

EXHIBIT A TO
ARTICLES OF AMENDMENT TO THE
ARTICLES OF INCORPORATION OF
COTTON RANCH HOMEOWNERS' ASSOCIATION

1. Article V is hereby amended as follows:

ARTICLE V

VOTING RIGHTS

- 5.1 The Association shall have two classes of voting membership:

Class A. The Class A Members shall be all Owners other than the Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. The Class B Members shall be Declarant. Declarant shall be entitled to three (3) votes for each Lot owned. The then existing Class B memberships shall be converted to Class A membership on the happening of any of the following events, whichever occurs first:

5.1.1 When the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B Membership; or

5.1.2 On December 31, 2020.

2. Section 5.5 is hereby added as follows:

5.5 As used in these Articles of Incorporation, the term "Declarant" shall mean and refer to Declarant (as that term is defined in the Declaration) and assignees of Declarant.

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ARTICLES OF INCORPORATION

COTTON RANCH HOMEOWNERS' ASSOCIATION

(A Nonprofit Corporation)

ARTICLE I

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SECRETARY OF STATE
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NAME OF CORPORATION

The name of the Corporation shall be COTTON RANCH HOMEOWNERS' ASSOCIATION (the "Corporation").

ARTICLE II

PERIOD OF EXISTENCE

The duration of the Corporation shall be perpetual.

ARTICLE III

PURPOSES

3.1 The Corporation does not contemplate pecuniary gain or profit to the members thereof and it is organized for nonprofit purposes. It is intended that the Corporation qualify as an exempt organization under the provisions of Colorado Nonprofit Corporation Act, C.R.S. Sections 7-20-101, et seq. No part of the net earnings of the Corporation shall inure to the benefit of any private member or individual.

3.2 The business, objective, and purposes for which the Corporation is formed are as follows:

3.2.1 To provide for architectural control of all improvements, and for the care, maintenance, preservation and architectural control of the Common Areas and facilities within and appurtenant to that certain real property known as the Cotton Ranch and more particularly described in the Declaration (as defined hereafter) (referred to as the Property), and any adjoining lands which may be annexed thereto from time to time, to perform all obligations and duties and exercise all rights and powers of the Cotton Ranch Homeowners' Association (the "Association"), as specified in that certain Declaration of Protective Covenants, Conditions and Restrictions for the Cotton Ranch (hereinafter called the "Declaration") applicable to the Property and recorded, or to be recorded, in the records of the Office of the Clerk and Recorder of Eagle County, Colorado, and as the same may be amended from time to time as therein provided, the Declaration being incorporated herein by this reference, and to provide for the enforcement of the Declaration.

3.2.2 To promote the health, safety, and welfare of the owners within the Property, and any additions thereto as may

hereafter be brought within the jurisdiction of the Association.

3.2.3 To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration and as provided by the Colorado Nonprofit Corporation Act, but subject to the duly adopted Bylaws of the Association.

3.2.4 To fix, levy, collect and enforce payment by any lawful means of charges and assessments.

3.2.5 To pay all expenses of the business of the Association, including all license and permit fees, taxes and other governmental charges levied or imposed against the Association or the property of the Association.

3.2.6 To borrow money, and mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

3.2.7 To compromise, settle, release and otherwise adjust claims, demands, causes of action and liabilities in favor of the Association and the Members, or on behalf of the Association and Members, as the case may be, provided any such claim, demand, cause of action or liability arises out of or relates to a condition or defect common to all or a majority of the Property or improvements constructed thereon, or to the development, design, construction, condition, repair or maintenance of or damage or injury to or defect in the Common Areas of the development or part thereof, and to make and receive all payment or other consideration necessary therefor or in connection therewith.

3.2.8 To 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 subject to any limitations provided for in the Declaration.

3.2.9 To dedicate, sell or transfer all or any part of the Common Areas and facilities to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members, subject to any limitations provided for in the Declaration.

3.2.10 To enter into licenses, maintenance agreements, and other contracts with public agencies, authorities, or utilities for use and maintenance of property owned by such entities and/or for other purposes as may be in the interests of the Association.

3.2.11 To exercise such other and further powers, rights, and privileges which a corporation organized under the

Colorado Nonprofit Corporation Act may now have or hereafter acquire by law.

3.3 Notwithstanding any of the above statements of purposes and powers, the Association shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purpose of the Association.

ARTICLE IV

MEMBERSHIPS

4.1 The Association shall be a membership corporation without certificates or shares of stock.

4.2 Every person or entity who is a Declarant, or a record Owner of a Lot within the Property shall automatically become a Member of the Association and shall remain a Member for the period of the Owner's Lot ownership. If title to a Lot is held by more than one person, the membership related to that Lot shall be shared by all such persons as they among themselves determine. Each membership shall be appurtenant to the Lot and shall be transferred automatically by the conveyance of the Lot. No Member shall be entitled to a preemptive right or option to purchase any Lot. No person or entity other than an Owner may be a Member of the Association, and a membership in the Association shall not be assigned, encumbered, or transferred in any manner except as an appurtenance to the transfer of title to the Lot to which the membership pertains; provided, however, the rights of membership may be assigned to the holder of a mortgage, deed of trust, or other security instrument on a Lot as further security for a loan secured by a lien on such Lot. The privileges of Members, the liability of Members for assessments and the method of collection of assessments shall be as set forth in the Declaration and Bylaws adopted by the Directors of the Association. A transfer of membership shall occur automatically upon the transfer of title to the Lot to which the membership pertains. The Bylaws of the Association may, however, contain reasonable provisions and requirements with respect to recording such transfers of the books and records of the Association.

ARTICLE V

VOTING RIGHTS

5.1 The Association shall have two classes of voting membership:

Class A. The Class A Members shall be all Owners other than the Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be

exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. The Class B Members shall be Declarant. Declarant shall be entitled to three (3) votes for each Lot owned. The then existing Class B memberships shall be converted to Class A membership on the happening of any of the following events, whichever occurs first:

5.1.1 When the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B Membership; or

5.1.2 On December 31, 2005.

5.2 All Members shall be entitled to vote on all matters, as provided above. Cumulative voting is prohibited. No person or entity other than an Owner of a Lot may be a Member of the Association. Members shall have no preemptive rights to purchase other Lots or the memberships appurtenant thereto.

5.3 If title to a Lot is held by more than one person or by a firm, corporation, partnership, association, or other legal entity, or any combination thereof, such Owners shall execute a proxy appointing and authorizing one person or alternative persons to attend all annual and special meetings of Members, and thereat to cast whatever vote the Owner himself might cast if he were personally present. Such proxy shall be effective and remain in force unless voluntarily revoked, amended, or sooner terminated by operation of law. Within thirty (30) days after such revocation, amendment, or termination thereof, however, the Owner shall reappoint and authorize one person or alternate persons to attend all annual and special meetings as is provided in this paragraph.

5.4 The Association may suspend the voting rights of a Member for failure to comply with the Rules and Regulations or the Bylaws of the Association or with any other obligations of the Owners of a Lot under the Declaration or agreement created thereunder.

ARTICLE VI

BOARD OF DIRECTORS

6.1 The business and affairs of the Association shall be conducted, managed, and controlled by a Board of Directors.

6.2 The Board of Directors shall consist of not less than three nor more than nine members, the specific number to be set forth from time to time in the Bylaws of the Association. In the absence of any provision to the contrary in the Bylaws, the Board shall consist of three members.

6.3 The classes of Directors, method of election and the term of office of members of the Board of Directors shall be determined by the Bylaws.

6.4 Directors may be removed and vacancies on the Board of Directors shall be filled in the manner to be provided in the Bylaws.

6.5 The names and addresses of the members of the first Board of Directors who shall serve until the first election of Directors by the members and until their successors are duly elected and qualified are as follows:

Tim Garton
Slifer, Smith & Frampton Center
30 Benchmark Rd., Suite 202
Avon, CO 81620

Mara Garton
Slifer, Smith & Frampton Center
30 Benchmark Rd., Suite 202
Avon, CO 81620

Ross Graves
Slifer, Smith & Frampton Center
30 Benchmark Rd., Suite 202
Avon, CO 81620

6.6 The first Directors of the Association shall have the power to adopt Bylaws for the Association.

6.7 Any vacancies in the Board of Directors occurring before the first election of Directors by Members shall be filled by the remaining Directors. At the first annual meeting the Members shall elect one or more Directors for a term of one (1) year, one or more Directors for a term of two (2) years and one or more Directors for a term of three (3) years. The Director receiving the largest number of votes shall be elected for a term of three (3) years, the Director receiving the second largest number of votes shall be elected for a term of two (2) years, and the Director receiving the smallest number of votes shall be elected for a term of one (1) year; and at each annual meeting thereafter the Members may fill any vacancies for the remaining terms or new terms of three (3) years.

6.8 Notwithstanding any provision in these Articles or the Declaration to the contrary, the Class A Members shall be entitled to remove any member of the Board of Directors, other than any Director appointed by Declarant, by the affirmative vote of sixty-seven percent (67%) of the Class A Members.

ARTICLE VII

OFFICERS

The Board of Directors may appoint a President, one or more Vice-Presidents, a Secretary, a Treasurer, and such other Officers as the Board 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 VIII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall indemnify the officers and directors of the Association to the fullest extent permitted by law. Without limiting the foregoing, the Association shall eliminate or limit the personal liability of a director to the Association or its members for monetary damages for breach of fiduciary duty as a director; except that liability of a director to the Association or to its members for monetary damages shall not be limited or eliminated for any breach of the director's duty of loyalty to the Association or to its members, acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law or any transaction from which the director directly or indirectly derived an improper personal benefit.

ARTICLE IX

INITIAL REGISTERED OFFICE AND AGENT

The initial registered office of the Association will be 1901 W. Littleton Blvd., Littleton, Colorado 80120. The initial registered agent at such office shall be Mark K. Payne.

ARTICLE X

INCORPORATOR

The name and address of the Incorporator are: Mark K. Payne, 1901 W. Littleton Blvd., Littleton, Colorado 80120.

ARTICLE XI

DISSOLUTION

In the event of the dissolution of the Corporation, either voluntarily by the Members hereof, by operation of law, or otherwise, then the assets of the Corporation shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created, or the Members in an

equitable fashion. In the event that such dedication is refused acceptance, such assets may be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE XII

AMENDMENTS

Amendments to these Articles of Incorporation shall be adopted, if at all, in the manner as set forth in Colorado Revised Statutes; provided, however, that no amendment to the Articles of Incorporation shall be contrary to or inconsistent with any provision of the Declaration, and any amendment to the Articles of Incorporation shall be in conformity with the approval requirements set forth in the Declaration for the particular amendment.

Dated this 13th day of February, 1996.

Mark K. Payne
Incorporator

STATE OF COLORADO)
) ss.
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me this 13th day of February 1996 by Mark K. Payne.

Witness my hand and official seal.

My commission expires: 9/18/96

Suzanne Young
Notary Public

The undersigned consents to the appointment as the initial registered agent of Cotton Ranch Homeowners' Association.

Mark K. Payne
Mark K. Payne