

**NOT FOR RECORD**  
**ARTICLES OF INCORPORATION**  
**OF**

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**PINEHURST BLUFFS HOMEOWNERS' ASSOCIATION, INC.**

In compliance with the requirements of the Colorado Nonprofit Corporation Act, Section 7-20-101 through 7-29-106, C.R.S. 1973 as amended, the undersigned, who is of full age, for the purpose of forming a non-profit corporation hereby certifies:

**ARTICLE I**  
**NAME**

The name of the corporation is PINEHURST BLUFFS HOMEOWNERS' ASSOCIATION, INC., hereafter called the "Association".

**ARTICLE II**  
**PRINCIPAL OFFICE**

The principal office of the Association is located at c/o Cambridge Building Company, 5350 North Academy Boulevard, Colorado Springs, Colorado, 80907.

**ARTICLE III**  
**REGISTERED AGENT**

William J. Young, IV, whose address is 5350 N. Academy Blvd., Colorado Springs, Colorado, 80907, is hereby appointed the initial registered agent of this Association, and such address shall be the registered address 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 architectural control, maintenance and preservation of the Lots and Common Areas within that certain tract of land described on Exhibit A attached hereto and incorporated herein by this reference ("Property") and any additions thereto as may hereafter be brought within the jurisdiction of this Association, and to promote the health, safety and welfare of the residents within the Property, and for this purpose to:

(a) exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions of Pinehurst Bluffs ("Declaration") applicable to the Property, and recorded or to be recorded in the office of the Clerk and Recorder of El Paso County, Colorado, as the

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same may be amended from time to time, said Declaration being incorporated herein as if set forth at length (terms which are defined in the Declaration shall have the same meanings herein, unless otherwise defined);

(b) fix, levy, collect, and enforce payment of, by any lawful means, all charges and assessments pursuant to the terms of the Declaration; 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, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell, or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members, and grant permits, licenses and easements over the Common Area for public utilities, roads or other purposes reasonably necessary or useful for the proper maintenance or operation of the Property;

(f) participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and Common Areas, subject to the prior written approval of the VA, or HUD until such time as the Class B membership has terminated, provided that any merger or consolidation shall have the assent of two-thirds (2/3) of each class of Members;

(g) manage, control, operate, maintain, repair, and improve the Common Area, portions of the Lots, and the privately owned utility systems;

(h) enforce covenants, restrictions, and conditions affecting any property to the extent this Association may be authorized under the Declaration;

(i) engage in activities which will actively foster, promote, and advance the common ownership interests of Owners;

(j) enter into, make, perform, or enforce contracts, licenses and agreements of every kind and description, including without limitation those certain agreements, contracts, licenses, leases, easements and/or rights-of-way, as more fully provided in Article II, Section 2(f) of the Declaration, and do all other acts necessary, appropriate, or advisable in carrying out any purpose of this Association, with or in association with any person, firm, association, corporation, or other entity or agency, public or private;

(k) adopt, alter, and amend or repeal such Bylaws as may be necessary or desirable for the proper management of the affairs of this Association; provided, however, that such Bylaws may not be inconsistent with or contrary to any provisions of these Articles of Incorporation or the Declaration; and

(l) have and exercise any and all powers, rights, and privileges which a corporation organized under the Colorado Nonprofit Corporation Act 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 fractional fee interest in any Lot which is now or hereafter subject by the Declaration to assessment, including contract sellers, 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 Lot which is subject to assessment by the Association.

A transfer of membership, including all rights of an Owner with respect to the Common Areas, shall occur automatically upon the transfer of title to the Lot to which the membership pertains. The Association may suspend the voting rights of a Member and the right to use any recreational facility for any period not to exceed sixty (60) days, for failure to comply with rules and regulations of the Association, or for any period during which any Association assessment against such Owner or against such Owner's Lot remains unpaid. All Members shall be entitled to vote on all matters, except any Members who are in default of any obligations to the Association. Cumulative voting is prohibited.

ARTICLE VI  
VOTING RIGHTS

The Association shall have two classes of voting membership:

(a) Class A. The Class A members shall be all Owners, with the exception of Declarant, and shall be entitled to one vote for each Lot owned. When more than one Owner holds an interest in the same Lot, all such Owners shall be Members and the vote for such Lot shall be cast as the Owners thereof agree, but in no event shall more than one vote per question be cast with respect to such Lot. If the Owners of such Lot do not agree as to the manner in which their vote should be cast when called upon to vote, then they shall be treated as having abstained.

(b) Class B. The Class B member shall be Declarant, and shall be entitled to three votes for each Lot owned which is neither leased, nor rented, nor otherwise occupied as a residence. Leasing, renting, or allowing entry for residential occupancy shall terminate the Declarant's weighted voting advantage in relation to any Lot so leased, rented or occupied as a residence, and will limit Declarant in relation to any such Lots to the same voting rights as a Class A member.

(c) Conversion of Class B to Class A Voting Rights. Class B voting rights then existing shall be converted to Class A voting rights upon the happening of the first of the following events:

(1) One hundred twenty (120) days after that date on which the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; provided, however, that if, within one hundred twenty (120) days after the occurrence of this event, additional real property is annexed to the Declaration pursuant to Article XII, Section 4 thereof, such that after annexation there would again be more votes outstanding in the Class B membership than in the Class A membership, then the Class B membership shall not be converted to Class A membership; or

(2) Five (5) years from the date of the recording of this Declaration in the office of the Clerk and Recorder of El Paso County, Colorado; or

(3) If there is neither any new unit construction initiated nor evidence of any continuing construction, within the Properties, for a continuous period of six (6) months; or

(4) A date certain set forth in written notice from the Declarant to the Secretary of the Association of its intent to terminate its Class B Membership as of such date; provided, however, that in the event there is more than one (1) Declarant, such notice must be signed by all such Declarants.

**ARTICLE VII**  
**BOARD OF DIRECTORS**

The affairs of this Association shall be managed by a Board of three (3) directors. Directors shall be Members which, in the case of Declarant, shall include the officers, directors, employees and designated representatives of Declarant, and in the case of other corporate Members shall include the officers and directors of each such corporate Member. The number of Directors may be changed by amendment of the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

William J. Young, IV	5350 N. Academy Boulevard Colorado Springs, CO 80907
Robert G. Kadlecek	5350 N. Academy Boulevard Colorado Springs, CO 80907
Tod Mitchell	5350 N. Academy Boulevard Colorado Springs, CO 80907

The terms of office and the method for election of the Board of Directors shall be as set forth in the Bylaws of the Association.

**ARTICLE VIII**  
**DISSOLUTION**

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of Members. Upon dissolution of the Association other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed, and assigned to any nonprofit corporation, association, trust, or other organization to be devoted to such similar purposes.

**ARTICLE IX  
OFFICERS**

The Board of Directors of the Association may appoint a President, one or more Vice-Presidents, a Secretary, a Treasurer, and such other officers as the Board, in accordance with the provisions of the Bylaws, 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 Board of Directors.

**ARTICLE X  
DURATION**

The corporation shall exist perpetually.

**ARTICLE XI  
AMENDMENTS**

Subject to the terms and provisions of Article XI, and Article XII, Section 8(b) of the Declaration, amendment of these Articles shall require the assent of two-thirds (2/3) of a quorum of Members voting in person or by proxy at an annual meeting of the Members or at any special meeting called for that purpose.

**ARTICLE XII  
VA OR HUD APPROVAL**

As long as there is a Class B membership, the following actions shall require the prior approval of the VA or HUD: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles of Incorporation.

**ARTICLE XIII  
CONFLICTS**

In case of any conflict between the Declaration and these Articles, the Declaration shall control. In the case of any conflict between these Articles and the Bylaws of the Association these Articles shall control.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Colorado, the undersigned, constituting the incorporator of this Association, has executed these Articles of Incorporation this 18<sup>th</sup> day of January, 1985.

Address of Incorporator: 131 South Weber  
Colorado Springs, CO 80903

  
Michael E. Cleveland

STATE OF COLORADO )  
                          ) s.s:  
COUNTY OF EL PASO )

The foregoing instrument was acknowledged before me this 18<sup>th</sup> day of January, 1985, by Michael E. Cleveland.

WITNESS my hand and official seal.

My commission expires: June 1, 1986

  
Notary Public

Address: 131 S. Weber  
Colo. Springs, CO 80903