



STATE OF COLORADO

DEPARTMENT OF
STATE

CERTIFICATE

I, DONETTA DAVIDSON, SECRETARY OF STATE OF THE STATE OF
COLORADO HEREBY CERTIFY THAT

ACCORDING TO THE RECORDS OF THIS OFFICE

RED SKY RANCH ASSOCIATION
(COLORADO NONPROFIT CORPORATION)

FILE # 20011227911 WAS FILED IN THIS OFFICE ON November 30, 2001
AND HAS COMPLIED WITH THE APPLICABLE PROVISIONS OF THE
LAWS OF THE STATE OF COLORADO AND ON THIS DATE IS IN GOOD
STANDING AND AUTHORIZED AND COMPETENT TO TRANSACT BUSINESS
OR TO CONDUCT ITS AFFAIRS WITHIN THIS STATE.

Dated: November 30, 2001

Donetta Davidson

SECRETARY OF STATE

CUSTOMER COPY
NETTA DAVIDSON
COLORADO SECRETARY OF STATE

**ARTICLES OF INCORPORATION
OF
RED SKY RANCH ASSOCIATION**

The undersigned hereby signs and acknowledges, for delivery in duplicate to the Secretary of State of Colorado, these Articles of Incorporation (these "Articles") for the purpose of forming a nonprofit corporation under the Colorado Revised Nonprofit Corporation Act (the "Act") in conformance with the Colorado Common Interest Ownership Act ("CCIOA").

I. NAME

The name of the corporation is Red Sky Ranch Association (the "Association").

II. DURATION

The period of duration of the Association will be perpetual.

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SECRETARY OF STATE

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III. PURPOSES

The Association is organized to be and constitutes the Association to which the Declaration of Covenants, Conditions and Restrictions of Red Sky Ranch, a Planned Community (the "Declaration") refers. The Declaration is or will be recorded in the real property records of Eagle County, Colorado. All initially capitalized terms used in these Articles have the same meanings as used in the Declaration, unless otherwise defined in these Articles.

IV. POWERS

Subject to any limitations imposed by the bylaws of the Association (the "Bylaws"), the Association has all of the powers which a nonprofit corporation may exercise under the Act, CCIOA and the laws of the State of Colorado in effect from time to time.

V. REGISTERED OFFICE AND AGENT AND PRINCIPAL OFFICE

The street address of the initial registered office of the Association is 137 Benchmark Road, Post Office Box 959, Avon, Colorado 81620. The initial registered agent of the Association at the registered office is Alex Iskenderian.

The street address of the initial principal office of the Association is 137 Benchmark Road, Post Office Box 959, Avon, Colorado 81620.

VI. BOARD OF DIRECTORS

The affairs of the Association will be managed by a Board of Directors. The duties, qualifications, number and term of directors and the manner of their election, appointment and removal will be as set forth in the Bylaws.

There are three members of the Board of Directors. The names and addresses of the persons who serve as the initial directors are:

<u>Name</u>	<u>Address</u>
Mark Thorne	137 Benchmark Road Post Office Box 959 Avon, Colorado 81620
Richard D. MacCutcheon	137 Benchmark Road Post Office Box 959 Avon, Colorado 81620
Alex Iskenderian	137 Benchmark Road Post Office Box 959 Avon, Colorado 81620

VII. MEMBERS

The Association shall have voting members. Each Person, or if more than one, all Persons collectively, constituting the Owner of a Lot is a member of the Association. Each membership is appurtenant to the fee simple title to a Lot. Membership in the Association automatically terminates when a Person ceases to be an Owner, whether through sale, intestate succession, testamentary disposition, foreclosure or otherwise, and the new Owner automatically succeeds to the membership in the Association. The Association will recognize a new member upon presentation by a new Owner of satisfactory evidence of the sale, transfer, succession, disposition, foreclosure or other transfer of a Lot. Membership in the Association may not be transferred, pledged or alienated in any way, except to the new Owner upon conveyance of a Lot. Any prohibited transfer is void and will not be recognized by the Association. The Association will have not have separate classes of members. In matters coming before the Association for which a vote of the Owners is required, each member has a percentage of the votes in the Association equal to the allocation of votes allocated to each Lot owned by the member as set forth in the Declaration, except that the Association itself is not entitled to any votes for any Lot it owns.

VIII. PROXY VOTING

A member may vote in person, as provided in the Bylaws, and may be authorized in the Bylaws to vote by proxy on any matters on which the member is entitled to vote.

IX. CUMULATIVE VOTING

Cumulative voting by members in the election of directors is not permitted.

X. BYLAWS

The Board of Directors has the power to make and alter the Bylaws, not inconsistent with these Articles, the laws of the State of Colorado or the Declaration, for the administration and regulation of the affairs of the Association. The Board of Directors may alter, amend or repeal the Bylaws or adopt new Bylaws, subject to the provisions of the Bylaws.

XI. AMENDMENT OF ARTICLES

The Board of Directors may amend these Articles in those instances provided for in Section 7-130-102 of the Act. All other amendments of these Articles will be made in accordance with the Act by vote of the members, but only so long as these Articles as amended contain provisions that are lawful under the Act and are not contrary to or inconsistent with any provision of the Declaration or CCIOA.

XII. DISSOLUTION

In the event of dissolution of the Association, the sale of the Common Elements and the distribution of the proceeds from the sale thereof will conform with the provisions of CCIOA and the Declaration, and the proceeds of the sale of the Association's other assets will, after making the distributions set forth in Sections 7-134-106 and 107 of the Act, be divided among the Owners in proportion to the common allocation of the Lot or Lots owned by each Owner.

XIII. INDEMNIFICATION AND LIMITATION OF LIABILITY

A. Indemnification. The Association will indemnify, to the maximum extent permitted by law, any person who is or was a director or officer of the Association, and may indemnify any other person, against any claim, liability or expense arising against or incurred by the person made party to a proceeding because he or she is or was a director, officer, agent, fiduciary or employee of the Association or because he or she is or was serving another entity as a director, officer, partner, trustee, employee, fiduciary or agent at the Association's request. The Association further may, to the maximum extent permitted by law, purchase and maintain insurance providing such indemnification, advance expenses to persons indemnified by the Association, and provide indemnification to any person by general or specific action of the Board of Directors, the bylaws of the Association, contract or otherwise. The Association may obtain and maintain directors' and officers' insurance and such other insurance as deemed appropriate by the Board of Directors from time to time.

B. Limitation on Director's Liability. No director or officer shall be liable for actions taken or omissions made in the performance of such director's or officer's duties as such, except for wanton and willful acts or omissions. Subject to any applicable provisions of CCIOA, and without limiting the generality of the foregoing sentence, no director shall have any personal liability to the Association or its members for monetary damages for breach of fiduciary duty as a director; except that the personal liability of such director shall not be eliminated for:

(i) any breach of the director's duty of loyalty to the Association or its members; (ii) acts or omissions by the director not in good faith or that involve intentional misconduct or a knowing violation of the law; (iii) voting for or assenting to any unlawful distributions as defined under Section 7-128-403 of the Act, provided that the extent of liability for such vote or assent shall be determined pursuant to Section 7-128-403 of the Act; (iv) consenting to or participating in the making of any loan by the Association to any director or officer, provided that the extent of liability for such consent or participation shall be determined pursuant to Section 7-128-501 of the Act; or (v) any transaction from which the director directly or indirectly derived an improper personal benefit. No director or officer shall be personally liable for any injury to person or property arising out of a tort committed by an employee of the Association unless such director or officer was personally involved in the situation giving rise to the injury or unless such director or officer committed a criminal offense in connection with such situation. Nothing contained in this Section XIII.B will be construed to deprive any director of his or her right to all defenses ordinarily available to a director nor will anything herein be construed to deprive any director of any right he or she may have for contribution from any other director or other person.

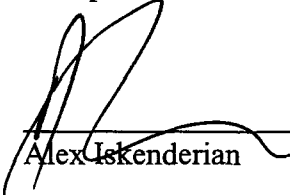
XIV. INCORPORATOR

The Incorporator's name and address is:

<u>Name</u>	<u>Address</u>
Alex Iskenderian	137 Benchmark Road Post Office Box 959 Avon, Colorado 81620

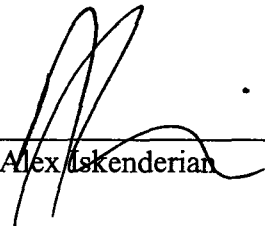
IN WITNESS WHEREOF, these Articles of Incorporation are executed on November 29, 2001.

Incorporator:



Alex Iskenderian

The undersigned hereby consents to the appointment as the initial registered agent for the Association.



Alex Iskenderian