



Articles of Incorporation for a Nonprofit Corporation

filed pursuant to § 7-122-101 and § 7-122-102 of the Colorado Revised Statutes (C.R.S.)

The domestic entity name of the nonprofit corporation is Settlers Ranch Filing 3 Homeowners Association, Inc.

The principal office street address is

4798 Settlers Ranch Rd
Colorado Springs CO 80908
US

The principal office mailing address is

4798 Settlers Ranch Rd
Colorado Springs CO 80908
US

The name of the registered agent is Mark Davis

The registered agent's street address is

4798 Settlers Ranch Rd
Colorado Springs CO 80908
US

The registered agent's mailing address is

4798 Settlers Ranch Rd
Colorado Springs CO 80908
US

The person above has agreed to be appointed as the registered agent for this entity.

The name(s) and address(es) of the incorporator(s)

Mark Davis
4798 Settlers Ranch Rd
Colorado Springs CO 80908
US

Voting members

There are voting members for the nonprofit corporation.

The distribution of assets for the nonprofit corporation:

A description of the distribution of assets upon dissolution is attached.

Additional information the person(s) forming this entity determined to include is attached.

Causing this document to be delivered to the Secretary of State for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that the document is the individual's act and deed, or that the

individual in good faith believes the document is the act and deed of the person on whose behalf the individual is causing the document to be delivered for filing, taken in conformity with the requirements of part 3 of article 90 of title 7, C.R.S., and, if applicable, the constituent documents, and the organic statutes, and that the individual in good faith believes the facts stated in the document are true and the document complies with the requirements of that Part, the constituent documents, and the organic statutes.

This perjury notice applies to each individual who causes this document to be delivered to the Secretary of State, whether or not such individual is named in the document as one who has caused it to be delivered.

Name(s) and address(es) of the individual(s) causing the document to be delivered for filing

Mark Davis
4798 Settlers Ranch Rd
Colorado Springs CO 80908
US

15. Additional Information pursuant to §7-122-102, C.R.S. and other organic statutes.

- A. The business, objectives and purposes for which the Corporation is formed are as follows:
1. To be and constitute the Association to which reference is made in the Declaration of Covenants, Conditions and Restrictions for Settlers Ranch **Filing 3** and any amendment or supplements thereto (hereinafter called the "Declaration" and the definitions and provisions thereof are incorporated herein by this reference as if set forth at length) which has been or will be recorded in the records of the Clerk and Recorder of the County of El Paso, Colorado, and to perform all obligations and duties of the Association and to exercise all rights and powers of the Association.
 2. To provide an entity for the furtherance of the interests of all the Owners, including the Declarant named in the Declaration, of Lots with the objective of establishing and maintaining Settlers Ranch (the "Subdivision") **Filing 3** as a project of quality and value; enhancing and protecting its value, desirability and attractiveness; promoting the health, safety and welfare of the residents of the Subdivision and providing for the maintenance, preservation and architectural control of the Lots and any Common Area within the Subdivision.
- B. In furtherance of the purposes, this Corporation shall have all of the powers conferred upon nonprofit corporations by the statutes and common law of the State of Colorado in effect from time to time, shall have all rights and powers conferred upon owners' associations by any statutes as now or hereafter enacted, and shall have all of the powers necessary or desirable to perform the obligations and duties and exercise the rights and powers of the Association under the Declaration which shall include, but shall at be limited to, the following, which shall be subject to the limitations, requirements, restrictions and provision of the Declaration and the Association's Bylaws:
1. To fix, levy, collect and enforce payment by any lawful means, all charges; fines, sums and assessments pursuant to the terms of the Declaration, law and statute; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including without limitation all licenses, taxes or governmental charges levied or imposed against the association or its property.
 2. To acquire (by gift, purchase or otherwise), own, hold, 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 Corporation.
 3. To borrow money and to mortgage, pledge, deed in trust, or hypothecate any or all or its real or personal property as security for money borrowed or debts incurred;
 4. To dedicate, convey, sell or transfer all or any part of any Common Area;
 5. To participate in mergers and consolidations with other nonprofit entities organized for similar purposes, and to annex additional residential property and common areas as provided in the Declaration.

6. To manage, control, operate, maintain, repair and improve the Subdivision including the Common Area and fulfill any obligations under the Augmentation Plan, development plan or other governmental agreement or requirement.
 7. To enforce the Declaration, covenants, conditions and restrictions as set forth in the Declaration, and to have all the rights, powers and duties of the Association as set forth therein and under applicable law.
 8. To engage in activities that are intended to actively foster, promote and advance the interests of the owners of Lots in the Subdivision, including the interests of the Declarant under the Declaration, in marketing and creating the Subdivision and protecting the interests of the Declarant in the Subdivision.
 9. To adopt and modify Bylaws not inconsistent with any provision of these Articles and the Declaration.
- C. Every person who is the fee owner of a Lot shall be a member of the Corporation and shall have such rights and powers as set forth in the Declaration and Bylaws. Persons holding title solely as security for the performance of an obligation shall not thereby be members.
- D. Memberships rights and the member's share of the ownership interest in the Corporation shall not be assignable or transferrable apart from the fee ownership of the Lot associated with such membership, except as such rights are assigned as security for the performance of an obligation and transferred as part of the security along with the security interest in the Lot.
- E. Transfer of the fee interest in the Lot shall automatically transfer membership in the Corporation without further action. The Corporation may require record of the transfer on the books of the corporation before the transferee may exercise membership rights.
- F. The Corporation may suspend voting and other membership rights of any member during any period when such member is not in compliance with the Declaration, these Articles, the Bylaws, or rules and regulations duly adopted by the Corporation, including any delinquency in payment to the Corporation. Otherwise, all members are entitled to vote as set forth in the Declaration. Cumulative voting is not permitted.
- G. The provisions of these Articles shall control over conflicting or inconsistent provisions of the Declaration or Bylaws. Provisions of the Declaration shall control over conflicting or inconsistent provisions of the Bylaws.
- H. The Board of Directors exclusively shall conduct, manage and control the affairs of the Corporation.
- I. **Until the Declarant has conveyed sixty seven percent (67%) of the Lots to the residential purchasers or January 1, 2039**, whichever occurs earlier (the "Period of Declarant Control"), the Declarant may appoint and remove all officers and members of the Board of Directors of the Corporation. The Declarant may relinquish such authority sooner by document signed by the Declarant and recorded in the records the Clerk and Recorder for the county in which the Subdivision is located. After the Period of Declarant Control, the members shall elect the Association's Board of Directors as provided in the Declaration, Bylaws and these Articles of Incorporation.
- J. **Until the Declarant has conveyed all of the Lots to residential purchasers or January 1, 2039**, whichever occurs earlier, the Declarant may appoint and remove all members of the Approving Authority. The Declarant may relinquish such authority sooner by document signed by the

Declarant and recorded in the records the Clerk and Recorder for the County in which the Subdivision is located.

- K. Directors shall be members, except that the directors appointed by the Declarant need not be members.
- L. Upon dissolution, other than by merger or consolidation, the assets of the corporation shall be distributed and transferred as the Members may direct but subject to the limitations set forth in the Declaration and not inconsistent with the Declaration or applicable law and may be distributed, transferred and devolved upon and public agency, nonprofit corporation or association, trust or other entity which shall be devoted to similar purposes as the purposes of the Corporation and consistent with the Declaration.
- M. Except as provided in the succeeding paragraph, these Articles may be amended only by affirmative vote of at least two thirds of the Corporation's Directors and two thirds of the Members and no such amendment shall contradict or be inconsistent with any provision of the Declaration. During the Period of Declarant Control, all amendments must also receive the approval of the Declarant to be effective.
- N. Notwithstanding any other provision of these Articles, the Declaration or Bylaws, during the Period of Declarant Control, Declarant shall have the right without approval of the Members or the Board of Directors, to correct typographical errors or make clarifications or make changes approved in writing by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Housing Administration, or the Department of Veterans Affairs, so as to induce such organizations to make, purchase, sell, insure or guarantee First Mortgage covering a portion of the subdivision, and each Owner and Mortgagee by accepting a deed, mortgage, deed of trust, other evidence of obligation or other instrument affecting a Lot appoints Declarant as his attorney-in-fact for purposes of executing in such owner or Mortgagee's name and recording any such amendments to these Articles and to each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Lot and the acceptance thereof shall be deemed to be a grant and acknowledgement of and consent to the reservation of the power of Declarant to make, execute and record any such amendment.
- O. The Corporation is organized for the nonprofit purposes of the acquisition, construction, maintenance, management, and care of property of the subdivision and as set forth in the Declaration, these Articles and the corporation's Bylaws.
- P. Upon dissolution, all net assets will be distributed to the members.
- Q. 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 intervening in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.
- R. To the extent permitted by law, a director of the corporation shall not be personally liable to the corporation or its directors for monetary damages for breach of fiduciary duty as a director; except that this provision shall not eliminate or limit the liability of a director to the corporation or to its directors for monetary damages otherwise existing for (i) any breach of the director's duty of loyalty to the corporation; (ii) acts or omission not in good faith or which involve intentional misconduct or a knowing violation of law; (iii) voting for or assenting to a distribution in violation of applicable law or the articles of incorporation if it is established that the director did not perform his/her duties in compliance with Colorado Revised Statutes section 7-128-403

or 7-128-501(2), if applicable, provided that the personal liability of a director in this circumstance shall be limited to the amount of the distribution which exceeds what could have been distributed without violation of such statutes or the articles of incorporation; or (iv) any transaction from which the director directly or indirectly derived any improper personal benefit. If the Colorado statutes at time of the event or thereafter eliminate or limit further the liability of a director, then, in additions to the elimination or limitation of liability provided by the preceding sentence, the liability of each director shall be eliminated or limited to the fullest extent permitted by such statutes. Any repeal or modification of this provision or the Colorado law shall not adversely affect any right or protection of a director of the corporation under this provision, as in effect immediately prior to such repeal or modification with respect to any liability that would have accrued, but for this provision, prior to such repeal or modification.

- S. The corporation shall indemnify, to the fullest extent permitted by applicable law in effect from time to time, any person, and the estate and personal representative of any such person, against all liability and expense (including attorney's fees and costs) incurred by reason of the fact that he is or was a director or officer of the corporation or, while serving as a director or officer of the corporation, he is or was serving at request of the corporation as director, officer, agent, partner, trustee, employee, fiduciary, or agent of, or in any similar managerial or fiduciary position of, an domestic or foreign corporation or business entity or individual or entity or of an employee benefit plan. The corporation shall also indemnify any person who is serving or has served the corporation as director, officer, employee, fiduciary, or agent, and that person's estate and personal representative, to the extent and in the manner provided in any by law, resolution of the directors, contract, or otherwise, so long as such provision is legally permissible. The corporation shall further have the authority to the maximum extent permitted by law to purchase and maintain insurance providing such indemnification and to advance expenses of defense on behalf of such person.