

ARTICLES OF INCORPORATION

**FILED COPY**

OF

ROLLING HILLS RANCH MASTER ASSOCIATION

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SECRETARY OF STATE

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The undersigned person signs and acknowledges the following Articles of Incorporation for the purpose of forming a nonprofit corporation under the Colorado Nonprofit Corporation Act.

**ARTICLE 1. Definitions**

Unless otherwise defined in these Articles of Incorporation, terms appearing in these Articles are as defined in the Master Declaration of Covenants, Conditions and Restrictions for Rolling Hills Ranch (a Common Interest Community), (the "Master Declaration") as recorded with the Clerk and Recorder of Weld County, Colorado or in the Colorado Nonprofit Corporation Act.

**ARTICLE 2. Name**

The name of the corporation is Rolling Hills Ranch Master Association (the "Master Association").

**ARTICLE 3. Registered Agent and Office**

The initial registered agent of the Master Association shall be Bruce Gillam. The registered office has an address of 100 Johnstown Center Drive, Johnstown, Colorado 80534.

**ARTICLE 4. Nonprofit**

The Master Association shall be a nonprofit corporation, without shares of stock.

**ARTICLE 5. Duration**

The Master Association shall exist perpetually.

**ARTICLE 6. Purposes and Powers**

6.1 The Master Association shall in general manage matters of community-wide concern for the Common Interest Community known as Rolling Hills Ranch in Weld County, Colorado in accordance with the Master Declaration, the Colorado Common Interest Ownership Act and the Colorado Nonprofit Corporation Act. However, the Master Association shall not operate as the exclusive Unit Owners Association with respect to any Neighborhood which is part of the Common Interest Community. Instead, the business and affairs of a specific Neighborhood shall be managed by the Subassociation for that Neighborhood.

6.2 The Master Association shall promote the health, safety, welfare, and common benefit of the Owners of Units within the Common Interest Community.

6.3 In fulfilling its purposes, the Master Association shall have all duties and powers as provided in the Master Declaration, and as provided by law.

6.4 The foregoing statements of purposes shall be construed as statements of both purposes and powers. The purposes and powers stated in each clause shall not be limited or restricted by reference to or inference from the terms or provisions of any other clause, but shall be broadly construed as independent purposes and powers.

#### **ARTICLE 7. Membership and Voting**

7.1 Each Owner of a Unit within the Common Interest Community shall be a Member of the Master Association. There shall be one Membership in the Master Association for each Unit within the Common Interest Community. The Person or Persons who constitute the Owner of a Unit shall automatically be the holder of the membership appurtenant to that Unit, and the membership shall automatically pass with fee simple title to the Unit.

7.2 The members shall be of one class, who are those Unit Owners owning Units as defined in the Master Declaration.

7.3 There shall be one vote per Unit. If a Unit is owned by more than one person, those persons shall agree among themselves how a vote for that Unit's membership is to be cast. Individual co-owners may not cast fractional votes. A vote by a co-owner for the entire Unit's membership interest shall be deemed to be pursuant to a valid proxy, unless another co-owner of the same Unit objects at the time the vote is cast, in which case such membership's vote shall not be counted.

7.4 Except as otherwise provided in these Articles or the Master Declaration, the Members shall act in all Master Association matters through their duly elected Neighborhood Representatives. The Members within each Neighborhood comprising the Common Interest Community shall elect two Neighborhood Representatives from their Neighborhood to serve on the Master Association Executive Board, and to otherwise exercise the voting power of all Members in such Neighborhood. A Neighborhood Representative shall be a natural person who is the Owner of a Unit within the particular Neighborhood which such person represents. The two Neighborhood Representatives representing a Neighborhood shall be elected by a majority vote cast by the Members within such Neighborhood in the same manner as provided for the election of the Subassociation Executive Board for that Neighborhood. No cumulative voting shall be allowed in the election of the Neighborhood Representatives.

7.5 For all Master Association matters, each Neighborhood shall have one vote per Unit located within that Neighborhood. The total number of Neighborhood votes shall be equally allocated among the two Neighborhood Representatives (even if such allocation results in a fractional number) for purposes of the Neighborhood

Representatives casting the votes of Members within their Neighborhood.

7.6 The Neighborhood Representatives shall cast their allocated votes in such manner as the Neighborhood Representatives, in their sole discretion, deem appropriate. However, in the event that at least a majority of the Members whose votes have been allocated to a particular Neighborhood Representative shall determine at any duly constituted meeting of the Members in such Neighborhood to instruct their Neighborhood Representative as to the manner in which he or she is to vote on any issue to be voted on by the Neighborhood Representatives, then the Neighborhood Representative representing such Members shall cast all of the voting power of such represented Members in the same proportion as the Members in such Neighborhood shall have cast their voting power "for" and "against" such issue in person or by proxy. The Neighborhood Representatives (jointly or either of them acting alone) shall have the authority, in their sole discretion, to call a special meeting of the Members owning Units in their Neighborhood, in the manner provided in the Bylaws, for the purpose of obtaining instructions as to the manner in which they are to vote on any issue to be voted on by the Neighborhood Representatives. When a Neighborhood Representative is voting in his/her own discretion, without instruction from the Members whom he/she represents, then such Neighborhood Representative may cast all of the votes which he/she represents as a unit or such Neighborhood Representative may apportion some of such votes in favor of a given proposition and some of such votes in opposition to such proposition. It will be conclusively presumed for all purposes of Master Association business that any Neighborhood Representative casting votes on behalf of the Members whose votes have been allocated to the Neighborhood Representative will have acted with the authority and consent of all such Members. All agreements and determinations lawfully made by the Master Association in accordance with the voting procedures in these Articles and in the Bylaws, shall be deemed to be binding on all Members, and their successors and assigns.

7.7 Notwithstanding the foregoing (but subject to the provisions of Article 7.8 below), the Declarant of the Project Area shall have additional rights and qualifications as may be provided under the Colorado Common Interest Ownership Act and the Master Declaration, including the right to appoint and remove members of the Executive Board as follows: During the period of Declarant control set forth in the Master Declaration, the Declarant, or persons designated by it, subject to certain limitations, may appoint and remove the officers of the Master Association and members of the Executive Board (which are the Neighborhood Representatives). Regardless of the period of Declarant control otherwise set forth in the Master Declaration, the period of Declarant control terminates upon the later of (a) two years after the last conveyance of a Unit by the Declarant in the ordinary course of business, or (b) sixty days after conveyance of seventy-five percent (75%) of the Units located within the entire Project Area to Unit Owners other than Declarant. For purposes of this

Article 7.7 and for Article 7.8, the term "Unit" or "Units" means a physical portion of the Project Area (which includes both the Master Association Area and the Annexable Area) which is or may be designated for separate ownership or occupancy, and the boundaries and identifying number of which are described in or determined from a declaration and a plat. The Declarant may voluntarily surrender the right to appoint and remove officers of the Master Association and members of the Executive Board before termination of the period of Declarant control, but in that event, the Declarant may require, for the duration of the period of Declarant control, that specified actions of the Master Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

7.8 Notwithstanding any other provision in these Articles to the contrary, not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units within the entire Project Area to Unit Owners other than Declarant, at least one Neighborhood Representative (and not less than 25% of the Neighborhood Representatives) serving on the Master Association Executive Board must be elected by Unit Owners other than Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units within the entire Project Area to Unit Owners other than Declarant, not less than 33 1/3% of the Neighborhood Representatives serving on the Master Association Executive Board must be elected by Unit Owners other than Declarant.

#### ARTICLE 8. Executive Board

8.1 The business and affairs of the Master Association shall be conducted, managed, and controlled by a Executive Board who shall exercise all the powers conferred on the Master Association by these Articles of Incorporation, the Bylaws, the Colorado Common Interest Ownership Act, and the Colorado Nonprofit Corporation Act.

8.2 The Executive Board shall consist of the Neighborhood Representatives from each Neighborhood within the Common Interest Community. The number of individuals serving on the Executive Board shall be not less than two (2) and not more than fifteen (15).

8.3 The initial Executive Board shall consist of two (2) persons who shall serve until their successors are elected and qualified and whose names and addresses are set forth below:

NAME	ADDRESS
Bruce Gillam	100 Johnstown Center Drive Johnstown, Colorado 80534

Terrence A. Jones

100 Johnstown Center Drive  
Johnstown, Colorado 80534

**ARTICLE 9. Liability of Executive Board Members**

Any member of the Executive Board and any officer of the Master Association who has been appointed by the Declarant is required to exercise the care required of a fiduciary of the Unit Owners. Any member of the Executive Board or officer of the Master Association who is not appointed by the Declarant shall not be liable, to the fullest extent permitted by law, for monetary damages for breach of fiduciary duty as a Director, or for any other actions or omissions in the performance of such Director's duties, except for wanton and willful acts or omissions.

**ARTICLE 10. Dissolution**

The Master Association may be dissolved in connection with the termination of the Common Interest Community only by written agreement of the Owners of Units to which at least two-thirds (2/3) of the votes in the Master Association are allocated. In connection with the termination of the Common Interest Community and the dissolution of the Master Association, the assets of the Master Association shall be disposed of in accordance with the Colorado Common Interest Ownership Act, as amended.

**ARTICLE 11. Incorporator**

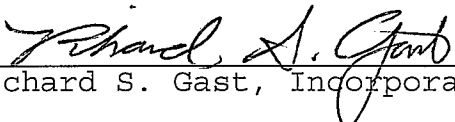
The name and address of the incorporator is:

Richard S. Gast  
March & Myatt, P.C.  
110 E. Oak, Suite 200  
Fort Collins, CO 80524

**ARTICLE 12. Amendment**

Amendment of these Articles shall require the consent of not less than seventy-five percent (75%) of the members of the Master Association.

IN WITNESS WHEREOF, the undersigned incorporator has executed these Articles of Incorporation in duplicate this 21 day of July, 1997.

  
Richard S. Gast, Incorporator

STATE OF COLORADO )  
 ) ss.  
COUNTY OF LARIMER )

The foregoing instrument was acknowledged before this 21  
day of July, 1997, by Richard S. Gast, as incorporator of the  
Rolling Hills Ranch Master Association.

WITNESS MY HAND AND OFFICIAL SEAL.

  
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NOTARY PUBLIC

My Commission Expires:

10/6/00

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# STATE OF COLORADO

DEPARTMENT OF  
STATE

## CERTIFICATE

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Weld County CO JA Suki Tsukamoto Clerk & Recorder 6.00

I, VICTORIA BUCKLEY, SECRETARY OF STATE OF THE STATE OF  
COLORADO HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF  
THIS OFFICE,

ROLLING HILLS RANCH MASTER ASSOCIATION  
(COLORADO NONPROFIT CORPORATION)

BECAME INCORPORATED UPON FILING ARTICLES OF INCORPORATION  
DATED July 22, 1997.

DATED: July 22, 1997

*Victoria Buckley*

SECRETARY OF STATE