

ARTICLES OF INCORPORATION

OF

FORBES WAGON CREEK RANCH OWNERS ASSOCIATION

For the purpose of forming a corporation not for profit pursuant to the provisions of Title 7, Articles 20 to 29, Colorado Revised Statutes (1973), the undersigned, acting as incorporator, adopts the following Articles of Incorporation for such corporation:

ARTICLE I. NAME

The name of the corporation shall be FORBES WAGON CREEK RANCH OWNERS ASSOCIATION.

ARTICLE II. DURATION

The period of duration of this corporation shall be perpetual.

ARTICLE III. OBJECTS AND PURPOSES

The objects and purposes for which the corporation is organized are as follows.

- A.** To accept, own, operate and maintain roads, recreation and common areas for the persons living or owning properties in Forbes Wagon Creek Ranch located in Costilla County, Colorado, together with all improvements of whatever kind and for whatever purpose which may hereafter be constructed in connection with said roads or located in said areas; and to accept, own, operate and maintain all other property, real and personal, conveyed or leased to the corporation.
- B.** To make, establish and promulgate, and to amend or repeal and re-enact, rules covering any and all aspects of the corporation's functions and operations including the use and occupancy of the corporation property, the setting of dues and fees, and prescribing the regulations governing the operation of corporation property.
- C.** To appoint and remove members of an environmental control committee which shall consider and act upon proposals and plans pertaining to improvements which are submitted to it, and to insure that at all reasonable times there is available a duly constituted and appointed environmental control committee.
- D.** To enforce, in its own behalf and in behalf of all members of the corporation, all of the terms and provisions of the Declaration of Covenants, Conditions and Restrictions for Forbes Wagon Creek Ranch, Costilla County, Colorado (the Declaration) and any supplemental declarations or amendments thereto; and to perform all other acts as may be reasonably necessary to enforce and carry out any of the terms and provisions of the Declaration and of the environmental control committee's rules.
- E.** With the affirmative vote of not less than two-thirds of the eligible votes of the members as hereinafter defined, to borrow money and execute mortgages, deeds of trust, bonds, and other security instruments, both construction and permanent, for construction of roads, facilities and improvements on property owned by or leased to the corporation, and to accept lands in recreation, common and open space areas, whether or not improved, subject to such mortgages and deeds of trust.
- F.** To levy assessments against improvements, lands and interests in land as provided in the Declaration.
- G.** To grant and convey to any person real property and interests therein, including fee title, leasehold estates, easements, rights of way, mortgages and deeds of trust, out of, in, on, over, or under any property owned in fee by the corporation for the purpose of constructing, erecting, operating or maintaining thereon, therein, or thereunder: Parks, parkways, or other recreational facilities, roads, streets, walks, driveways, trails, and paths; lines, cables, wires, conduits, pipelines or other devices for utility purposes; sewers, storm water drainage systems, and pipelines; and any similar improvements or facilities.
- H.** To pay for water, sewer, garbage removal, electricity, telephone, gas, snow removal, landscaping, gardening, and all other utilities, services and maintenance for the properties of the corporation.
- I.** To obtain and pay for other property and services, and to pay any taxes or assessments which the corporation is required to secure or to pay.
- J.** To enter into contracts to operate and maintain roads, common areas, and recreational and other facilities and areas.
- K.** To carry out all duties of the corporation as set forth in the Declaration; to engage primarily in promoting the common good and general welfare of all persons who reside in or own property in Forbes Wagon Creek Ranch; and to do all things and perform all acts necessary or desirable in connection with the foregoing objects and purposes or authorized to be done pursuant to the nonprofit corporation laws of the State of Colorado.

ARTICLE IV. RESTRICTIONS

- A.** No part of the income or net earnings of the corporation shall inure to the benefit of, or be distributable to, any member, director or officer of the corporation or any other private individual (except that reasonable compensation may be paid for services

rendered to or for the corporation affecting one or more of its objects and purposes, and reimbursement may be made for any expenses incurred for the corporation by any officer, director, agent or employee, or any other person or corporation, pursuant to and upon authorization of the Board of Directors); and provided further, that no member, director or officer of the corporation or any other private individual shall be entitled to share in any distribution of any of the corporate assets on dissolution of the corporation or otherwise. The corporation shall not participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office.

B. No part of the assets of the corporation shall inure to the benefit of or be distributable to any organization whose income or net earnings or any part thereof inure to the benefit of any private shareholder or other individual.

C. Upon dissolution of the corporation, all of its assets shall be paid over or transferred to one or more exempt organizations of the kind described in section 501(c) of the Internal Revenue Code of 1954, as amended from time to time.

D. Notwithstanding any other provisions hereof, this corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by any organization which is tax exempt under the provisions of section 501(c) (4) of the Internal Revenue Code of 1954, as amended from time to time.

ARTICLE V. MEMBERSHIP

Every owner of a parcel in Forbes Wagon Creek Ranch shall be a member of the corporation. If any property is held jointly or in common, the owners of such interest shall, at the time of purchase, designate to the corporation one address to which all notices to such joint or common owners shall be sent. No property interest may be initially acquired by more than four persons and such four persons shall not represent more than two households.

ARTICLE VI. VOTING RIGHTS

Section 1. Voting members. The corporation shall have one class of membership and each owner of a parcel in Forbes Wagon Creek Ranch shall be entitled to one vote for each parcel owned in Forbes Wagon Creek Ranch on which all assessments due the Association have been paid.

Section 2. Proxies. A member may cast an eligible vote in person or by proxy at any meeting of the members.

Section 3. Cumulative Voting. The cumulative system of voting shall not be used for any purpose.

Section 4. Joint or Common Ownership. If any property interest is held jointly or in common by more than one person, the vote for such parcel shall be cast as a unit and neither fractional votes nor split votes shall be allowed. Any joint or common owner shall be entitled to cast the vote or votes belonging to the joint or common owners unless another joint or common owner shall have delivered to the Secretary of the Association prior to the election a written statement to the effect that the owner wishing to cast the vote has not been authorized to do so by the other joint or common owner or owners. In the event that such joint or common owners are unable to agree among themselves as to how their vote or votes shall be cast as a unit, they shall lose their right to cast their vote or votes on the matter in question.

ARTICLE VII. BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of not less than three Directors, who need not be members of the Association. The number of Directors may be changed by amend-merit of the By-laws 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:

Leonard H. Yablon 60 Fifth Avenue
New York, New York 10011

Leonard Greenberg 60 Fifth Avenue
New York, New York 10011

Errol E. Ryland PO Box 149
Fort Garland, Colorado 81133

At the first annual meeting of the members of the Association, the members eligible to vote shall elect one Director for a term of one year, one Director for a term of two years, and one Director for a term of three years; and at each annual meeting of the members thereafter, the members eligible to vote shall elect one Director for a term of three years.

ARTICLE VIII. AMENDMENTS

These Articles may be amended from time to time by the affirmative vote of not less than two-thirds of the eligible votes of each of the members.

ARTICLE IX. INITIAL REGISTERED OFFICE AND AGENT

The address of the initial registered office of the corporation is PO Box 149, Fort Garland, Colorado 81133, and the name of the initial registered agent at such address is Errol E. Ryland.

ARTICLE X. INCORPORATOR

The name and address of the incorporator is:
Errol E. Ryland, PO Box 149, Fort Garland, Colorado 81133.

EXECUTED this 29th day of January, 1979.

s/ Errol E. Ryland Errol E. Ryland

STATE OF COLORADO)
) SS.:
COUNTY OF COSTILLA)

I, Jane A. Shiohita, a Notary Public, hereby certify that ERROL E. RYLAND, known to me to be the person whose name is subscribed to the annexed and foregoing Articles of Incorporation, appeared before me this day in person and being by me first duly sworn, acknowledged and declared that he signed said Articles of Incorporation as his free and voluntary act and deed for the uses and purposes therein set forth and that the statements therein contained are true.

My commission expires: 12-14-80

Witness my hand and notarial seal this 29th day of January, 1979.

s/Jane A. Shiohita

Notary Public