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Articles of Incorporation for a Nonprofit Corporation

filed pursuant to §7-90-301, et seq. and §7-122-101 of the Colorado Revised Statutes (C.R.S)

1. Entity name:

Stratton Flats Master Association, Inc.

(The name of a nonprofit corporation may, but need not, contain the term or abbreviation "corporation", "incorporated", "company", "limited", "corp.", "inc.", "co." or "ltd." §7-90-601, C.R.S.)

2. Use of Restricted Words *(if any of these terms are contained in an entity name, true name of an entity, trade name or trademark stated in this document, mark the applicable box):*

- "bank" or "trust" or any derivative thereof
- "credit union" "savings and loan"
- "insurance", "casualty", "mutual", or "surety"

3. Principal office street address:

200 N. Smith Street

(Street name and number)

Suite 300

Palatine

(City)

IL

(State)

60067

(Postal/Zip Code)

(Province – if applicable)

United States

(Country – if not US)

4. Principal office mailing address:
 (if different from above)

(Street name and number or Post Office Box information)

(City)

(State)

(Postal/Zip Code)

(Province – if applicable)

(Country – if not US)

5. Registered agent: (if an individual):

(Last)

(First)

(Middle)

(Suffix)

OR (if a business organization):

Jacobs Chase Frick Kleinkopf & Kelley LLC

6. The person appointed as registered agent in the document has consented to being so appointed.

7. Registered agent street address:

1050 17th Street

(Street name and number)

Suite 1500

Denver

(City)

CO

(State)

80265

(Postal/Zip Code)

8. Registered agent mailing address:
 (if different from above)

(Street name and number or Post Office Box information)

(City) *(State)* *(Postal/Zip Code)*

(Province – if applicable) *(Country – if not US)*

9. If the corporation's period of duration is less than perpetual, state the date on which the period of duration expires:

(mm/dd/yyyy)

10. (Optional) Delayed effective date:

(mm/dd/yyyy)

11. Name(s) and address(es) of incorporator(s): (if an individual)

Meacher **Michael** **John** **Esq.**
(Last) *(First)* *(Middle)* *(Suffix)*

OR (if a business organization)

1050 17th Street
(Street name and number or Post Office Box information)
Suite 1500
Denver **CO** **80265**
(City) *(State)* *(Postal/Zip Code)*
United States
(Province – if applicable) *(Country – if not US)*

(if an individual)

(Last) *(First)* *(Middle)* *(Suffix)*

OR (if a business organization)

(Street name and number or Post Office Box information)

(City) *(State)* *(Postal/Zip Code)*
United States
(Province – if applicable) *(Country – if not US)*

(if an individual)

(Last) *(First)* *(Middle)* *(Suffix)*

OR (if a business organization)

(Street name and number or Post Office Box information)

(City) *(State)* *(Postal/Zip Code)*
United States
(Province – if applicable) *(Country – if not US)*

(If more than three incorporators, mark this box and include an attachment stating the names and addresses of all incorporators.)

12. The nonprofit corporation is formed under the Colorado Revised Nonprofit Corporation Act.
13. The corporation will **OR** will not have voting members.
14. A description of the distribution of assets upon dissolution is attached.
15. Additional information may be included pursuant to §7-122-102, C.R.S. and other organic statutes. If applicable, mark this box and include an attachment stating the additional information.

Notice:

Causing this document to be delivered to the secretary of state for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that the document is the individual's act and deed, or that the individual in good faith believes the document is the act and deed of the person on whose behalf the individual is causing the document to be delivered for filing, taken in conformity with the requirements of part 3 of article 90 of title 7, C.R.S., the constituent documents, and the organic statutes, and that the individual in good faith believes the facts stated in the document are true and the document complies with the requirements of that Part, the constituent documents, and the organic statutes.

This perjury notice applies to each individual who causes this document to be delivered to the secretary of state, whether or not such individual is named in the document as one who has caused it to be delivered.

16. Name(s) and address(es) of the individual(s) causing the document to be delivered for filing:

Meacher	Michael	John	Esq.
<i>(Last)</i>	<i>(First)</i>	<i>(Middle)</i>	<i>(Suffix)</i>
1050 17th Street			
<i>(Street name and number or Post Office Box information)</i>			
Suite 1500			
Denver	CO	80265	
<i>(City)</i>	<i>(State)</i>	<i>(Postal/Zip Code)</i>	
	United States		
<i>(Province – if applicable)</i>	<i>(Country – if not US)</i>		

(The document need not state the true name and address of more than one individual. However, if you wish to state the name and address of any additional individuals causing the document to be delivered for filing, mark this box and include an attachment stating the name and address of such individuals.)

Disclaimer:

This form, and any related instructions, are not intended to provide legal, business or tax advice, and are offered as a public service without representation or warranty. While this form is believed to satisfy minimum legal requirements as of its revision date, compliance with applicable law, as the same may be amended from time to time, remains the responsibility of the user of this form. Questions should be addressed to the user's attorney.

ADDITIONAL PROVISIONS TO ARTICLES OF INCORPORATION

OF

**STRATTON FLATS MASTER ASSOCIATION, INC., A
COLORADO NONPROFIT CORPORATION**

(THE "MASTER ASSOCIATION")

**ARTICLE I
DEFINITIONS**

1.01 Declaration.

As used herein, "Declaration" means the Declaration of Covenants, Conditions and Restrictions for Stratton Flats, recorded in the records of Eagle County, Colorado, as the same may be amended from time to time.

1.02 Other Definitions.

Unless otherwise defined herein, all capitalized terms used in the Articles of Incorporation (the "**Articles**") shall have the meanings given to them in the Declaration. Unless otherwise indicated, the term "**Section**" as used in the Articles shall mean a section of the Articles.

**ARTICLE II
MEMBERSHIP AND VOTING**

2.01 Membership.

Each Owner shall be a member of the Master Association, and a Person who is not an Owner may not be a member of the Master Association.

2.02 Voting.

(a) The votes in the Master Association shall be allocated as described in this Section 2.02 and Section 2.03 below.

(b) Each Site shall be allocated one (1) vote, regardless of the number of Owners of that Site, which may not be separated from the Site. The vote allocated to a Site shall be held by the Owner(s) of such Site and may not be separated from such Site to which the vote is allocated. The vote allocated to a Site may be transferred or encumbered only in connection with the conveyance or encumbrance of the fee simple interest in such Site. Any transfer or encumbrance of any votes in the Master Association, other than as permitted in this Section 2.02(b), shall be null and void and have no force or effect.

(c) Notwithstanding the terms and conditions of Section 2.02(b) above, the Owner of a Site may appoint an agent to vote the votes allocated to such Owner's Site by a duly executed proxy, in such form as the Master Association may reasonably require, timely delivered to the Master Association.

(d) Class voting shall be allowed for the election and removal of Directors but for no other purpose.

(e) Cumulative voting shall not be allowed in the election of Directors or for any other purpose.

(f) If multiple Owners of a Site cannot agree among themselves as to how to cast their vote on a particular matter, they shall lose their right to vote on such matter. If any Owner of a Site casts the vote for that Site, it will thereafter be presumed for all purposes that the Owner was acting with the authority and consent of all other Owners of that Site, unless an Owner of that Site makes an objection thereto to the Person presiding over the meeting when the votes are cast. If more than one (1) vote is cast for any Site, none of such votes shall be counted and all of such votes shall be deemed null and void.

ARTICLE III **PURPOSES AND POWERS**

3.01 Purposes and Powers.

(a) The Master Association's purposes are:

(i) to acquire, own, lease, sell, transfer, grant easements over, encumber, manage, operate, insure, improve, repair, replace and maintain the Common Elements and all other property of the Master Association;

(ii) to provide certain facilities and services to Owners and their Guests, including roads and parking facilities, recreational facilities and services, open space, trails, paths, sidewalks, irrigation facilities and services, trash removal facilities and services, snow removal services and drainage facilities and services;

(iii) to administer and enforce the covenants, conditions, restrictions, reservations and easements created hereby;

(iv) to levy, collect and enforce the Assessments, charges and liens imposed pursuant hereto;

(v) to maintain and enhance property values within Stratton Flats;

(vi) to take any action it deems necessary or appropriate to protect the general welfare of Owners and their Guests;

(vii) to enter into agreements with other Persons, including, without limitation, easements, licenses, leases and other agreements with the Condominium Associations,

other Associations and governmental and quasi-governmental entities, which provide for the sharing of expenses among the Master Association and such other Persons for improvements, facilities and services that serve the Master Association and such other Persons; and

(viii) to regulate and manage the Master Association.

(b) Unless expressly prohibited by law or any of the Master Association Documents, the Master Association may:

(i) take any and all actions that it deems necessary or advisable to fulfill its purposes, including, without limitation, the hiring and terminating of employees, agents and independent contractors;

(ii) exercise any powers conferred by the Act or any Master Association Document;

(iii) exercise all powers that may be exercised in the State of Colorado by nonprofit corporations including, without limitation, the power to borrow money and to secure any such borrowing with the Common Elements and other assets of the Master Association; and

(iv) merge or consolidate with one or more Associations or other Persons.

(c) Without in any way limiting the powers of the Master Association as described in Section 3.01(b) above, the Master Association may, but is not obligated to:

(i) charge use fees for the use of any Common Elements and for the use of any facilities or services provided by the Master Association;

(ii) make capital improvements to the Common Elements; and

(iii) provide facilities and services itself or contract with private, governmental and/or quasi-governmental Persons to provide facilities and services.

3.02 Restrictions on Purposes and Powers; Dissolution.

The purposes and powers of the Master Association described in Section 3.01 are subject to the following limitations:

(a) The Master Association shall be organized and operated exclusively for nonprofit purposes as set forth in Section 528 of the Internal Revenue Code of 1986, as amended, or in any corresponding provision of any future law of the United States of America providing for exemption of similar organizations from income taxation.

(b) No part of the net earnings of the Master Association shall inure to the benefit of any Owner, except as expressly permitted in Section 3.02(c) with respect to the dissolution of the Master Association.

(c) The Master Association shall not pay any dividends. No distribution of the Master Association's assets to Owners shall be made until all of the Master Association's debts are paid, and then only upon the final dissolution of the Master Association as permitted in the Declaration. Upon payment of all of the Master Association's debts and final dissolution, any remaining assets of the Master Association shall be distributed among the Owners in accordance with the terms and conditions of the Act.

3.03 Master Association Documents.

(a) The Declaration creates the planned community known as Stratton Flats and creates certain covenants, conditions, restrictions, reservations, easements, assessments, charges and liens applicable to Stratton Flats. The Articles create the Master Association. The Bylaws provide for the regulation and management of the Master Association, and the Rules and Regulations provide for the regulation and management of Stratton Flats.

(b) If there is any conflict or inconsistency between the terms and conditions of the Declaration and the terms and conditions of the Articles, the Bylaws or the Rules and Regulations, the terms and conditions of the Declaration shall control. If there is any conflict or inconsistency between the terms and conditions of the Articles and the terms and conditions of the Bylaws or the Rules and Regulations, the terms and conditions of the Articles shall control. If there is any conflict or inconsistency between the terms and conditions to the Bylaws and the terms and conditions of the Rules and Regulations, the terms and conditions of the Bylaws shall control.

ARTICLE IV
EXECUTIVE BOARD

4.01 Executive Board.

(a) The business and affairs of the Master Association shall be controlled, conducted and managed by the Executive Board, except as otherwise provided in the Colorado Revised Nonprofit Corporation Act, the Declaration, the Articles or the Bylaws.

(b) Except as provided by law or in the Declaration, the Articles or the Bylaws, the Executive Board may act on behalf of the Association in all instances. The Executive Board may not, however, act on behalf of the Master Association to:

- (i) amend the Declaration;
- (ii) terminate the Master Association, the Declaration or the planned community created by the Declaration;
- (iii) elect Directors to the Executive Board, other than to fill a vacancy for the unexpired portion of a Director's term as set forth in Section 4.07 below; or
- (iv) determine the qualifications, powers and duties or terms of office of Directors.

4.02 Number of Directors.

The Executive Board shall consist of the following three (3) Directors:

(a) One (1) Director elected by and representing Owners of the Single-Family Lots (the "**Single-Family Director**");

(b) One (1) Director elected by and representing Owners of the Condominium Units (the "**Condominium Director**"); and

(c) One (1) Director elected by and representing Owners of the Townhome Units (the "**Townhome Director**").

4.03 Initial Directors.

The names and addresses of the initial Directors are as follows:

<u>Director</u>	<u>Name</u>	<u>Address</u>
Single-Family Director	Lori F. Chacos	200 N. Smith Street, #300 Palatine IL 60067
Condominium Director	David L. Kirshenbaum	200 N. Smith Street, #300 Palatine IL 60067
Townhome Director	Jeffery S. Arnold	200 N. Smith Street, #300 Palatine IL 60067

4.04 Election of Directors.

(a) Subject to the terms and conditions of Sections 4.05 and 4.06 below, the terms of the Directors shall be staggered.

(i) After the initial election or appointment of Directors, the Single-Family Director shall hold office until the election or appointment of her successor at the next annual meeting held in a year ending in an even number. Thereafter, the Single-Family Director will hold office for a term of two (2) years, and the Owners of the Single-Family Lots shall elect a Single-Family Director at the annual meeting held in years ending in an even number.

(ii) After the initial election or appointment of Directors, both the Condominium Director and the Townhome Director will hold office until the election or appointment of their successors at the next annual meeting held in an odd number. Thereafter, both the Condominium Director and the Townhome Director will hold office for a term of two (2) years, and the Owners of the Condominium Units shall elect a Condominium Director and the Owners of the Townhome Units shall elect a Townhome Director at the annual meeting held in years ending in an odd number.

4.05 Declarant Control Period.

(a) Subject to the terms and conditions of Sections 4.05(b), (c) and (d) below, but notwithstanding anything to the contrary contained in this Declaration or in any other Master Association Document, Declarant shall have the exclusive right to appoint and remove all Officers and Directors during the Declarant Control Period. The term "**Declarant Control Period**" means the period commencing on the date on which Declarant forms the Master Association and ending on the earlier of:

(i) the date that is sixty (60) days after conveyance to Purchasers of seventy-five percent (75%) of the maximum number of Sites Declarant may create under this Declaration;

(ii) the date that is two (2) years after the last conveyance of a Site by Declarant to a Purchaser in the ordinary course of business; or

(iii) the date that is two (2) years after any right to add new Sites was last exercised.

(b) Declarant may voluntarily surrender its right to appoint and remove Officers and Directors prior to the expiration of the Declarant Control Period, but, in that event, Declarant may require, for the remainder of the Declarant Control Period, that specific actions of the Master Association or the Executive Board, as described in a recorded instrument executed by Declarant, be approved by the Declarant before such actions become effective.

(c) Notwithstanding anything to the contrary contained in Section 4.05(a) above, not later than sixty (60) days after the conveyance to Purchasers of twenty-five percent (25%) of the maximum number of Sites Declarant may create under this Declaration, at least one (1) Director appointed by Declarant (as selected by Declarant) shall be replaced with a duly qualified Director elected by the Owners of Sites entitled to elect such Director, other than Declarant.

(d) Notwithstanding anything to the contrary contained in Section 4.05(a) above, during the thirty-day (30-day) period immediately preceding the date on which the Declarant Control Period expires, Owners shall elect a new Executive Board subject to Sections 4.02 and 4.04 above. Upon termination of the Declarant Control Period the new Executive Board shall take office.

4.06 Removal of Directors.

(a) Directors appointed by Declarant may be removed, with or without cause, solely by Declarant.

(b) Each Single-Family Director, other than Single-Family Directors appointed by Declarant, may be removed, with or without cause, by a sixty-seven percent (67%) or greater vote of all votes allocated to the Single-Family Lots.

(c) Each Condominium Director, other than Condominium Directors appointed by Declarant, may be removed, with or without cause, by a sixty-seven percent (67%) or greater vote of all votes allocated to the Condominium Units.

(d) Each Townhome Director, other than Townhome Directors appointed by Declarant, may be removed, with or without cause, by a sixty-seven percent (67%) or greater vote of all votes allocated to the Townhome Units.

(e) Directors may not be removed, except as provided in Sections 4.06(a) through (d) above.

4.07 Replacement of Directors.

(a) Vacancies on the Executive Board created by the removal, resignation or death of a Director appointed by Declarant shall be filled by a Director appointed by Declarant.

(b) Except with respect to a Director appointed by Declarant, a vacancy on the Executive Board created by the removal, resignation or death of:

(i) a Single-Family Director shall be filled by an election by the Owners of the Single-Family Lots in accordance with this Article IV;

(ii) a Condominium Director shall be filled by an election by the Owners of the Condominium Units in accordance with this Article IV; or

(iii) a Townhome Director shall be filled by an election by the Owners of the Townhome Units in accordance with this Article IV.

In the event that any such vacancy is unable to be filled in accordance with the provisions of this Section 4.07(b), such vacancy shall remain unfilled for the remainder of the unexpired term of the Director whose removal, resignation or death created such vacancy.

(c) Any Director elected or appointed pursuant to this Section 4.07 shall hold office for the remainder of the unexpired term of the Director that such Director replaced.

ARTICLE V **LIABILITY AND INDEMNIFICATION**

5.01 Limits on Directors' Liability.

To the fullest extent permitted by the Act and the Colorado Revised Nonprofit Corporation Act, as the same exist or may hereafter be amended, a Director shall not be liable to the Master Association or the Owners for monetary damages for breach of fiduciary duty. Any repeal or modification of this Section 5.01 of the Articles shall be prospective only and shall not adversely affect any right or protection of a Director existing at the time of such repeal or modification.

5.02 Indemnification.

To the fullest extent permitted by the Act and the Colorado Revised Nonprofit Corporation Act, as the same exist or may hereafter be amended, the Master Association shall indemnify each Director and Officer and each employee, fiduciary and agent of the Master Association.

ARTICLE VI
BYLAWS

The initial Bylaws of the Master Association shall be adopted by the Executive Board. The Executive Board and the members shall have the power to alter, amend or repeal the Bylaws from time to time and to adopt new Bylaws as more particularly described in the Bylaws. The Bylaws of the Master Association may contain any provisions for the regulation or management of the affairs of the Master Association that are not inconsistent with law, the Declaration or the Articles.

ARTICLE VII
AMENDMENT

The Master Association may amend, alter, change or repeal any provision contained in the Articles by, unless a higher voting requirement is set forth herein with respect to any particular provisions, the vote of the holders of at least sixty-seven percent (67%) of the votes allocated to all Units at any regular or special meeting called for that purpose at which a quorum is represented. The Master Association's right to amend, alter, change or repeal the Articles is subject to the limitations thereon set forth in the Declaration.

ARTICLE VIII
INCORPORATOR

The name and address of the incorporator is:

Michael J. Meacher
1050 17th Street, Suite 1500
Denver, Colorado 80265

The name and address of the individual who causes this document to be delivered for filing, and to whom the Secretary of State may deliver notice if filing of this document is refused, is:

Michael J. Meacher
1050 17th Street, Suite 1500
Denver, Colorado 80265

Dated: Tuesday, May 1, 2007