

ARTICLES OF INCORPORATION
OF
KEYSTONE RANCH HOMEOWNERS ASSOCIATION, INC.

In compliance with the requirements of the Colorado Nonprofit Corporation Act, cited as Articles 20 to 29, inclusive, of Title VII, Colorado Revised Statutes 1973, the undersigned, all being residents of the State of Colorado, of full age, have and hereby acknowledge their intent to form a corporate entity under and by virtue of said law.

ARTICLE I
NAME

The name of the corporation is Keystone Ranch Homeowners Association, Inc., hereafter called the "Association."

ARTICLE II
PRINCIPAL OFFICE

The principal and registered office of the Association is located at Box 38, Dillon, Colorado 80435.

ARTICLE III
INITIAL REGISTERED AGENT

Craig C. Nelson, whose address is Keystone, Box 38, Dillon, Colorado 80435, is hereby appointed the initial registered agent of this Association.

ARTICLE IV
PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation, and control of the residence Sites and General Common Areas within that certain tract of property described as:

All of Tracts A, B, C, and D as described in Exhibit 1 attached hereto and by this reference made a part hereof.

and to promote the health, safety, and welfare of the residents within the above-described property and any additions thereto as may

hereafter be brought within the jurisdiction of this Association for the purpose to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions, and Restrictions for Keystone Ranch, hereinafter called the "Declaration," applicable to the property and filed for record with the Clerk and Recorder of Summit County, Colorado, on the 9th day of May 1978, at Reception No. 175936, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) fix, levy, collect, and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association;

(c) 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 Association;

(d) borrow money, and with the assent of two-thirds of each class of members, pledge, deed in trust, or hypothecate any or all of the real or personal property of the Association as security for money borrowed or debts incurred;

(e) dedicate, sell, or transfer all or any part of the real or personal property owned by the Association to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members or imposed by the Declaration. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds of each class of members, agreeing to such dedication, sale, or transfer;

(f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and General Common Areas, provided that any such merger, consolidation, or annexation shall have the assent of two-thirds of each class of members; and

(g) have and to exercise any and all powers, rights, and privileges which a corporation organized under the Nonprofit Corporation Law of the State of Colorado by law may now or hereafter have or exercise.

ARTICLE V
MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Site which is subject by covenants of record to assessment by the Association, including a purchaser under an installment land contract, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Site which is subject to assessment by the Association.

ARTICLE VI
VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A: Class A members shall be all Owners, with the exception of the Declarant. A members shall be entitled to one vote for each Site owned, except as otherwise provided for herein. When more than one person holds an interest in any Site, all such persons shall be members of the Association. The vote for any Site for which a vote is allowed shall be exercised as the persons having an interest in such Site among themselves shall determine, but in no event shall more than one vote be cast with respect to any Site.

Class B: The Class B member shall be the Declarant, and Declarant shall be entitled to three votes for each Site owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership are equal or greater than the total votes outstanding in the Class B membership (upon the conveyance of 75% of the Sites), or

(b) on December 31, 1997. Class A member(s) who previously were a Class B member may have one vote for each Site owned, whether or not such Site contains improvements thereon.

ARTICLE VII
BOARD OF MANAGERS

The affairs of this Association shall be managed by a Board of Managers consisting of three directors, who need not be members of the Association. The number of directors acting as the Board of Managers may be changed by amendment of the Bylaws of the Association. The names and addresses of three persons who are to initially act in the capacity of directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
Robert A. Maynard	Keystone Box 38 Dillon, CO 80435
Curtis W. Scheele	Keystone Box 38 Dillon, CO 80435
Craig C. Nelson	Keystone Box 38 Dillon, CO 80435

At the first annual meeting and at each annual meeting thereafter, the members shall elect three directors for a term of one year.

ARTICLE VIII
MERGER, CONSOLIDATION, OR DISSOLUTION

The Association may be merged, consolidated, or dissolved with the assent given in writing and signed by not less than two-thirds of each class of members in the manner provided by the Colorado Nonprofit Corporation Act, being Article 20, Title VII, Colorado Revised Statutes 1973, as from time to time amended. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets, both real and personal, of the Association shall be granted, conveyed, or assigned or otherwise disposed of as the members may decide pursuant to a plan of distribution of assets adopted in the manner set forth in the Colorado Nonprofit Corporation Act; provided, however, that no such plan of distribution shall conflict with the Declaration.

ARTICLE IX
DURATION

The corporation shall exist perpetually.

ARTICLE X
AMENDMENTS

Amendment of these Articles shall require the assent of 75% of the entire membership.

IN WITNESS WHEREOF, for the purposes of forming this corporation under the laws of the State of Colorado, I, the undersigned incorporator of this Association, have executed these Articles of Incorporation this 8th day of May 1978.

Craig C. Nelson
Craig C. Nelson

STATE OF COLORADO)
COUNTY OF Summit) SS.

The foregoing instrument was acknowledged before me this 8th day of May 1978, by Craig C. Nelson

WITNESS my hand and official seal.

My commission expires: August 13, 1978

Warrent J. Chase
Notary Public



Exhibit 1

All those certain tracts of land being parts of Sections 27 and 34, Township 5 South, Range 77 West of the Sixth Principal Meridian, County of Summit, State of Colorado, more particularly described as follows:

TRACT A:

Beginning at the Southeast corner of the North one-half of the Southwest one-quarter of the Northeast one-quarter of said Section 27; thence N89°58'18"W and along the South line of the North one-half of the Southwest one-quarter of said Northeast one-quarter, 717.47 feet; thence N0°05'41"W, 271.45 feet; thence N60°40'40"W, 340.00 feet; thence S20°03'03"W, 277.86 feet; thence S89°53'08"W, 230.00 feet to a point on the West line of the North one-half of the Southwest one-quarter of said Northeast one-quarter; thence N0°06'52"W and along said West line, 485.00 feet to the Northwest corner of the North one-half of the Southwest one-quarter of said Northeast one-quarter; thence N89°57'53"E and along the North line of the North one-half of the Southwest one-quarter of said Northeast one-quarter, 1341.33 feet to the Northeast corner of the North one-half of the Southwest one-quarter of said Northeast one-quarter; thence S0°03'48"W and along the East line of the North one-half of the Southwest one-quarter of said Northeast one-quarter, 662.66 feet to the Point of Beginning, containing 16.349 acres, more or less.

TRACT B:

Beginning at the center of said Section 27; thence S0°06'52"E and along the East line of the Southwest one-quarter of said Section 27, 230.00 feet; thence S20°02'47"E, 508.77 feet; thence S26°00'45"W, 140.00 feet; thence N75°47'25"W, 220.00 feet; thence N47°22'43"W, 851.83 feet; thence S16°01'33"W, 215.00 feet; thence N42°58'02"W, 563.25 feet to a point on the North line of the East one-half of the Southwest one-quarter of said Section 27; thence S89°52'28"E and along said North line, 1169.88 feet to the Point of Beginning, containing 12.473 acres, more or less.

TRACT C:

Beginning at the Northeast corner of the Southwest one-quarter of the Northeast one-quarter of the Southeast one-quarter of said Section 27; thence S0°01'14"E and along the East line of the West one-half of the East one-half of said Southeast one-quarter, 1471.75 feet; thence S89°58'46"W, 783.91 feet; thence N0°51'40"W, 132.20 feet; thence N39°51'13"W, 225.05 feet; thence N22°18'33"W, 197.75 feet; thence N9°06'32"W, 126.61 feet; thence N15°57'13"E, 272.53 feet; thence N23°27'41"W, 303.06 feet; thence N26°02'57"E, 356.03 feet to a point on the North line of the South one-half of the North one-half of said Southeast one-quarter; thence S89°57'03"E and along said North line, 914.10 feet to the Point of Beginning, containing 32.425 acres, more or less.

TRACT D:

Beginning at the Southeast corner of the West one-half of the Northeast one-quarter of said Section 34; thence S89°59'27"W and along the South line of the West one-half

of said Northeast one-quarter, 180.00 feet; thence
N0°00'33"W, 300.00 feet; thence S89°59'27"W, 100.00 feet;
thence N12°39'34"E, 1063.94 feet; thence N39°06'56"E,
167.69 feet; thence N11°45'53"E, 543.19 feet; thence
N74°13'24"W, 129.81 feet; thence N26°29'47"W, 325.60 feet;
thence S88°16'10"W, 75.00 feet; thence S24°15'57"W, 158.02
feet; thence N84°20'17"W, 110.00 feet; thence N8°25'41"W,
166.74 feet; thence N7°58'19"E, 140.00 feet; thence
S86°06'36"E, 252.71 feet; thence N0°51'40"E, 675.00 feet;
thence N89°58'46"E, 783.91 feet to a point on the East line
of the West one-half of the Southeast one-quarter of the
Southeast one-quarter of said Section 27; thence S0°01'14"E
and along said East line, 515.00 feet to the Southeast
corner of the West one-half of the Southeast one-quarter of
said Southeast one-quarter; thence S0°08'04"W and along the
East line of the West one-half of the Northeast one-quarter
of said Northeast one-quarter of said Section 34, 1319.04
feet to the Southeast corner of the West one-half of the
Northeast one-quarter of said Northeast one-quarter; thence
S89°56'35"W and along the South line of the West one-half
of the Northeast one-quarter of said Northeast one-quarter,
660.07 feet to the Southwest corner of the West one-half of
the Northeast one-quarter of said Northeast one-quarter;
thence S0°20'52"W and along the East line of the West
one-half of the Northeast one-quarter of said Section 34,
1318.11 feet to the Point of Beginning, containing 35.648
acres, more or less.