated representative of the organizational member may cast and vote such one vote. If, however, a Lot is owned in fee simple by two or more persons or entities or combination thereof, whether in joint tenancy or tenancy in common or otherwise, then all persons and entities owning fee simple interests in such Lot shall from time to time, by majority vote amongst them or by any other method to which they all agree, select and designate in writing to the Association one individual who shall vote and cast the one vote allotted to such Lot. The Association shall maintain a record of the person entitled from time to time to vote on behalf of all persons and entities owning fee simple interests in such Lot, and until the Association is notified in writing to the contrary, only such designated person, or the written proxy of such designated person, may cast the one vote allotted to such Lot, and any action taken by such person purporting to act on behalf of such persons and entities shall be binding upon such persons and entities.

(d) Amendment. This Article VII may be amended only by the unanimous vote of all of the members.

ARTICLE VIII OFFICERS

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

ARTICLES IX GENERAL PROVISIONS

The following provisions are inserted for the management of the business and for the conduct of the affairs of the Association, and the same are in furtherance of and not in limitation or exclusion of the powers conferred by law:

(a) Contracts With Directors, Officers or Members. No contract or other transaction of the Association with any other person, firm or corporation shall be void or voidable solely by virtue of the fact that any one or more of the directors or officers of such other firm or corporation or any director or officer of this corporation, individually or jointly with others, may be a party to or may be interested in any such contract or transaction.

(b) Indemnity. Each Director and officer, 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 rising out of any action, suit or proceeding in which he may be involved, or to which he may be made a party by reason of his being or having been such Director or officer, all in the manner more particularly provided in the Bylaws.

ARTICLE X BYLAWS

The initial Bylaws of the Association shall be as adopted by its Board of Directors. Except as otherwise provided, 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 at least 51% of the votes 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 Protective Covenants or these Articles of Incorporation.

ARTICLE XI AMENDMENT

These Articles of Incorporation may be amended, altered, or changed by the affirmative vote of at least 60% of the votes of the membership of the

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