



STATE OF COLORADO

DEPARTMENT OF
STATE

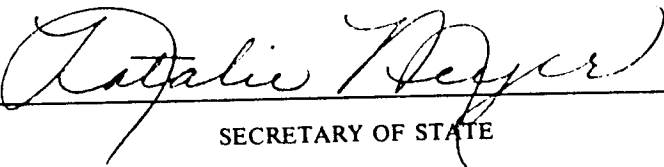
CERTIFICATE

I, NATALIE MEYER, Secretary of State of the State of Colorado hereby certify that the prerequisites for the issuance of this certificate have been fulfilled in compliance with law and are found to conform to law.

Accordingly, the undersigned, by virtue of the authority vested in me by law, hereby issues A CERTIFICATE OF

INCORPORATION TO THE HOMEOWNERS ASSOCIATION OF COBBLE-
STONE AT CHEYENNE MOUNTAIN RANCH, A NONPROFIT CORPORATION.

Dated: APRIL 13, 1988



SECRETARY OF STATE

ARTICLES OF INCORPORATION

OF

THE HOMEOWNERS ASSOCIATION OF COBBLESTONE AT
CHEYENNE MOUNTAIN RANCH
(A Nonprofit Corporation)

FILED

APR 13 1988

STATE OF COLORADO
DEPARTMENT OF STATE

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned person, acting as the Incorporator of a nonprofit corporation, pursuant to the Colorado Nonprofit Corporation Act, do hereby sign and acknowledge, in duplicate, these articles which, when filed with the Secretary of State of the State of Colorado, shall constitute the Articles of Incorporation of said nonprofit corporation, and I do hereby certify as follows:

ARTICLE I

NAME

The name of the nonprofit corporation is The Homeowners Association of Cobblestone at Cheyenne Mountain Ranch, and is hereinafter called the "Corporation".

ARTICLE II

DURATION

The period of duration of the Corporation is perpetual.

ARTICLE III

PURPOSES

The purpose of the Corporation shall be to provide an entity for the furtherance of the interests of all the owners of residences in the Cobblestone at Cheyenne Mountain Ranch development as defined in the Bylaws of the Corporation ("Cobblestone") with the objects of establishing and maintaining subdivisions within Cobblestone as subdivisions of quality and value; enhancing and protecting their value, desirability and attractiveness; promoting the health, safety and welfare of the residents therein; protecting and preserving the wildlife therein; providing for social activities for said residents; being the Association and carrying out all functions enumerated for the Association referred to in the Declaration of Covenants, Conditions and Restrictions of Cobblestone at Cheyenne Mountain Ranch originally recorded in Book 3171 at Page 503 of the records of the El Paso County Clerk and Recorder, El Paso County, Colorado, as amended and in effect from time to time (the "Declaration"). The Corporation does not contemplate pecuniary gain for profit to the Members. The Corporation is formed exclusively under the Colorado Nonprofit Corporation Act and not for pecuniary profit or financial gain. No part of the assets or income of the Corporation shall be distributable to or inure to the benefit of the Members, directors or officers except to the extent permitted by the Colorado Nonprofit Corporation Act.

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ARTICLE IV

POWERS

In furtherance of its purposes, the 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, and shall have all of the powers necessary or desirable to effectuate the purposes of the Corporation, which shall include, but shall not be limited to, the following:

A. 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;

B. To borrow money, and to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

C. To participate in mergers and consolidations with other nonprofit corporations organized for the same purposes;

D. To assist and pursue enforcement of the Declaration;

E. To represent the Members of the Corporation in any actions designed to alter, amend, or repeal the Declaration;

F. To engage in activities which will actively foster, promote and advance the common interests of owners of property in Cobblestone;

G. To enter into, make, perform or enforce contracts of every kind and description and to do all other acts necessary, appropriate or advisable in carrying out any nonprofit purpose of this Corporation, with or in association with any person, firm, association, corporation, committee or other entity or agency, public or private;

H. To adopt, alter and amend or repeal such Bylaws as may be necessary or desirable for the proper management of the affairs of the Corporation; provided, however, that such Bylaws may not be inconsistent with or contrary to any provisions of these Articles of Incorporation or the Declaration as amended from time to time;

I. To exercise any power enumerated in the Declaration as belonging to The Homeowners Association of Cobblestone at Cheyenne Mountain Ranch, including specifically, but without limitation, architectural control, ownership of the Common Areas, property management of the project, collection of Common Area

Expenses and other assessments and fees, and the care, maintenance and repair of buildings.

ARTICLE V

BOARD OF DIRECTORS

A. The affairs and management of the Corporation shall be under the control of a Board of Directors. The number of Directors of the Corporation shall be as specified in the Bylaws, but shall not be less than three (3) nor more than nine (9).

B. Meetings of the Board of Directors of the Corporation may be held within or outside the State of Colorado, but all such meetings shall be held strictly in accordance with the Bylaws of the Corporation.

C. Directors shall not be liable to the Corporation or its Members for monetary damages for breach of fiduciary duty as a Director except in the following instances:

1. For breaches of a Director's duty of loyalty to the Corporation or its Members; or
2. For acts or omissions not in good faith; or
3. For acts or omissions involving intentional misconduct or a knowing violation of law; or
4. For acts specified in §7-5-114, C.R.S. (1986 as amended), as now or hereafter in effect; or
5. For any transactions for which that Director derived an improper personal benefit; or
6. For acts or omissions occurring prior to the effective date of these Articles of Incorporation.

D. No Director of the Corporation shall be liable for actions taken or omissions made in the performance of his duties as a Board Member except for wanton and wilful acts or omissions. No Director or Officer of the Corporation shall be liable for any injury to any person or property arising out of a tort committed by an employee unless such Officer or Director was personally involved in the situation giving rise to the litigation or unless such Officer or Director committed a criminal offense. This provision shall not restrict other common law, statutory, contractual or other protections and rights that said Director or Officer may have.

E. Any person, who shall at any time serve, or have served, as Director, Officer, employee or agent of the Corporation, or at the Corporation's request as a Director or Officer of another corporation, body or enterprise, and the estate, heirs, successors and personal representatives of such person shall be indemnified by the Corporation against all costs and expenses (including, but not

limited to court costs, litigation expenses, attorneys' fees, judgments or compromise or settlement obligations) actually and reasonably incurred in connection with defense of any claim, action, suit, or proceeding, whether civil, criminal, administrative, investigative, or other, in which he, or they, may be involved by virtue of such person's being or having been such Director, Officer, employee or agent, provided (1) that such person has conducted himself in good faith, (2) that such person reasonably believed that his conduct was in the Corporation's best interest, and (3) that such person had reasonable grounds to believe that his conduct was not unlawful; and provided further that such indemnity shall not apply to (1) any matter as to which such person shall have been determined in such claim, action, suit or proceeding, to be liable to the Corporation for negligence or misconduct in the performance of his duties to the Corporation, or (2) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board of Directors, there are reasonable grounds for such person being determined to be liable in the performance of his duties as such Director, Officer, employee or agent. The foregoing indemnification shall not be conclusive of any other rights to which those to be indemnified may be entitled by the terms of any bylaw, agreement, vote of Members or otherwise. This provision for indemnification shall not affect other common law, statutory or contractual rights of indemnification.

F. No contract or transaction between the Corporation and one or more of its Directors, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its Directors or Officers are directors or officers or have a financial interest and no action taken by the Board of Directors or the Corporation, shall be void or voidable on the basis of any liability for said Director or Officer solely because of that financial interest or solely because the Director or Officer is present at or participates in the meeting of the Board or committee thereof which authorizes, approves, or ratifies the action, contract or transaction or solely because his or their votes are counted for such purpose if:

1. The material facts as to his relationship or interest and as to the action, contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board or committee in good faith authorizes, approves, or ratifies the actions, contract or transaction by the affirmative vote of a majority of the disinterested Directors, even though the disinterested Directors are less than a quorum; or

2. The material facts as to his relationship or interest and as to the action, contract or transaction are disclosed or are known to the Members entitled to vote thereon, and the action, contract or transaction is specifically authorized, approved, or ratified in good faith by vote of the Members; or

3. The contract or transaction is fair as to be Corporation as of the time it is authorized, approved, or ratified by the Board of Directors, a committee thereof, or the Members, or the action is in the best interest of the Corporation as of the time it is authorized, approved or ratified by the Board of Directors, a committee thereof, or the Members.

Interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes, approves, or ratifies the contract or transaction.

G. The number of Directors constituting the first Board of Directors of the Corporation is seven (7) and the names and addresses of the persons who are to serve as Directors until the first annual meeting of the Corporation or until their successors are elected and shall qualify as shall be specified by the Bylaws are:

<u>NAME</u>	<u>ADDRESS</u>
1. William J. McCabe	186 Cobblestone Drive Colorado Springs, CO 80906
2. Kurt Gabel	364 Cobblestone Drive Colorado Springs, CO 80906
3. Lois Earley	302 Cobblestone Drive Colorado Springs, CO 80906
4. Terry L. Dillahunty	274 Cobblestone Drive Colorado Springs, CO 80906
5. W. Ward Clark	218 Cobblestone Drive Colorado Springs, CO 80906
6. Cynthia McDougall	358 Cobblestone Drive Colorado Springs, CO 80906
7. Luella L. Swisher	130 Cobblestone Drive Colorado Springs, CO 80906

ARTICLE VI

MEMBERS

The requirements for membership and the voting rights of Members shall be as set forth in the Bylaws.

ARTICLE VII

DISSOLUTION, MERGER OR CONSOLIDATION

The Corporation may be dissolved, merged or consolidated with the assent given in writing and signed by not less than two-thirds (2/3) of its Members. Upon dissolution of the Corporation other than incident to a merger or consolidation, the assets of the Corporation shall be distributed and transferred as the Members may direct, subject to the requirements, limitations and other provisions of the Declaration as then in effect. In such event, the assets may be granted, conveyed and assigned to any public agency, nonprofit corporation, association, trust or other organization to be devoted to nonprofit purposes similar to those for which this Corporation was created.

ARTICLE VIII

REGISTERED OFFICE

The address of the registered office of the Corporation is The Alamo Building, Suite 400, 123 South Tejon, Colorado Springs, Colorado 80903, and the Registered Agent at such address shall be Kenneth A. Matthews.

ARTICLE IX

INCORPORATOR

The name and address of the Incorporator of this Corporation is Duncan S. Bremer, of Berniger, Berg, Rieth & Diver, P.C., 101 North Tejon, Suite 300, Post Office Box 1716, Colorado Springs, Colorado 80901.

Dated this 12th day of April, 1988.



Incorporator

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this
12th day of April, 1988, by Duncan S. Bremer, as Incorporator.

WITNESS my hand and official seal.

SEAL

Kathleen K. Jagers
Notary Public
My commission expires: 11/25/89