

NONPROFIT

FILED COPY

961061915 0 \$50.00
SECRETARY OF STATE
05-07-96 10:04

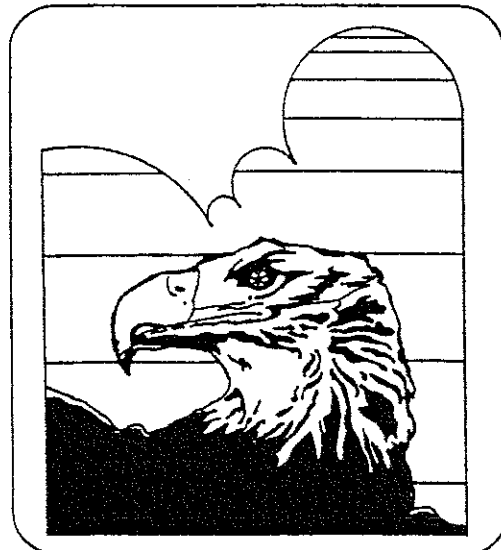
ARTICLES OF INCORPORATION

FOR

The Cascades At Eagle Ridge

TOWNHOME ASSOCIATION, INC.

May 6 , 1996



ARTICLES OF INCORPORATION FOR

The Cascades At Eagle Ridge

TOWNHOME ASSOCIATION, INC.

(A COLORADO NONPROFIT CORPORATION)

ARTICLE I

Name

The name of this nonprofit corporation shall be **THE CASCADES AT EAGLERIDGE TOWNHOME ASSOCIATION, INC.** (the "Association").

ARTICLE II

Duration

The term of existence of this corporation is perpetual.

ARTICLE III

Purposes

The business, objects, 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 The Cascades At EagleRidge (the "Declaration"), recorded or to be recorded in the records of the Clerk and Recorder of Routt County, Colorado, 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 Townhome Lot Owners, including the Declarant named in the Declaration, with the objectives of establishing and maintaining a first-class townhome project of high quality and value and enhancing and protecting all value, desirability and attractiveness thereof.

3. For convenience of reference, all defined terms utilized herein shall have the same meanings as those defined terms stated in the Declaration.

ARTICLE IV

Powers

In furtherance of its purposes, the Association 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, including all of the powers necessary or desirable to perform the obligations and duties and exercise the rights and powers of the Association under its Declaration which will include, but not be limited to, the following:

1. To make and collect assessments against and from Townhome Lot Owners of the Association for the purpose of payment of common expenses, including expenses incurred in exercising its powers or performing its functions;

2. To manage, control, operate, maintain, repair, and improve the Common Elements;

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

4. To engage in activities which will actively foster, promote and advance the interests of all of the Townhome Lot Owners, including the interests of the Declarant;

5. Subject to the Declaration and Bylaws of the Association, to buy or otherwise acquire, sell, or otherwise dispose of, mortgage or otherwise encumber, exchange, lease, hold, use, operate, and otherwise deal with and in real or personal property of any kind, and any right or interest therein;

6. To borrow funds and to give security therefor in order to pay for any expenditure or outlay required pursuant to the authority granted by the Declaration, these Articles of Incorporation, or the Bylaws, and to execute all

such instruments in evidence of such indebtedness as may be necessary or appropriate;

7. To enter into, make, perform, and enforce contracts of every kind and description, including, without limitation, contracts for management services; and

8. To adopt, alter, amend, or repeal such Bylaws as may be necessary or desirable for the proper management of the affairs of the Association provided, however, that such Bylaws shall not be inconsistent with or contrary to any provisions of these Articles of Incorporation or the Declaration.

The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers which may now or hereafter be allowed or permitted by law and the powers specified in each of the paragraphs of this Article IV are independent powers, not to be restricted by reference to or inference from the terms of any other paragraphs or provisions of this Article IV.

ARTICLE V

Membership

1. This Association shall be a membership corporation without certificates or shares of stock. The Association shall have one (1) class of membership. Every Owner of a Townhome Lot shall enjoy general membership.

2. Each membership shall have voting rights as set forth in the Declaration and the Bylaws of the Association on all matters on which members are entitled to vote.

3. A membership in the Association and the share of a member in the assets of the Association, by virtue of ownership, shall not be encumbered or transferred in any manner except as appurtenant to a Townhome Lot to which it pertains, provided, however, that the rights of membership may be assigned to the holder of a first lien mortgage which encumbers the Townhome Lot.

4. A transfer of membership shall occur automatically upon conveyance of a Townhome Lot to which the membership pertains provided, however, that the Bylaws of the Association may contain reasonable provisions and requirements with respect to recording such transfers on the books and records of the Association.

5. Owners shall have the right to acquire additional Townhome Lots and the memberships appurtenant thereto.

6. The Association may suspend the voting rights of a member for failure to comply with any obligations of the Owners of Townhome Lots under the Declaration and Bylaws.

7. The Declaration and Bylaws may contain provisions setting forth the rights, privileges, duties, and responsibilities of the members.

ARTICLE VI

Executive Board

1. The business and affairs of the Association shall be conducted, managed, and controlled by an Executive Board consisting of three (3) people. The Executive Board shall be elected in the following manner:

(a) Declarant shall be entitled to select or appoint, in its sole and absolute discretion, all members of the Executive Board from the day the Association is created until sixty days from the date which Declarant has conveyed twenty-five percent (25%) of the Townhome Lots, which may be created within the Property, to Owners other than Declarant.

(b) Sixty days after the date which Declarant has conveyed twenty-five percent (25%) of the Townhome Lots, which may be created within the Property, to Townhome Owners other than Declarant, Declarant shall be entitled to select and appoint, in its sole and absolute discretion, two (2) members of the Executive Board until sixty days from the date which Declarant has conveyed fifty percent (50%) of the Townhome Lots, which may be created within the Property, to Owners other than Declarant. The other member of the Executive Board shall be nominated and elected by the Townhome Lot Owners other than the Declarant.

(c) Sixty days after the date which Declarant has conveyed fifty percent (50%) of the Townhome Lots, which may be created within the Property, to Townhome Owners other than Declarant, Declarant shall be entitled to select and appoint, in its sole and absolute discretion, two (2) members of the Executive Board until sixty days from the date which Declarant has conveyed seventy-five percent (75%) of the Townhome Lots, which may be created within the Property, to Owners other than Declarant. The other member of the Executive Board shall be elected by the Townhome Lot Owners other than the Declarant.

(d) During that period of time which is: (i) sixty days after the date which Declarant has conveyed seventy-five percent (75%) of the Townhome Lots which may be created within the Property to Townhome Owners other than Declarant; (ii) two years after the last conveyance of a Townhome by the Declarant in the ordinary course of business; (iii) three years after the first Townhome is conveyed by the Declarant to a third party; or (iv) such other time as the Declarant may, in its sole discretion determine, whichever occurs earlier, all members of the Executive Board shall have been or will be nominated and elected by the Townhome Lot Owners.

3. Board Members may be removed and vacancies on the Executive Board shall be filled in the manner to be provided by the Bylaws.

4. The names and addresses of the members of the first Executive Board who shall serve until their successors are duly elected and qualified, are as follows:

Lawrence Feldman, 1680-38th Street, Suite 700, Boulder, CO. 80301

Michael J. Stratton, 1680-38th Street, Suite 700, Boulder, CO. 80301

Duane Stutzman, 1680-38th Street, Suite 700, Boulder, CO. 80301

Any vacancies in the Executive Board, occurring before the first election of members by Townhome Lot Owners, shall be filled by the remaining Board Members or the Declarant.

5. The personal liability of the a Board Members to the Association or to its members for monetary damages for breach of fiduciary duty as a Board Member shall be eliminated to the extent permitted by law. Such elimination shall not include a breach of the Board Member's duty of loyalty to the corporation or to its members; acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law as specified in Section 7-5-114, Colorado Revised Statutes, as amended; or, any transaction from which the Board Member derives an improper personal benefit.

Article VII

Officers

The Executive Board shall elect a President, one or more Vice-Presidents, a Secretary, a Treasurer, and such other offices as the Board believes will be in the best interests of the Association. The officers shall have such duties as may be prescribed in the Bylaws of the Association and shall serve at the pleasure of the Executive Board.

ARTICLE VIII

Conveyances and Encumbrances

Association property may be conveyed or encumbered by authority of the Executive Board or by such person or persons to whom such authority may be delegated by resolution of the Board. Conveyance or encumbrance shall be by an instrument executed by the President or Vice President and by a Secretary or an Assistant Secretary, or executed by such other person or persons to whom such authority may be delegated by the Executive Board.

ARTICLE IX

Initial Registered Office and Agent

The initial registered offices of the Association shall be 1680-38th Street, Boulder, Colorado 80301. The initial registered agent shall be Lawrence Feldman.

ARTICLE X

Amendments

Amendments to these Articles of Incorporation shall be adopted in the manner provided by law provided, however, no amendment to these Articles of Incorporation shall be contrary to or inconsistent with the provisions of the Declaration.

ARTICLE XI

Managing Agent Functions

The Association, by its Executive Board, may obtain and pay for the services of a Managing Agent to administer and manage the affairs of the Association and be responsible for the operation, maintenance, repair, and improvement of Common Elements, including the keeping of the same in good, attractive and sanitary condition, order and repair. The cost of such services shall be borne by the members as is provided in the Declaration. Maintenance of Common Elements of the Project, billing and collection of Common Expenses, preparation of an operating budget, maintenance of files, books and records, the employment of personnel to perform such duties and such other

services and functions, as the Executive Board may designate, may be performed by a Managing Agent.

ARTICLE XII

Dissolution

In the event of the dissolution of this Association, either voluntarily or involuntarily, by the members hereof, by operation of law, or otherwise, if there shall be any balance of assets and funds of the Association after the payment or provision for all debts of the Association, the creation of such reserve funds as the Executive Board deems necessary, and after the necessary expenses of liquidation, the Executive Board shall either distribute such remaining assets and funds, in kind, among the members in accordance with the Declaration, or shall first sell all the remaining assets of the Association and distribute such cash among the members in accordance with the Declaration, or shall distribute such remaining assets to the members partly in cash and partly in kind, all in such manner and upon such terms as the Executive Board may deem appropriate in its discretion in accordance with the Declaration.

ARTICLE XIII

General

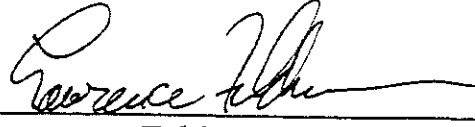
This Association is one which does not contemplate pecuniary gain or profit to the members thereof and is organized for nonprofit purposes. This Association does not afford pecuniary gain to its members incidentally or otherwise, but members may be paid for services actually rendered to the Association. This Association has no power to carry on propaganda, attempt to influence legislation or take part in a political campaign.

ARTICLE XIV

Incorporation

Lawrence Feldman, 1680-38th Street, Boulder, Colorado 80301, acting as the incorporator under the Colorado Nonprofit Corporation Act, signs and acknowledges these Articles of Incorporation for such corporation on this 6th day of May, 1996

INCORPORATOR:



Lawrence Feldman

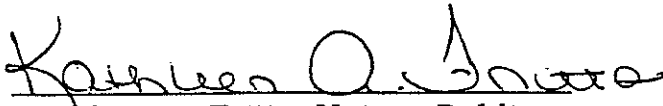
STATE OF COLORADO }

} s.s.

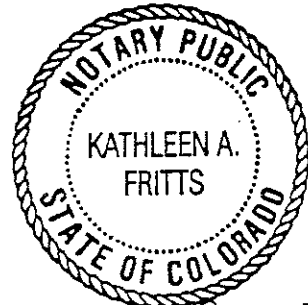
COUNTY OF BOULDER }

The foregoing instrument was acknowledged before me this 6th day of May, 1996 by Lawrence Feldman.

My commission expires September 27, 1998



Kathleen A. Fritts, Notary Public
1680 - 38th Street, Suite 700
Boulder, Colorado 80301



My Comm. Expires 9-27-98

**FIRST
SUPPLEMENTAL DECLARATION
TO THE DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS
FOR
THE CASCADES AT EAGLERIDGE**

WHEREAS, Cascades at Steamboat, LLC, a Colorado limited liability company, herein referred to as the Declarant, on May 10, 1996 recorded THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE CASCADES AT EAGLERIDGE in Book-720, Page 485 at Reception No. 462682 in the Routt County records, State of Colorado, herein referred to as the DECLARATION;

WHEREAS, said DECLARATION creates certain protective covenants, conditions, restrictions, reservations, and charges as set forth therein against the following described real estate:

Shasta Aspen, Shasta Birch, Shasta Spruce, Shasta Willow, Rainier Aspen, Rainier Birch, Rainier Spruce, Rainier Willow, McLaughlin Aspen, McLaughlin Birch, McLaughlin Spruce, McLaughlin Willow, according to The Cascades at EagleRidge Phase I Plat, recorded in the records of the Routt County, State of Colorado Clerk and Recorder's records at Reception No. 462678, File No. 12327 on May 10, 1996.

and.

WHEREAS, Article Eleven, Paragraph e. of the DECLARATION provides that the Declarant may annex certain additional property without consent of the Owners or Members of the Association or the consent of the First Mortgagees as defined therein and upon such annexation, such property shall be subject to all of the terms and conditions of the said DECLARATION.

NOW, THEREFORE, the Declarant hereby annexes the following described property:

Stuart Aspen, Stuart Birch, Stuart Spruce, Stuart Willow, Baker Aspen, Baker Birch, Baker Spruce, Baker Willow, and the Common Elements according to The Cascades at EagleRidge Phase II Plat, recorded in the records of the Routt County, State of Colorado Clerk and Recorder's records at

82E 894

Reception No. 468377, File No. 12353 on
September 18, 1996.

and by reason of such annexation the above described property shall (a)
be subject to all of the protective covenants, conditions, restrictions,
reservations and charges as contained in the said DECLARATION and
(b) be deemed to be a part of the PROPERTY as defined in the said
DECLARATION.

Cascades at Steamboat, LLC
a Colorado limited liability company

By: Lawrence Feldman
Lawrence Feldman, Member
General Partner

STATE OF COLORADO)
COUNTY OF Routt) s.s.

The foregoing instrument was acknowledged before me this 18 day of
September 1996, by Lawrence Feldman, a member of Cascades at
Steamboat, LLC.

My Commission Expires: 11/19/96

Witness my hand and official seal:

Shirley Ann

Notary Public

Address:

2155 Peason Drive
Silt, Spgs. CO 80477

-2-



598374

Page: 1 of 2
02/25/2004 03:23f
D 0.00

Key Weiniand Routt County. CO AMEND CONR 11.00

AMENDMENTS TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE CASCADES AT EAGLE RIDGE

These Amendments are made to the Declaration of Covenants, Conditions and Restrictions for the Cascades at Eagle Ridge recorded May 10, 1976, at Reception number 462682, Book 720, Page 485, in the office of the County Clerk and Recorder of Routt County, Colorado and promulgated and duly approved by the Executive Board, at least 75% of the Unit Owners and 67% of the Mortgage Holders of the Cascades at Eagle Ridge Townhome Association, Inc., a Colorado nonprofit corporation.

RECITALS

WHEREAS, the Declaration of Covenants, Conditions and Restrictions ("Declaration") may be amended by approval of the requisite percentage of Owners and Mortgage Holders; and

WHEREAS, the Owners and Mortgage Holders have approved by adequate majority to amend the Declaration.

NOW, THEREFORE, the Declaration is amended as follows as of September 21, 2003:

Amendment 1. Executive Board

Declaration, paragraph 4(f). Executive Board. The first sentence shall be amended from "the Executive Board shall consist of three members who shall be elected from the Owners after the Declarant Control period" to be replaced by "The number of members of the Executive Board, all of whom shall be Owners, shall be established in the By-laws of the Association, but in no event shall be less than three (3)."

Amendment 2. Decks

Declaration, paragraph 7(b) is amended by the addition of the following new sentence after the existing first sentence, and before the existing second sentence, of the paragraph: "All maintenance, including deck staining and snow removal, and repairs of the decks shall be the sole responsibility of the Association, but any expense incurred by the Association in maintaining or repairing a deck shall be assessed to the Owner of the deck."

Amendment 3. Antennas

Declaration paragraph 5(q) is deleted and replaced in its entirety by: "Subject to any federal, state or local law or



598374

Page: 2 of 2

02/25/2004 03:23

Kay Weirland Rout: County, CO AMEND CONR 11.00

D 0.00

regulation, no exterior television or radio antennae or any other antennae of any type, including satellite TV dishes, shall be erected or maintained upon the Property without prior authorization from the Association."

Amendment 4. Insurance

Declaration paragraph 15(a)(I) shall be deleted and replaced in its entirety with, "...the entire Project, including all of the Townhomes and fixtures therein, initially installed by Declarant or their replacement of like kind and quality, but not including personal property supplied by or installed by Declarant or Owners; and...

Amendment 5. Common Assessment Deposit

Declaration paragraph 12(h) shall be amended to read as follows: "(h) Common Assessment Deposit. At the closing on each purchase of a Townhome Lot from an existing Owner, each purchaser shall deposit an amount equal to three (3) months Common Assessments with the Association. Said deposit shall be non-refundable and shall be held by the Association as a reserve and for working capital and may be used by the Association in all respects as Common Assessments and periodic payments. The deposit of such sum shall not relieve any Owner from making the regular payment of any Common Assessments as the same becomes due."

**Except as otherwise specifically provided for herein,
all of the provisions in the Declaration remain
unchanged and otherwise in full force and effect.**

IN WITNESS WHEREOF, these Amendments to the Declaration are approved as of their effective date of the 21st day of September, 2003.

The Cascades at Eagle Ridge
Townhome Association, Inc.

By:

Karen Schiller, President