

NONPROFIT

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ARTICLES OF INCORPORATION

OF

THE SHADOW CREEK CONDOMINIUM ASSOCIATION

1-20-0  
STATE OF COLORADO

The undersigned acting as incorporator under the Colorado Nonprofit Corporation Act adopts the following Articles of Incorporation for such Corporation.

ARTICLE ONE - NAME: The name of the Corporation is THE SHADOW CREEK CONDOMINIUM ASSOCIATION. hereinafter referred to as "Association".

ARTICLE TWO - DURATION: The Association shall exist perpetually.

ARTICLE THREE - REGISTERED OFFICE AND REGISTERED AGENT: The address of the Association's initial registered office and the name of the initial registered agent at that address is as follows:

- (a) Registered Agent: James W. Leach
- (b) Registered Office: 1881 9th St., Suite 201  
Boulder, CO 80302

ARTICLE FOUR - PURPOSE AND POWERS OF THE ASSOCIATION: This Association does not contemplate pecuniary gain or profit to the Members thereof. The purposes for which the Association are formed are to govern the residential community situated in the City of Boulder, County of Boulder, State of Colorado, which is known as THE SHADOW CREEK CONDOMINIUMS, hereinafter referred to as "The Project", and to advance, represent and serve the fiscal and economic best interests of all of the Members of the Association in all matters relating to their general welfare and their best interests in the administration, management and operation of the Association and for these purposes subject to the restrictions contained in ARTICLE TEN hereof 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 CONDOMINIUM DECLARATION FOR THE SHADOW CREEK CONDOMINIUMS, hereinafter referred to as the "Declaration", applicable to The Project and recorded or to be recorded against The Project in the records of the Boulder County Clerk and Recorder, Boulder, Colorado, as the same may be further amended and supplemented from time to time as therein provided, said Declaration being incorporated herein as if set forth at length; and

(b) fix, levy, collect and enforce payment by any lawful means all charges or assessments levied pursuant to the terms of

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the Declaration; and to pay all expenses incident to the conduct of the business of the Association; and

(c) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes and annex additional residential property; provided that any such merger, consolidation or annexation shall have the written assent of sixty-seven percent of each class of Members; provided however, additional residential property within an area described on Exhibit "D" of the Declaration may be brought within the jurisdiction of the Association within five years of the recording of the Declaration requiring only the assent of one hundred percent of the Class B Members; and

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

ARTICLE FIVE - MEMBERSHIP: Each Owner of a Condominium Unit hereinafter referred to as "Unit" in THE SHADOW CREEK CONDOMINIUMS shall automatically be a member of the Association; provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a Member. Said membership is appurtenant to the Unit of said Owner and title to the ownership of the membership for that Unit shall automatically pass with fee simple title to the Unit. Each Owner of a Unit shall automatically be entitled to the benefits and subject to the burdens relating to the membership for his Unit. If the fee simple title to a Unit is held by more than one person, all such persons shall be members.

ARTICLE SIX - VOTING RIGHTS: The Association shall have two classes of voting memberships:

Class A. Class A Members shall be all Owners with the exception of the Declarant, as defined in the Declaration, and shall be entitled to one vote for each Unit owned; provided, however, the Declarant shall be a Class A Member after the conversion of the Class B Membership to Class A Membership in accordance with this Article and shall thereafter be entitled to one vote for each Unit owned.

The vote for such Unit, the ownership of which is held by more than one Owner, may be exercised by any one of them, unless an objection or protest by any other holder of an interest of the Unit is made prior to the completion of the vote in which case the vote for such Unit shall be exercised, as the persons holding such interest shall determine between themselves. Should the joint owners of a Unit be unable, within a reasonable time, to agree upon how they will vote any issue, they shall be passed over and their right to vote on such issue shall be lost. In no event shall more than one vote be cast with respect to any such Unit.

Class B. The Class B Member shall be the Declarant, its successors and assigns. The Class B Member is entitled to three votes for each Unit owned. Class B Membership may be converted to Class A Membership at the option of the Declarant by written notice to the Secretary of the Association, but in any event shall be converted to Class A Membership without further act or deed not later than:

(a) four months from the date seventy-five percent of the Units in The Project (including Units added by the expansion of The Project in accordance with Article Twelve of the Declaration) have been conveyed to Unit Purchasers, other than the Declarant; or

(b) five years from the date of the recording of the Declaration in the Boulder County, Colorado records, whichever shall first occur.

ARTICLE SEVEN - BOARD OF DIRECTORS: Initially, three Directors shall be selected by the Declarant acting in its sole discretion, who shall serve at the pleasure of the Declarant until the conversion of the Class B Membership to Class A Membership in accordance with ARTICLE SIX hereof. The names and addresses of the persons selected by the Declarant who are to act as the initial Directors of the Association are:

(a) James W. Leach            1881 - 9th St., Suite 201  
   Boulder, CO 80302

(b) Patricia A. Everson       1881 - 9th St., Suite 201  
   Boulder, CO 80302

(c) Linda K. Buck            1881 - 9th St., Suite 201  
   Boulder, CO 80302

Not later than the time of the conversion of the Class B Membership to Class A Membership, in accordance with ARTICLE SIX hereof, the Board of Directors shall call a Special Meeting of the Association to be held at which the members shall elect three Directors to serve until the next Annual Meeting of the Association. Upon such election, the Directors selected by the Declarant shall submit their resignations.

At the first Annual Meeting of the Association after the conversion of Class B Membership and at each Annual Meeting of the Association thereafter, Directors shall be elected. All elections shall be governed by the Bylaws of the Association. The initial terms of the elected Directors shall be fixed at the time of their election as they among themselves shall determine. Initially, the term of one Director shall be fixed at one year, the term of one Director shall be fixed at two years and the term

of one Director shall be fixed at three years. At the expiration of the initial term of office of each respective Member of the Board of Directors a successor shall be elected to serve for a term of three years. In Members of the Board of Directors shall hold office until their respective successors shall be elected by the Association. Cumulative voting is not permitted.

The number of Directors and their terms may be changed by amendment to the Bylaws of the Association so long as the terms of at least one third of the members of the Board of Directors expire annually.

ARTICLE EIGHT - AMENDMENTS: Amendment of these Articles will require the assent of seventy-five percent of the entire Membership; subject to the restrictions contained in ARTICLE TEN below; provided, however, additional residential property within an area described in Exhibit "D" of the Declaration may be brought within the jurisdiction of the Association within five years of the recording of the Declaration in the said Boulder County records by amendment to these Articles requiring only the assent of one hundred percent of the Class B Membership.

ARTICLE NINE - DISSOLUTION: The Association may be dissolved with the assent given in writing and signed by not less than sixty-seven percent of each class of Members, subject to the restrictions contained in ARTICLE TEN below.

Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE TEN - PRIOR APPROVALS: Subject to the provisions of ARTICLE FOUR (c) and ARTICLE EIGHT hereof, the following actions will require the prior written approval of those First Mortgagees as defined in the Declaration: annexation of additional properties, mergers and consolidations of the Association, dissolution of the Association, material amendment of these Articles and mortgaging of the Common Elements.

If the Project has been or is to be approved by the Federal Housing Administration and/or the Veterans Administration, then until the conversion of the Class B Membership to Class A Membership in accordance with ARTICLE SIX hereof, each of the above actions, together with any Special Assessment levied for capital improvements will require the prior written approval of the Federal Housing Administration and/or the Veterans Administration.

