

NONPROFIT

ARTICLES OF INCORPORATION
OWL LAKE ESTATES HOMEOWNERS ASSOCIATION, INC.
A Non-Profit Corporation

Know All Men By These Presents:

That the undersigned incorporator, being a natural person over the age of eighteen (18) years or more, and desiring to form a non-profit corporation under the laws of the State of Colorado, does hereby sign, verify and deliver in duplicate to the Secretary of State of the State of Colorado these Articles of Incorporation.

ARTICLE I
Name

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SECRETARY OF STATE
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1.1 The name of the corporation shall be **Owl Lake Estates Homeowners Association, Inc.**

ARTICLE II
Period of Duration

2.1 This corporation shall exist perpetually unless dissolved according to law.

ARTICLE III
Purpose, Activities and Definitions

3.1 The corporation is organized exclusively for the purpose of constituting the homeowners association to which reference is made in the Declaration of Covenants, Conditions and Restrictions for the Owl Lake Estates Subdivision, and any modifications, replacements or substitutions thereto, recorded in the records of the Clerk and Recorder of Weld County, Colorado ("Declaration"), and to perform all obligations and duties of said homeowners association (hereinafter referred to as the "Association") and to exercise all rights and powers of the Association. The Association will not engage in any regular business ordinarily carried on for profit.

3.2 The purpose of the Association shall be to provide for the furtherance of the interests of all the Owners (including the Declarant named in the Declaration), of Lots in Owl Lake Estates Homeowners Association, Inc., with the objective of establishing and maintaining Owl Lake Estates as a prime residential neighborhood of the highest possible quality and value, and enhancing and protecting its value, desirability and attractiveness.

3.3 Terms capitalized herein are defined terms and shall have the same meaning as defined in the Declaration and any Supplemental Declarations thereto.

3.4 In furtherance of the purpose and activity set forth in this Article III, the Association shall have and may exercise all of the rights, powers, and privileges now or hereafter conferred upon corporations organized under and pursuant to the Colorado Non-Profit Corporation Act.

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ARTICLE IV
No Private Benefit

4.1 No part of the net earnings of the Association shall inure to the benefit of or be distributable to the Members, Directors, Officers or Project Managers of the Association, or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered to it and to make payments and distributions in furtherance of the purposes set forth in Article III hereof.

ARTICLE V
Powers

5.1 In furtherance of its purposes, the Association shall have all of the powers conferred upon Colorado corporations not for profit in effect from time to time, including all of the powers necessary or desirable to perform the obligations and duties, and to exercise the rights and powers of the Association under the Declaration which will include, but shall not be limited to, the following:

a. To make and to collect assessments against Members of the Association for the purposes of payment of both the General and Limited Common Expenses of the Association (including the expenses incurred in exercising its powers and performing its functions);

b. To manage, control, operate, maintain, repair, improve and enlarge the Common Areas;

c. To enforce the terms, covenants, restrictions, conditions, uses, limitations and obligations set forth under the Declaration and Bylaws, and to make and enforce rules as provided therein;

d. To engage in activities which will actively foster, promote and advance the interests of all of the Members, including the interests of the Declarant during development of the project and Declarant's ownership of any Lot(s);

e. To hire a Project Manager, if one is needed, who shall exercise those duties and powers granted to him by the Board of Directors, but not those powers which the Board, by law, may not delegate.

ARTICLE VI
Distribution of Assets Upon Dissolution

6.1 Upon dissolution of the Association, the Board of Directors shall provide for the distribution of all assets and liabilities of the Association in the following manner:

a. All liabilities and obligations of the Association shall be paid and discharged, or adequate provisions shall be made therefor.

b. Assets held by the Association on condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred, or conveyed in accordance with such requirement.

c. Assets received and held by the **Association**, subject to limitations permitting their use only for charitable, religious, eleemosynary, benevolent, educational, or similar purposes, but not held upon a condition requiring return, transfer, or conveyance by reason of the dissolution shall be transferred or conveyed to one or more domestic or foreign corporations, societies, or organizations engaged in activities similar to those of this **Association**, in accordance with a plan of distribution adopted pursuant to the Colorado Nonprofit Corporation Act which is not inconsistent with these Articles of Incorporation.

d. Assets received and held by the **Association** not subject to liabilities, conditions or use limitations, as specified in paragraphs 1. 2. and 3 above, shall be distributed to the Members pro rata in accordance with their interests in the General Common Areas as set forth and defined in the Declaration.

e. Any remaining assets may be distributed to such persons, societies, organizations, governmental entities, political subdivisions, or domestic or foreign corporations, whether for profit or nonprofit, as may be specified in a plan of distribution adopted pursuant to the Colorado Nonprofit Corporation Act and which is not inconsistent with these Articles of Incorporation.

ARTICLE VII

Members

7.1 The **Association** shall have one or more classes of members as determined by the Board of Directors. The designation of each class, the manner of election or appointment and the qualifications and rights of the members of each class shall be as set forth in the Bylaws.

ARTICLE VIII

Registered Office and Agent

8.1 The initial registered office of the **Association** shall be at 9031 Weld County Road 13, Longmont, Colorado 80504, and the named initial registered agent at such address is John W. Zadel. The mailing address shall be: 9031 Weld County Road 13, Longmont, Colorado 80504. Either the registered office or the registered agent may be changed in the manner provided by law.

ARTICLE IX

Initial Board of Directors

9.1 The general management of the affairs of the corporation shall be exercised by the Board of Directors consisting of at least three persons or as specified in the Bylaws. The Initial Board of Directors of the **Association** shall consist of two Directors appointed by Declarant and the names and addresses of the persons who are to serve as directors until the first annual meeting of shareholders or until their successors be elected and qualified are:

John W. Zadel, 9031 WCR 13, Longmont, Colorado 80504
Mary C. Zadel, 9031 WCR 13, Longmont, Colorado 80504

ARTICLE X

Officers

10.1 The Board of Directors shall elect annually a President, a Vice-President, a Secretary/Treasurer and such other officers as the Board believes will be in the best interest of the

Association. The Officers shall each be a member of the Board. The Officers shall have such duties as may be prescribed in the Declaration and the Bylaws of the Association and shall hold office at the pleasure of the Board of Directors.

ARTICLE XI Conveyances and Encumbrances

11.1 Upon the written approval of Owners to which at least eighty percent of the votes in the Association are allocated and the written approval of First Mortgagees holding mortgages on Lots which have at least eighty percent of the votes of the Lots subject to first mortgages within Owl Lake Estates Subdivision, corporate property may be conveyed or encumbered by authority of the Board of Directors or by such person or persons to whom such authority may be delegated by resolution of the Board. Conveyances or encumbrances shall be by an instrument executed by the President or a Vice-President and by the Secretary/Treasurer, or executed by such other person or persons to whom such authority may be delegated by the Board.

ARTICLE XII Amendments

12.1 Amendments to these Articles of Incorporation shall be adopted, if at all, in the manner set forth in the Declaration and the Bylaws; provided, however, that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with the provisions of the Declaration.

ARTICLE XIII Project Manager

13.1 The Association may obtain and pay for the services of a person, persons or entity as Project Manager to administer and manage its affairs and be responsible for the operation, maintenance, repair and improvement of the Common Areas and the improvements thereon and to keep the same in good, attractive and sanitary condition, order and repair.

ARTICLE XIV Indemnification

14.1 The Association may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association), by reason of the fact that he is or was a Director, Officer, Project Manager, employee, fiduciary or agent of the Association or is or was serving at the request of the Association as a director, project manager, employee, fiduciary or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding, if he acted in good faith and in a manner he reasonably believed to be in the best interests of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in the best

interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe his conduct was unlawful.

14.2 The Association may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a Director, Project Manager, Officer, employee, fiduciary or agent of the Association or is or was serving at the request of the Association as a director, project manager, officer, employee, fiduciary or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in the best interests of the Association; but no indemnification shall be made in respect of any claim, issue, or matter as to which such person has been adjudged to be liable for misconduct in the performance of his duty to the Association unless and only to the extent that the court in which such action or suit was brought determines upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses which such court deems proper.

14.3 To the extent that a Director, Officer, Project Manager, employee, fiduciary or agent of the Association has been successful in the merits of any action, suit, or proceeding referred to in paragraphs 1 or 2 of this Article XIV or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

14.4 Any indemnification under paragraphs 1 or 2 of this Article XIV (unless ordered by a court) and as distinguished from paragraph 3 of this Article shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the Director, Officer, Project Manager, employee, fiduciary or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in paragraphs 1 or 2 above. Such determination shall be made by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit, or proceeding, or, if such a quorum is not obtainable or, even if obtainable, if a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or by the Members entitled to vote thereon.

14.5 Expenses, including attorneys' fees, incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Association in advance of the final disposition of such action, suit, or proceeding as authorized in paragraphs 3 or 4 of this Article XIV upon receipt of an undertaking by or on behalf of the Directors, Officer, Project Manager, employee, fiduciary or agent to repay such amount unless it is ultimately determined that he is entitled to be indemnified by the Association as authorized in this Article XIV.

14.6 The indemnification provided by this Article XIV shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any Bylaw, agreement, vote of Members or disinterested Directors, or otherwise, and any procedure provided for by any of the foregoing, both as to action in his official capacity and as to action in another capacity while holding such office, shall continue as to a person who has ceased to be a Director, Officer, Project Manager, employee, fiduciary or agent and shall inure to the benefit of heirs, executors, and administrators of such a person.

14.7 Notwithstanding anything to the contrary hereinabove, the Association may only indemnify Directors, Officers, Project Managers, employees fiduciaries and agents to the extent that the Association is protected by liability insurance for such purposes. Therefore it shall be an

obligation of the Association, subject to the approval of the Board of Directors, to purchase and maintain the insurance specified in the Declaration, ARTICLE 11, on behalf of any person who is or was a Director, Officer, Project Manager, employee, fiduciary or agent of the Association or who is or was serving at the request of the Association as a director, officer, project manager, employee, fiduciary or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under provisions of this Article XIV.

ARTICLE XV
General

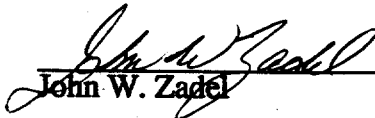
16.1 This Association is one which does not contemplate pecuniary gain or profit to the Members thereof and is organized for non-profit purposes.

ARTICLE XVI
Incorporator

17.1 The name and address of the incorporator is as follows:

John W. Zadel, 9031 WCR 13, Longmont, CO 80504.

IN WITNESS WHEREOF, the above named incorporator signed these Articles of Incorporation on the 29th day of May, 1996.




John W. Zadel

STATE OF COLORADO)
) ss:
COUNTY OF Boulder)

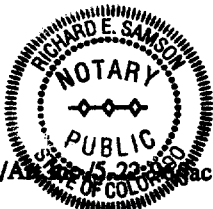
I, the undersigned, a notary public, hereby certify that on May 29, 1996, the above named incorporator personally appeared before me and being by me first duly sworn declared that he is the person who signed the foregoing Articles of Incorporation as incorporator and the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 29th day of May, 1996.

My commission expires:



Notary Public



Owl Lake/Asst. Sec. of State

MY COMMISSION EXPIRES:
JUNE 29, 1999