

NONPROFIT

FILED FOR RECORDED
IN PUBLIC RECORDS
COLORADO SECRETARY OF STATE

ARTICLES OF INCORPORATION
OF
HOMEOWNERS ASSOCIATION AT HIGHLANDS RANCH GOLF CLUB, INC.

The undersigned hereby signs and acknowledges, for delivery in duplicate to the Secretary of State of Colorado, these Articles of Incorporation for the purpose of forming a nonprofit corporation under the Colorado Nonprofit Corporation Act.

1.
NAME

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1.1 Name. The name of this corporation shall be Homeowners Association at Highlands Ranch Golf Club, Inc. ("Highlands Ranch Golf Club Association").

2.

DURATION

2.1 Duration. The period of duration of this corporation shall be perpetual.

3.

PURPOSES AND POWERS

3.1 General Purpose. The Highlands Ranch Golf Club Association is organized to be and constitute the Highlands Ranch Golf Club Association to which reference is made in the Subassociation Declaration for Homeowners Association at Highlands Ranch Golf Club, Inc. of Highlands Ranch Community Association, Inc. (the "Subassociation Declaration"). The Subassociation Declaration is to be executed by Shea Homes Limited Partnership, a California limited partnership d/b/a Shea Homes ("Declarant") and is or is to be recorded in the office of the Clerk and Recorder of Douglas County, Colorado. The Subassociation Declaration relates to real property in Douglas County, Colorado, which may become annexed and made subject to the Subassociation Declaration. Any real property which is, in fact, annexed and made subject to the Subassociation Declaration is referred to as the "Highlands Ranch Golf Club Association Area." The Highlands Ranch Golf Club Association is not organized in contemplation of pecuniary gain or profit to its Members.

3.2 Specific Purposes. The specific purposes for which the Highlands Ranch Golf Club Association is organized are:

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- (a) To exercise all of the rights, powers and privileges and to perform all of the duties and obligations of the Highlands Ranch Golf Club Association as set forth in the Subassociation Declaration or in any amendment to the Subassociation Declaration.
- (b) To provide for maintenance and preservation of the Highlands Ranch Golf Club Association Area, as provided in the Subassociation Declaration.
- (c) To promote, foster, and advance the common interests of owners of Privately Owned Sites within the Highlands Ranch Golf Club Association Area.
- (d) To fix, levy, collect and enforce payment of, by any lawful means, Assessments and other amounts payable by or with respect to Owners of Privately Owned Sites within the Highlands Ranch Golf Club Association Area as provided in the Subassociation Declaration.
- (e) To manage, maintain, repair and improve the Common Elements within the Highlands Ranch Golf Club Association Area, including, without limitation, the Association Fences, the Monument Walls and the Landscape Areas, and to perform services and functions for or relating to the Highlands Ranch Golf Club Association Area, all as provided in the Subassociation Declaration.
- (f) To enforce covenants, restrictions, conditions and equitable servitudes affecting the Highlands Ranch Golf Club Association Area.
- (g) To make and enforce rules and regulations with respect to the interpretation and implementation of the Subassociation Declaration and the use of any property within the Highlands Ranch Golf Club Association Area, including Privately Owned Sites.
- (h) To establish and maintain the Highlands Ranch Golf Club Association Area as property of the highest quality and value, and to enhance and protect its desirability and attractiveness.

Each purpose specified herein is an independent purpose and is not to be restricted by reference to or inference from the terms of any other purpose.

3.3 Powers. The Highlands Ranch Golf Club Association shall have all of the powers which a nonprofit corporation may exercise under the Colorado Nonprofit Corporation Act and the laws of the State of Colorado in effect from time to time, subject only to such limitations upon such powers as may be set forth in these Articles of Incorporation, the Subassociation Declaration or the Bylaws of the Highlands Ranch Golf Club Association (the "Bylaws").

4.

REGISTERED OFFICE AND AGENTS

4.1 Initial Registered Office and Registered Agent. The initial registered office of the Highlands Ranch Golf Club Association shall be at 8822 South Ridgeline Boulevard, Highlands Ranch, Colorado 80126. This office is in Douglas County, Colorado. The initial registered agent of the Highlands Ranch Golf Club Association, whose business office is identical with such registered office, is Jeffrey H. Donelson.

5.

BOARD OF DIRECTORS

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

5.2 Initial Board of Directors. The number of the first Board of Directors shall be three. The names and addresses of the persons who are to serve as the initial directors are as follows:

<u>Name</u>	<u>Address</u>
Tim Amberry	8822 South Ridgeline Boulevard Highlands Ranch, Colorado 80126
Jeffrey F. Kappes	8822 South Ridgeline Boulevard Highlands Ranch, Colorado 80126
Jeffrey H. Donelson	8822 South Ridgeline Boulevard Highlands Ranch, Colorado 80126

6.

INDEMNIFICATION

6.1 Indemnification. The Highlands Ranch Golf Club Association shall indemnify, to the fullest extent permitted by applicable law in effect from time to time, any person, and the estate and personal representative of any such person, against all liability and expense (including attorneys' fees) incurred by reason of the fact that such person is or was a director, officer, member of an executive or other committee (including, without limitation, the "Architectural Review Committee" under the Subassociation Declaration), employee, fiduciary or agent of the Highlands Ranch Golf Club

Association or, while serving as a director, officer, member of an executive or other committee (including, without limitation, the Architectural Review Committee), employee, fiduciary or agent of the Highlands Ranch Golf Club Association, such person is or was serving at the request of the Highlands Ranch Golf Club Association as a director, officer, partner, trustee, employee, fiduciary or agent of, or in any similar managerial or fiduciary position of, another nonprofit corporation or association.

6.2 Limitation on Liability. No director of the Highlands Ranch Golf Club Association shall have any personal liability for monetary damages to the Highlands Ranch Golf Club Association or its Members for breach of his or her fiduciary duty as a director, except that this provision shall not eliminate or limit the personal liability of a director to the Highlands Ranch Golf Club Association or its Members for monetary damages for: (i) any breach of the director's duty of loyalty to the Highlands Ranch Golf Club Association or its Members; (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (iii) acts specified in C.R.S. § 7-24-111; or (iv) any transaction from which the director directly or indirectly derives an improper personal benefit. Nothing contained herein will be construed to eliminate or diminish the defenses ordinarily available to a director or to deprive any director of any right he or she may have for contribution from any other director or other person. If C.R.S. § 7-22-101.5 or C.R.S. § 7-108-402 hereafter is amended to eliminate or limit further the liability of a director, then, in addition to the elimination and limitation of liability provided by the preceding sentence, the liability of each director shall be eliminated or limited to the fullest extent permitted by Colorado law. Any repeal or modification of this Article 6 shall not adversely affect any right or protection of a director of the Highlands Ranch Golf Club Association under this Article 6, as in effect immediately prior to such repeal or modification, with respect to any liability that would have accrued, but for this Article 6, prior to such repeal or modification.

7.

INCORPORATOR

7.1 Incorporator. The name and address of the incorporator is as follows:

<u>Name</u>	<u>Address</u>
Dennett L. Hutchinson	Steiner, Darling, Hutchinson & Wilson LLP Suite 850 303 East Seventeenth Avenue Denver, Colorado 80203

8.

MEMBERS AND VOTING RIGHTS

8.1 Membership in the Highlands Ranch Golf Club Association. Each Owner of a Privately Owned Site within the Highlands Ranch Golf Club Association Area shall be a Member of the Highlands Ranch Golf Club Association. There shall be one such Membership in the Highlands Ranch Golf Club Association for each Privately Owned Site within the Highlands Ranch Golf Club Association Area. In the event a Privately Owned Site is resubdivided into two or more Privately Owned Sites in accordance with the provisions of the Subassociation Declaration, each Privately Owned Site existing after such resubdivision shall be entitled to one Membership in the Highlands Ranch Golf Club Association. The Person or Persons who constitute the Owner of a Privately Owned Site shall automatically be the holder of the Membership appurtenant to that Privately Owned Site, and the Membership appurtenant thereto shall automatically pass with fee simple title to the Privately Owned Site. Declarant shall hold a Membership in the Highlands Ranch Golf Club Association for each Privately Owned Site owned by Declarant. Membership in the Highlands Ranch Golf Club Association shall not be assignable separate and apart from fee simple title to a Privately Owned Site except that an Owner may assign some or all of his rights as an Owner and as Member of the Highlands Ranch Golf Club Association to a tenant or Security Interest Holder and may arrange for a tenant to perform some or all of such Owner's obligations as provided in the Subassociation Declaration, but no Owner shall be permitted to relieve himself of the responsibility for fulfillment of the obligations of an Owner under the Subassociation Declaration.

8.2 Voting Rights of Members. Each Owner (other than the Owner of a Condominium Unit) shall be entitled to one vote for each Assessment Unit assigned to the Privately Owned Site owned by such Owner, except that no votes allocated to a Privately Owned Site owned by the Highlands Ranch Golf Club Association may be cast. Each Condominium Project shall have one vote for each Assessment Unit assigned to the related Condominium Project Site, determined as provided in Section 2.7 of the Subassociation Declaration. The total number of such Assessment Units assigned to a particular Condominium Project shall be allocated among the Condominium Units within such Condominium Project in a manner as shall be set forth in the applicable Condominium Declaration; provided, however, that if the Condominium Declaration for a particular Condominium Project fails to set forth the manner in which the total number of Assessment Units assigned to such Condominium Project shall be allocated among the Condominium Units within such Condominium Project, then such Assessment Units shall automatically be deemed to be allocated among all such Condominium Units on an equal prorata basis. Such Condominium Declaration shall also set forth the procedure to determine how to cast the total number of votes assigned to a Condominium Project on any matter in connection with which Members of the Highlands Ranch Golf Club Association shall be entitled to vote; provided, however, that fractional voting (of other than an entire vote) with respect to the number of votes assigned to a Condominium Project shall not be permitted. If a Condominium Declaration provides for the appointment or election of a representative to cast the votes assigned to the applicable Condominium Project, such representative shall, upon presentation by such representative to the Board of Directors of reasonable evidence of his authority, be entitled to cast such votes. If, however, no such representative exists to cast such votes on a particular matter, and if the Owners of the Condominium Units within the applicable Condominium Project present in person or by proxy at the meeting at which the votes are to be cast cannot agree among themselves as to how to cast such votes

on such matter, then the total number of votes assigned to such Condominium Project shall not be entitled to be cast on such matter. The total number of votes which may be cast in connection with any matter shall be equal to the total number of Assessment Units assigned to the Privately Owned Sites then existing within the Highlands Ranch Golf Club Association Area. Unless addressed herein or in the Subassociation Declaration, the Bylaws of the Highlands Ranch Golf Club Association shall provide for the manner, time, place, conduct and voting procedure(s) for Member meetings. Except as otherwise provided in the Bylaws of the Highlands Ranch Golf Club Association, during the Period of Declarant Control, as defined in the Subassociation Declaration, the Declarant or Persons appointed by the Declarant shall have the right to appoint officers and members of the Board of Directors of the Highlands Ranch Golf Club Association, and to remove all officers and members of the Board of Directors which have been appointed by the Declarant, as more particularly provided in the Subassociation Declaration.

8.3 Proxy Voting. A Member entitled to vote may vote in person or, if the Bylaws so provide, may vote by proxy executed in writing by the Member or his duly authorized attorney-in-fact.

8.4 Cumulative Voting. Cumulative voting by Members in elections for Directors shall be permitted.

9.

MISCELLANEOUS

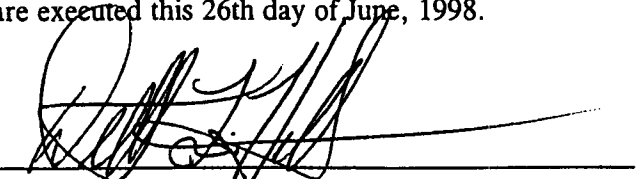
9.1 Distribution of Assets on Dissolution of the Highlands Ranch Golf Club Association. In the event of dissolution of the Highlands Ranch Golf Club Association, the assets of the Highlands Ranch Golf Club Association shall be distributed in accordance with the provisions of a termination agreement or ratification thereof executed by the Members pursuant to the provisions of Section 10.1 of the Subassociation Declaration.

9.2 Bylaws. The Highlands Ranch Golf Club Association shall have the power to make and alter Bylaws, not inconsistent with these Articles of Incorporation or with the laws of the State of Colorado or with the Subassociation Declaration, for the administration and regulation of the affairs of the corporation. The initial Bylaws of the Highlands Ranch Golf Club Association shall be adopted by the Board of Directors. The power to alter, amend or repeal the Bylaws or adopt new Bylaws shall be vested in the Members, except as may be provided in the Bylaws, subject to the provisions in the Subassociation Declaration for approval of amendments by the FHA or VA and/or First Security Interest Holders.

9.3 Amendment of Articles. The Highlands Ranch Golf Club Association may amend these Articles of Incorporation from time to time in accordance with the Colorado Nonprofit Corporation Act in any and as many respects as may be desired so long as the Articles of Incorporation as amended contain only such provisions as are lawful under that Act and under the Colorado Common Interest Ownership Act and so long as the Articles of Incorporation as amended shall not be contrary to or inconsistent with any provision of the Subassociation Declaration.

9.4 Definitions. The capitalized terms in these Articles of Incorporation shall have the same meaning as any similarly capitalized terms defined in the Subassociation Declaration.

IN WITNESS WHEREOF, these Articles are executed this 26th day of June, 1998.

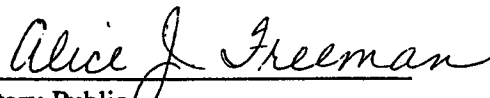

Dennett L. Hutchinson

STATE OF COLORADO)
CITY AND) ss.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 26th day of June, 1998 by
Dennett L. Hutchinson.

Witness my hand and official seal.

My commission expires: _____


Notary Public



My Commission Expires March 15, 1999

EXHIBIT E
TO
SUBASSOCIATION DECLARATION
FOR
HOMEOWNERS ASSOCIATION AT HIGHLANDS RANCH GOLF CLUB, INC.
OF
HIGHLANDS RANCH COMMUNITY ASSOCIATION, INC.

(Delegate District No. 107)

(See attached Bylaws of the Homeowners Association)

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