

**ARTICLES OF INCORPORATION  
OF  
RIVER RUN TOWNHOME OWNERS ASSOCIATION**

The undersigned hereby establishes a nonprofit corporation pursuant to the Colorado Nonprofit Corporation Act, as amended (the “CRNCA”) and adopts the following Articles of Incorporation of River Run Townhome Owners Association (the “Articles”). The Association will operate under the Colorado Common Interest Ownership Act, as amended (the “Act”).

**ARTICLE I  
NAME**

The name of this corporation will be River Run Townhome Owners Association (the “Association”).

**ARTICLE II  
INITIAL REGISTERED OFFICE AND AGENT**

The Association’s initial registered office is 348 Lake Dillon Drive, Dillon, Colorado 80435, with a mailing address of P.O. Box 5265, Frisco, Colorado 80443. The initial registered agent is Blake Shutler.

**ARTICLE III  
PURPOSES OF THE ASSOCIATION**

3.1 Purposes. The purposes and objectives for which the Association is formed are as follows:

A. To promote, undertake and advance any and all lawful activities and objectives for the general benefit, well-being, advancement, improvement and enjoyment of the Association and the Members;

B. To be and constitute the Association to which reference is made in the Declaration of Covenants, Conditions, and Restrictions for River Run Townhomes (“Declaration”), to be recorded in the records of the Summit County, Colorado Clerk and Recorder, and to perform all of the Association’s obligations and duties and to exercise all rights and powers of the Association. In the event of any conflict between the Declaration and these Articles, the Declaration will control.

C. To provide an entity for the furtherance of the interests of the Owners of the Property.

3.2 Powers. Subject to any specific limitation imposed by these Articles, the Association will have the following powers:

A. All powers conferred upon nonprofit corporations by the laws of the State of Colorado in effect from time to time, including without limitation C.R.S. §7-123-101 et seq.

B. All powers conferred upon owners' associations pursuant to the Act C.R.S. §38-33.3-302.

C. 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 (terms which are defined in the Declaration will have the same meanings herein unless otherwise defined herein), including, without limitation, the following powers:

1. To make and collect assessments against Members for the purpose of paying the costs, expenses and any losses of the Association, or of exercising its powers or of performing its functions;

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

3. To enforce covenants, restrictions and conditions affecting the Property to the extent the Association may be authorized under any such covenants, restrictions or conditions and to make and enforce rules and regulations for use of the Property;

4. To engage in activities which actively foster, promote or advance the interests of the Members;

5. 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, personal and mixed property of all kinds, and any right or interest therein, for any purpose of the Association, subject to the Declaration and Bylaws;

6. To borrow money and secure the repayment of monies borrowed for any purpose of the Association, limited in amount or in other respects as may be provided in the Bylaws or in the Declaration;

7. To enter into, make, perform or enforce contracts of every kind and description, including, without limitation, a contract for management services, and to do all other acts necessary, appropriate or advisable in carrying out any purpose of the Association, with or in association with any person, firm, association, corporation or other entity or agency, public or private;

8. To adopt, alter, and 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 may not be inconsistent with or contrary to any provisions of these Articles or the Declaration. In the event of any conflict between the Declaration and the Bylaws, the Declaration will control.

The foregoing enumeration of powers will 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 III are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provisions of this Article III, except for those limitations set forth in paragraph 3.3 below.

3.3 Restrictions Upon Purposes and Powers. The foregoing purposes and powers of the Association are subject to the following limitations:

A. The Association will be organized and operated exclusively for nonprofit purposes as set forth in the Internal Revenue Code of 1986, as it is now or may hereafter be amended, or in any corresponding provision of any future law of the United States of America providing for exemption of similar organizations from income taxation.

B. No part of the net earnings of the Association will inure to the benefit of any Member (except that reasonable compensation may be paid for services rendered to or for the Association and affecting one or more of its purposes and objectives, and reimbursement may be made for any expenses incurred for the Association by any officer, Director, Member, agent, or employee, or any person or corporation, pursuant to and upon authorization of the Executive Board).

#### **ARTICLE IV** **MEMBERSHIP**

4.1. Qualifications. The Association will be a membership corporation without certificates or shares of stock and will consist of one class of membership as described in the Bylaws. The rights and obligations of membership are set forth in the Declaration and Bylaws. A membership will terminate automatically without any Association action whenever such entity or individual ceases to own a Townhome. Termination of membership will not relieve or release any former Member from any liability or obligation incurred by virtue of, or in any way connected with, ownership of a Townhome, or impair any rights or remedies which the Association or others may have against such former Member arising out of, or in any way connected with, such membership.

4.2 Suspension of Voting Rights. The Association may suspend a Member's voting rights for failure to pay any Assessments or for failure to otherwise comply with the rules and regulations, or the Bylaws, of the Association, or with any other obligations of the Members under the Declaration, or agreement created pursuant thereto.

#### **ARTICLE V** **EXECUTIVE BOARD**

The business and affairs of the Association will be conducted, managed and controlled by an Executive Board.

5.1 Initial Executive Board. The initial Executive Board will consist of two Directors, Dawn Crane and Blake Shutler, who will serve on the Executive Board during the Declarant Control Period or until their successors are duly appointed or elected.

The Declarant shall be entitled to appoint and remove Directors and officers of the Association as provided in the Declaration to the fullest extent permitted by C.R.S §38-33.3-303. The Declarant's right to appoint and remove Directors will terminate on the earlier of those two events set forth in C.R.S. §38-33.3-303(5) as terminating the Declarant Control Period or the date on which the Declarant voluntarily relinquishes its rights, evidenced by a notice recorded in the office of the Clerk and Recorder for Summit County, Colorado.

After termination of the Declarant's rights as set forth above, the Declarant and any designated Successor Declarant will be entitled to vote as a Member for each Townhome owned.

5.2 Number: Manner of Election. After termination of the Declarant Control Period the Executive Board will consist of not less than three (3) nor more than five (5) Directors, the specified number to be set forth from time to time in the Bylaws. In the absence of any provision in the Bylaws and after the Declarant Control Period, the Executive Board will consist of three members. The terms of office of Executive Board Members and the manner of their selection or election will be determined according to the Bylaws from time to time in effect. Executive Board Members may be removed and vacancies on the Executive Board will be filled in the manner provided in the Bylaws.

## **ARTICLE VI** **OFFICERS**

The Executive Board may appoint a President, Vice-President, Secretary, Treasurer and such other officers as the Executive Board, in accordance with the provisions of the Bylaws, believes will be in the best interests of the Association. The officers will have such duties as may be prescribed in the Bylaws.

## **ARTICLE VII** **LIMITATION OF LIABILITY AND INDEMNITY**

To the fullest extent permitted by the CRNCA, a Director shall not be liable to the Association or its Members for monetary damages for breach of fiduciary duty as a Director. This provision shall not eliminate or limit a Director's personal liability to the Association or its Members for monetary damages for: (i) any breach of the Director's duty of loyalty to the Association or its Members; (ii) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; or (iii) any transaction from which the Director directly or indirectly derives an improper personal benefit. The Association shall have the right to indemnify any person acting in an official capacity for the Association to the fullest extent allowed by Colorado law, except as limited by the Bylaws from time to time in effect.

**ARTICLE VIII**  
**AMENDMENTS**

The Association reserves the right to amend, alter, or change any provision contained in these Articles by a vote of at least sixty-seven percent (67%) of the Owners as defined in the Declaration and the Bylaws at any regular or special Owner meeting, provided, however, that no amendment to these Articles will be contrary to or inconsistent with the provisions of the Declaration.

**ARTICLE IX**  
**DISSOLUTION**

The Association will not pay dividends. No distribution of the corporate assets to Owners will be made until all corporate debts are paid, and then only upon final dissolution of the Association by the affirmative vote of at least sixty-seven percent (67%) of the Owners at any regular or special meeting called for that purpose at which a quorum will be represented. Upon such dissolution and distribution, the assets remaining after payment of all debts will be distributed among the Owners in proportion to their respective interests in the Common Elements of the Property as set forth in the Declaration.

**ARTICLE X**  
**INCORPORATOR**

The name and address of the incorporator of the Association is:

Mark Richmond, P.O. Box 280, Frisco, Colorado 80443.

**ARTICLE XI**  
**INDIVIDUAL FILING ARTICLES**

The name of the individual and mailing address of the individual causing this document to be delivered for filing, and to whom the Secretary of State may deliver notice if filing of this document is refused, is:

Mark Richmond, P.O. Box 280, Frisco, Colorado 80443.