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Articles of Incorporation for a Nonprofit Corporation
filed pursuant to § 7-122-101 and § 7-122-102 of the Colorado Revised Statutes (C.R.S.)

1. The domestic entity name for the nonprofit corporation is Baseline Community Association, Inc.

(Caution: The use of certain terms or abbreviations are restricted by law. Read instructions for more information.)

2. The principal office address of the nonprofit corporation's initial principal office is

Street address 1800 Wazee Street
Suite 200 *(Street number and name)*
Denver CO 80202
(City) *(State)* *(ZIP/Postal Code)*
United States United States
(Province – if applicable) *(Country)*

Mailing address (leave blank if same as street address)	<i>(Street number and name or Post Office Box information)</i>	
<hr/>		
<hr/>		
<hr/>		
<i>(City)</i>	<i>(State)</i>	<i>(ZIP/Postal Code)</i>
<hr/>		.
<i>(Province – if applicable)</i>		<i>(Country)</i>

3. The registered agent name and registered agent address of the nonprofit corporation's initial registered agent are

Name _____
(if an individual) Detrick *(Last)* Robert *(First)* P *(Middle)* *(Suffix)*
OR

(if an entity) _____
(Caution: Do not provide both an individual and an entity name.)

Street address 1401 Lawrence Street
(Street number and name)
Suite 2300
Denver CO 80202
(City) (State) (ZIP Code)

<u>Mailing address</u> (leave blank if same as street address)	<hr/> <i>(Street number and name or Post Office Box information)</i> <hr/>		
	<hr/> <i>(City)</i>	<hr/> CO <i>(State)</i>	<hr/> <i>(ZIP Code)</i>

(The following statement is adopted by marking the box.)

The person appointed as registered agent above has consented to being so appointed.

4. The true name and mailing address of the incorporator are

Name (if an individual)	Boswell <i>(Last)</i>	Graham <i>(First)</i>	P <i>(Middle)</i>	 <i>(Suffix)</i>
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OR

(if an entity)

(Caution: Do not provide both an individual and an entity name.)

Mailing address	1401 Lawrence Street <i>(Street number and name or Post Office Box information)</i>		
	Suite 2300	CO <i>(State)</i>	80202 <i>(ZIP/Postal Code)</i>
	Denver <i>(City)</i>	United States <i>(Country)</i>	
	<i>(Province – if applicable)</i>		

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

The corporation has one or more additional incorporators and the name and mailing address of each additional incorporator are stated in an attachment.

5. *(If the following statement applies, adopt the statement by marking the box.)*

The nonprofit corporation will have voting members.

6. Provisions regarding the distribution of assets on dissolution:

See attachment.

7. (If the following statement applies, adopt the statement by marking the box and include an attachment.)

This document contains additional information as provided by law.

8. (Caution: Leave blank if the document does not have a delayed effective date. Stating a delayed effective date has significant legal consequences. Read instructions before entering a date.)

(If the following statement applies, adopt the statement by entering a date and, if applicable, time using the required format.)

The delayed effective date and, if applicable, time of this document is/are _____.
(mm/dd/yyyy hour:minute am/pm)

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.

9. The true name and mailing address of the individual causing the document to be delivered for filing are

<u>Boswell</u> (Last)	<u>Graham</u> (First)	<u>P</u> (Middle)	<u></u> (Suffix)
<u>1401 Lawrence Street</u> (Street number and name or Post Office Box information)			
<u>Suite 2300</u>			
<u>Denver</u> (City)	<u>CO</u> (State)	<u>80202</u> (ZIP/Postal Code)	<u></u> (Country)
<u>United States</u>			
<u></u> (Province – if applicable)			

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

This document contains the true name and mailing address of one or more additional individuals causing the document to be delivered for filing.

Disclaimer:

This form/cover sheet, and any related instructions, are not intended to provide legal, business or tax advice, and are furnished without representation or warranty. While this form/cover sheet 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/cover sheet. Questions should be addressed to the user's legal, business or tax advisor(s).

**ADDITIONAL PROVISIONS TO ARTICLES OF INCORPORATION
OF
BASELINE COMMUNITY ASSOCIATION, INC.
A COLORADO NONPROFIT CORPORATION**

(THE “BASELINE COMMUNITY ASSOCIATION”)

**ARTICLE I
DEFINITIONS AND INTERPRETATION**

1.01 Definitions. Any initially-capitalized term contained in these Articles of Incorporation (these “**Articles**”) but not defined in these Articles shall have the meaning given to such term in the Declaration of Covenants, Conditions and Restrictions for Baseline Residential recorded in the official real property records of the City and County of Broomfield, Colorado on March 18, 2019 at Reception No. 2019002577, as the same may be amended from time to time (the “**Declaration**”).

1.02 Interpretation.

(a) **Certain Terms.** As used within these Articles: (i) the term “**including**” is deemed to mean “including, without limitation,”, (ii) the term “**or**” is deemed to mean “and/or”, (iii) the terms “**hereby**”, “**hereunder**” and “**herein**” are deemed to refer to the entirety of these Articles as opposed to any particular portion of these Articles, and (iv) each reference herein to a “**Section**” or “**Article**” is deemed to refer to a Section or Article of these Articles.

(b) **Singular/Plural.** Except as otherwise provided herein or unless the context clearly requires otherwise, the singular of any term includes the plural of such term, and the plural of such term includes the singular of such term.

(c) **Statutes.** All references herein to statutes shall mean such statutes as amended or replaced from time to time, together with all regulations promulgated thereunder.

(d) **Action.** Except as expressly set forth in the Community Documents, any action that has been or may be taken by Founder or Baseline Community Association, or any other Person, may be taken “at any time, and from time to time.” Each provision that authorizes, directs or permits an action shall be deemed to include such language.

(e) **Community Documents.** If there is any conflict or inconsistency between or among the terms and conditions of these Articles and the terms and conditions of the Declaration, the Bylaws or the Rules, then the terms and conditions of the Declaration, then these Articles, then the Bylaws, then the Rules shall control in that order.

ARTICLE II **MEMBERSHIP AND VOTING**

2.01 Membership. A “**Member**” is the Person, or if more than one, all Persons collectively, who are the record holder(s) of legal title to the fee simple interest in any Site or portion thereof. The term Owner includes Founder to the extent that Founder is the record holder of legal title to the fee simple interest in any Site or portion thereof. Each membership of a Member (a “**Membership**”) shall be appurtenant to the fee simple title to a Site or portion thereof. The Person or Persons who constitute the Owner of legal title to the fee simple interest in any Site or portion thereof shall automatically be the holder of the Membership appurtenant to that Site or portion thereof and the Membership shall automatically pass with fee simple title to the Site or portion thereof. A Person who is not an Owner may not be a member of Baseline Community Association.

2.02 Votes.

(a) **General.** Baseline Community Association shall have voting members.

The votes in Baseline Community Association shall be allocated among the Member’s Sites as set forth in the Declaration and the Bylaws.

(b) **Number of Votes for Election of Directors.** Except as otherwise set forth in the Declaration and the Bylaws and subject to the prohibition on cumulative voting set forth in Section 2.02(g), in any election of Directors, the Owner of any Voting Site shall have the number of votes equal to the product obtained by multiplying (i) the number of votes allocated to such Voting Site, and (ii) the number of Directors for which such Owner or the Delegate for such Owner, if applicable, may vote with respect to such Voting Site.

(c) **Inseparable.** The votes allocated to a Voting Site shall be held by the Owner(s) of such Voting Site and may not be separated from the Voting Site to which the votes are allocated. The votes allocated to a Voting Site may be transferred or encumbered only in connection with the conveyance or encumbrance of the fee simple interest in such Voting Site. Any transfer or encumbrance of votes in Baseline Community Association, other than as permitted in this Section 2.02(c), shall be void and have no force or effect.

(d) **Proxies.** Notwithstanding Section 2.02(c), but subject to the others provisions of the Community Documents, the Owner of a Voting Site, may appoint an agent to cast vote(s) allocated to the Owner’s Voting Site by a duly executed proxy, in such form as the Board may reasonably require, duly delivered to Baseline Community Association in the time and manner specified by the Board. Delegates may not cast votes by proxy.

(e) **Site Owned by Baseline Community Association.** Notwithstanding any other provision of the Community Documents, no votes allocated to a Site owned by Baseline Community Association may be cast.

(f) **Class Voting.** Class voting shall not be allowed for any purpose, except as expressly set forth in the Declaration or the Bylaws.

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

2.03 Casting Votes.

(a) Casting Votes Allocated to Designated Single-family Sites.

(i) Votes allocated to Designated Single-family Sites shall be cast either by: (A) the Owners of such Designated Single-family Sites or their agents appointed in accordance with Section 3.05 of the Bylaws, or (B) their respective Delegates, as determined in accordance with Sections 2.03(a)(ii) and 2.03(a)(iii).

(ii) Subject to the Community Documents, the vote allocated to each Single-family Site shall be cast by the Owner of such Single-family Site (or such Owner's duly appointed agent in accordance with Section 3.05 of the Bylaws) with respect to:

A. electing, removing and replacing Delegates and Alternates (as set forth in the Bylaws),

B. any matter requiring approval of the Owners of Designated Single-family Sites pursuant to Section 5.03(c) of the Bylaws,

C. any matter requiring approval of the Owners of Designated Single-family Sites pursuant to Section 8.05(c) of the Bylaws requiring approval by Owners of Designated Single-family Sites,

D. approving or rejecting annual budgets and budget amendments as set forth in Section 6.2(d) of the Declaration,

E. terminating the Declaration as set forth in Section 15.2 of the Declaration,

F. certain amendments to the Declaration (including the Property Map) as set forth in Section 15.3(d) of the Declaration,

G. taking any of the following actions on behalf of the Baseline Community Association with respect to any Construction Defect Claim other than a Construction Defect Claim the initiation of which does not require Owner approval as set forth in Section 17.4(g) of the Declaration:

(1) delivering a Construction Defect Dispute Notice,

(2) delivering a CDARA Notice of Claim,

(3) increasing the Fee Cap pursuant to Section 17.5(c)(i)(B) of the Declaration,

(4) initiating, proceeding with, or pursuing a Construction Defect Claim, and

(5) initiating, proceeding with, or pursing a Claim challenging the enforceability of any provision of the Community Documents,

H. certain amendments to these Articles as set forth in Section 7.04 of these Articles), and

I. certain amendments to the Bylaws as set forth in Section 12.01(d) of the Bylaws.

(iii) Subject to the Community Documents, including Section 2.03(a)(ii), the Delegate for the Delegate District within which a Single-family Site is included shall have the exclusive right to cast the vote allocated to such Single-family Site with respect to all matters except those set forth in Section 2.03(a)(ii), upon which such Owner would vote but for this Section 2.03(a)(iii), but only if the Owner of such Single-family Site is not precluded from voting pursuant to the Community Documents (e.g., due to failure to pay Assessments when due). If a Delegate is absent from any meeting at which such Delegate is entitle to vote, the Alternate for the applicable Delegate District shall for purposes of such meeting be deemed the Delegate and shall cast the votes allocated to Single-family Site within such Delegate District.

(b) Casting Votes Allocated to Undesignated Sites, Designated Single-family Sites and Designated Multi-family Sites. The only Person permitted to cast votes appurtenant to any Undesignated Site, Designated Single-family Site or Designated Multi-family Site shall be the Owner of such Site.

(c) Sites Owed by Baseline Community Association. Notwithstanding any other provision herein, no votes allocated to any Site owned by Baseline Community Association may be cast.

2.04 Fractional Voting. Fractional voting (meaning a Person casting only a portion of the votes such Person is entitled to cast one way, and casting another portion the votes such Person is entitled to cast a different way (e.g., a Delegate casting a porting of the votes such Delegate is entitled to a cast against instituting a Construction Defect Action, and casting another portion of the votes such Delegate is entitled to cast in favor of instituting such Construction Defect Action)) shall not be allowed for any vote(s) allocated to any Voting Site. If the Co-owners of a Voting Site cannot agree among themselves as to how to cast their vote(s) on a particular matter, they shall lose their right to vote on such matter. If any Owner of a Voting Site casts the vote(s) for such Voting 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 Voting Site, unless an Owner of that Voting Site makes an objection thereto to the Person presiding over the meeting at which such vote(s) is/are cast. If any vote(s) is/are cast more than once for any Voting 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 Powers and Purposes. Baseline Community Association shall have all powers and purposes allowed under applicable law, except as expressly limited by the Declaration, these Articles or the Bylaws.

3.02 Restrictions on Purposes and Powers; Dissolution. The purposes and powers of Baseline Community Association are subject to the following limitations:

(a) **Internal Revenue Code.** Baseline Community 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) **Earnings.** No part of the net earnings of Baseline Community Association shall inure to the benefit of any Owner, except as expressly permitted in Section 3.02(c) with respect to the dissolution of Baseline Community Association.

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

[The remainder of this page is intentionally left blank.]

ARTICLE IV

THE BOARD, DELEGATE DISTRICTS AND ELECTION DISTRICTS

4.01 Powers of the Board.

(a) **Powers.** The business and affairs of Baseline Community Association shall be controlled, conducted and managed by the Board, except as expressly otherwise provided in the Declaration, these Articles, the Bylaws or applicable law.

(b) **Limitations.** The Board may not act on behalf of Baseline Community Association to:

(i) amend the Declaration,

(ii) terminate Baseline Community Association, the Declaration or the Planned Community created by the Declaration,

(iii) elect, remove or replace Directors,

(iv) elect, remove or replace Delegates or Alternates (except as set forth in the Bylaws), or

(v) determine the qualifications, powers and duties or terms of office of Directors, Delegates or Alternates

4.02 Delegate Districts Established.

(a) **Established.** Pursuant to the terms of this Section 4.02 and Section 4.03, Founder and the Board shall establish districts (each, a “**Delegate District**”) for purposes of casting votes appurtenant to Designated Single-family Sites with respect to certain matters as set forth in the Community Documents.

(b) **Timing.** On or before the date any Single-family Site exists within the Property, Founder shall establish one or more Delegate Districts.

(c) **Designations.** Contemporaneously with establishing any Delegate District, either the Board or Founder, whichever is establishing such Delegate District, shall assign to such Delegate District a unique identification number (*e.g.*, “Delegate District #1”) (a “**Delegate District Identification Number**”) and a designation of either “odd” or “even” for purposes of staggering the terms of the various Delegates (*e.g.*, “Delegate District #1 – Odd”, and “Delegate District #2 – Even”) (a “**Staggering Designation**”), which Delegate District Identification Number and Staggering Designation shall not change regardless of which Designated Single-family Sites are included within such Delegate District and regardless of any other matter, except in case of a combination of Delegate Districts into a single Delegate District (in accordance with Section 4.05), in which case either Founder or the Board, whichever is effecting such combination,

shall assign a unique Delegate District Identification Number and a Staggering Number to the resultant Delegate District.

(d) Geography. A Delegate District need not be comprised of a contiguous geographic area.

(e) Other Requirements. Founder or the Board, as appropriate, shall assign each Site that it designates as a “Designated Single-family Site” pursuant to the Declaration to one, and only one, Delegate District.

(f) No Other Sites. No Site other than a Single-family Site shall be assigned to any Delegate District.

4.03 Configuration of Delegate Districts.

(a) Prior to Close of First Director Election Meeting After Completion. At any time, and from time to time, prior to the close of the First Director Election Meeting After Completion, or at such earlier time as Founder may designate by written notice to the Board, Founder, and only Founder, shall be permitted to:

(i) establish one or more Delegate Districts and assign a unique Delegate District Identification Number and a Staggering Designation to each such Delegate District,

(ii) combine two (2) or more Delegate Districts into a one Delegate District, and assign a unique Delegate District Identification Number and a Staggering Number to the resultant Delegate District,

(iii) split a Delegate District into one or more Delegate Districts, and assign a unique Delegate District Identification Number and Staggering Designation for each resultant Delegate District,

(iv) assign any Single-family Site to a Delegate District, and

(v) reassign any Single-family Site from one Delegate District to another Delegate District.

(b) After Close of First Director Election Meeting After Completion. At any time, and from time to time, after the close of the First Director Election Meeting After Completion, or at such earlier time as Founder may designate by written notice to the Board, the Board, and only the Board, may:

(i) establish one or more Delegate Districts, and assign a unique Delegate District Identification Number and a Staggering Designation to each such Delegate District,

(ii) subject to Section 4.05(c), combine two (2) or more Delegate Districts into a one Delegate District, and assign a unique Delegate District Identification Number and a Staggering Number to the resultant Delegate District,

(iii) subject to Section 4.05(c), split a Delegate District into one or more Delegate Districts, and assign a unique Delegate District Identification Number and Staggering Designation for each resultant Delegate District,

(iv) assign any Single-family Site to a Delegate District, and

(v) subject to Section 4.05(c), reassign any Single-family Site from one Delegate District to another Delegate District.

(c) Required Approvals.

(i) Notwithstanding any other provision herein, the Board may not:

A. combine two (2) or more existing Delegate Districts into a single Delegate District and assign a unique Delegate District Identification Number and a Staggering Number to the resultant Delegate District without the approval of Founder and the Owners of Designated Single-family Sites within each Delegate District proposed to be combined,

B. split a Delegate District into one or more Delegate Districts, and assign a unique Delegate District Identification Number and Staggering Designation for each resultant Delegate District without the approval of Founder and Owners of Designated Single-family Sites within the Delegate District to be split, or

C. reassign any Single-family Site from one Delegate District to another Delegate District without the approval of Founder and the Owner(s) of such Single-family Site.

(ii) Notwithstanding any other provision herein:

A. the Owners of Designated Single-family Sites within a Delegate District shall be deemed to have approved the combination of such Delegate District with one or more other Delegate Districts and the assignment of a unique Delegate District Identification Number and a Staggering Number to the resultant Delegate District only upon the affirmative Majority vote of all votes allocated to such Designated Single-family Sites that are permitted to be cast with respect to such issue that are cast, in person or by proxy, at a duly held Delegate District Meeting therefor, and

B. the Owners of Designated Single-family Sites within a Delegate District shall be deemed to have approved the splitting of such Delegate District into one or more Delegate Districts and the assignment of a unique Delegate District Identification Number and Staggering Designation for each resultant Delegate District only upon the affirmative vote of at least sixty percent (60%) all

votes allocated to Designated Single-family Sites within the Delegate District proposed to be split that are permitted to be cast with respect to such issue that are cast, in person or by proxy, at a duly held Delegate District Meeting therefor.

(d) Restriction on Timing. Notwithstanding any other provision herein, the formation of any new Delegate District, the combination or splitting of any Delegate Districts, and the reassignment of any Single-family Site from one Delegate District to another Delegate District, shall not be effective for purposes of any Delegate District Meeting, Director Election Meeting or Director Removal Meeting occurring within seventy (70) days after the effective date of such formation, combination, splitting or reassignment.

(e) Effectiveness. Notwithstanding any provision herein:

(i) no Delegate District shall be deemed established until either Founder or the Board, whichever is establishing such Delegate District, has Recorded, a declaration that: (A) is executed by Founder or an Officer on behalf of the Board, as appropriate, (B) references the Declaration, (C) states that such Delegate District is thereby established, and (D) specifies the Delegate District Identification Number and Staggering Designation for such Delegate District; and such Delegate District shall be deemed formed on the date such declaration is so Recorded or such later date set forth in such declaration, if applicable,

(ii) no Delegate Districts shall be deemed combined with another Delegate District until either Founder or the Board, whichever is affecting such combination, has Recorded, a declaration that: (A) is executed by Founder or an Officer on behalf of the Board, as appropriate, (B) references the Declaration, (C) specifies the Delegate Districts being combined, and (D) specifies a unique Delegate District Identification Number and a Staggering Designation for the resultant Delegate District; and such combination shall be deemed effective on the date such declaration is so Recorded or such later date set forth in such declaration, if applicable,

(iii) no Delegate District shall be deemed split into one or more Delegate Districts until either Founder or the Board, whichever is affecting such split, has Recorded, a declaration that: (A) is executed by Founder or an Officer on behalf of the Board, as appropriate, (B) references the Declaration, (C) specifies the Delegate District being split, (D) specifies a unique Delegate District Identification Number and a Staggering Designation for each resultant Delegate District, and (E) assigns each Single-family Site previously assigned to the Delegate District being split to one, and only one, of the resultant Delegate Districts; and such combination shall be deemed effective on the date such declaration is so Recorded or such later date set forth in such declaration, if applicable,

(iv) no Single-family Site shall be deemed assigned to a Delegate District until either Founder or the Board, whichever is assigning such Single-family Site, has Recorded, a declaration that: (A) is executed by Founder or an Officer on behalf of the Board, as appropriate, (B) references the Declaration, (C) identifies, by legal description, such Single-family Site, (D) states that such Single-family Site is thereby assigned to one, and only one, Delegate District that has already been formed, and (E) sets forth the Delegate District Identification Number and Staggering Designation for such Delegate District; and such Single-family Site shall

be deemed assigned to such Delegate District on the date such declaration is so Recorded or such later date set forth in such declaration, if applicable, and

(v) no Single-family Site shall be deemed reassigned from on Delegate District to another Delegate District until either Founder or the Board, whichever is reassigning such Single-family Site, has Recorded, a declaration that: (A) is executed by Founder or an Officer on behalf of the Board, as appropriate, (B) references the Declaration, (C) identifies, by legal description, such Single-family Site being reassigned, and (D) states that such Single-family Site is thereby reassigned from a Delegate District specified therein by Delegate District Identification Number and Staggering Designation to another Delegate District specified therein by Delegate District Identification Number and Staggering Designation; and such Single-family Site shall be deemed so reassigned on the date such declaration is so Recorded or such later date set forth in such declaration on, if applicable.

4.04 Election Districts Established.

(a) Established for the Partial Turnover Director. For purposes of electing the Partial Turnover Director, all Delegate Districts shall be deemed to be one Election District.

(b) Established for All Directors. On or before the date that is one hundred twenty (120) days prior to the expiration of the Founder Control Period, Founder shall establish three (3) Election Districts (ED#1, ED#2 and ED#3) for the purposes of electing Directors pursuant to Section 7.02(b) of the Bylaws and all Directors thereafter.

(c) Election District Identification Number. Contemporaneously with establishing any Election, Founder shall assign to such Election District a unique identification number (*e.g.*, “ED#1”) (an “**Election District Identification Number**”), which Election District Identification Number shall not change regardless of which Delegate Districts are included within such Election District and regardless of any other matter, except in case of a combination of Election Districts into a single District (in accordance with Section 8.05 of the Bylaws), in which case Founder shall select one of the Election District Identification Numbers from the Election Districts being combined to be the Election District Identification Number for the resultant Election District.

(d) Composition Requirements. Each Election District shall be comprised of one or more Delegate Districts, and each Delegate District shall be assigned to only one Election District. An Election District need not be a contiguous geographic area.

4.05 Configuration of Election Districts.

(a) Prior to Close of First Director Election Meeting After Completion. Prior to the close of the First Director Election Meeting After Completion, or at such earlier time as Founder may designate by written notice to the Board, Founder, and only Founder, shall be permitted to:

(i) establish one or more Election Districts,

District,

- (ii) combine two (2) or more Election Districts into a one Election District,
- (iii) assign Delegate Districts to Election Districts, and
- (iv) reassign any Delegate District from one Election District to another Election District.

(b) After Close of First Director Election Meeting After Completion.

(i) After the close of the First Director Election Meeting After Completion, or at such earlier time as Founder may designate by written notice to the Board, the Board may:

- A. establish one or more Election Districts,
- B. subject to Section 4.06(c), combine two (2) or more Election Districts into a one Election District,
- C. assign Delegate Districts to Election Districts, and
- D. subject to Section 4.06(c), reassign any Delegate District from one Election District to another Election District.

(c) Required Approvals.

(i) Notwithstanding any other provision herein, the Board may not:

- A. combine two (2) or more Election Districts into a one Election District without the approval of Owners of Designated Single-family Sites within each Delegate District to be so combined, and
- B. reassign any Delegate District from one Election District to another Election District without the approval of Owners of Designated Single-family Sites within the Delegate District to be so reassigned.

(ii) Notwithstanding any other provision herein:

- A. the Owners of Designated Single-family Sites within a Delegate District shall be deemed to have approved the combination of the Election District that includes such Delegate District with another Election District only upon the affirmative Majority vote of all votes allocated to such Designated Single-family Sites that are permitted to be cast with respect to such issue that are cast, in person or by proxy, at a duly held Delegate District Meeting therefor, and

- B. The Owners of Designated Single-family Sites within a Delegate District shall be deemed to have approved the reassignment of such Delegate District to a different Election District only upon the affirmative Majority

vote of all votes allocated to Designated Single-family Sites within such Delegate District that are permitted to be cast with respect to such issue that are cast, in person or by proxy, at a duly held Delegate District Meeting therefor.

(d) Restriction on Timing. Notwithstanding any other provision herein, the combination or splitting of any Election Districts, and the reassignment of any Delegate District from one Election District to another Election District, shall not be effective for purposes of any Director Election Meeting or any Director Removal Meeting occurring within one hundred twenty (120) days after the effective date of such formation, combination, splitting or reassignment.

(e) Effectiveness. Notwithstanding any provision herein:

(i) no Election District shall be deemed established until either Founder or the Board, whichever is establishing such Election District, has Recorded, a declaration that: (A) is executed by Founder or an Officer on behalf of the Board, as appropriate, (B) references the Declaration, (C) states that such Election District is thereby established, and (D) specifies the Election District Identification Number for such Election District; and such Election District shall be deemed formed on the date such declaration is so Recorded or such later date set forth in such declaration, if applicable,

(ii) no Election Districts shall be deemed combined with another Election District until either Founder or the Board, whichever is combining Election Districts, has Recorded, a declaration that: (A) is executed by or an Officer on behalf of the Board, as appropriate, (B) references the Declaration, (B) references the Declaration, (C) specifies the Election Districts being combined, and (D) specifies the Election District Identification Number for the resultant Election District; and such combination shall be deemed effective on the date such declaration is so Recorded or such later date set forth in such declaration, if applicable,

(iii) no Delegate District shall be deemed assigned to an Election District until Founder or the Board, whichever is so assigning such Delegate District, has Recorded, a declaration that: (A) is executed by Founder or an Officer on behalf of the Board, as appropriate, (B) references the Declaration, (C) identifies the Delegate District being so assigned, (D) states that such Delegate District is thereby assigned to one, and only one, Election District that has already been formed, and (E) sets forth the Election District Identification Number to which such Delegate District is being assigned; and such Delegate District shall be deemed assigned to such Election District on the date such declaration is so Recorded or such later date set forth in such declaration, if applicable, and

(iv) no Delegate District shall be deemed reassigned from one Election District to another Election District until either Founder or the Board, whichever is reassigning such Delegate District, has Recorded, a declaration that: (A) is executed by Founder or an Officer on behalf of the Board, as appropriate, (B) references the Declaration, (C) identifies such Delegate District Site being reassigned, (D) states that such Delegate District is thereby reassigned from an Election District specified therein by Election District Identification Number to another Election District specified therein by Election District Identification Number; and such Delegate District

shall be deemed so reassigned on the date such declaration is so Recorded or such later date set forth in such declaration, if applicable.

4.06 Qualifications (to serve as a Director). Anyone nominated to serve as a Delegate or Alternate, and throughout the term any individual serves in such capacity such individual, must be: (a) eighteen (18) years of age or older, and (b) an Owner or a resident of a Single-family Site within the Delegate District to be represented by such Delegate or Alternate. For purposes of this Section 4.06, if an Owner is not an individual, then any officer, director, partner, member, manager or any trust officer of such Owner shall be eligible to serve as a Delegate or Alternate unless a written notice to Baseline Community Association signed by such Owner specifies otherwise.

4.07 Number of Directors. The Board shall consist of three (3) Directors. Directors shall serve until their successors are appointed or elected as provided in this Declaration and the Bylaws.

4.08 Election of Directors.

(a) **Director Elections.** Each Director, except a Director appointed by Founder, shall be elected in an election (a “**Director Election**”) held at an Owner’s Meeting (a “**Director Election Meeting**”).

(b) **Timing of Director Elections.**

(i) Each Regular Director Election Meeting shall occur at an Annual Owners Meeting.

(ii) Each Special Director Election Meeting shall occur at a Special Owners Meeting. The Board shall set the date of each Special Director Election Meeting, in accordance with the following requirements:

A. For the purpose of electing the Partial Turnover Director, such Special Director Election Meeting shall be held no later than the expiration of the Founder Control Period.

B. For purposes of electing an individual to fill a vacancy in any Director position (other than Directors appointed or replaced by Founder) occurring for any reason other than the expiration of such Director’s term, such Special Director Election Meeting shall be held no later than one hundred fifty (150) days after the effective date of such vacancy.

4.09 Terms of Office.

(c) **Partial Turnover Director.** The initial individual elected to serve as the Partial Turnover Director shall be elected to serve until the earlier to occur of: (i) the second Annual Owners Meeting following such Director’s election, and (ii) the close of the First Director Election Meeting After Completion.

(d) Staggered Terms. At the First Director Election Meeting After Completion: (i) each of D#1 and D#2 shall be elected to serve until the second Annual Owners Meeting following such Director's election, and (ii) D#3 shall be elected to serve until the third Annual Owners Meeting following such Director's election.

(e) Length of Term. The terms of office for each Director elected at an Annual Owners Meeting (other than the initial individual elected to serve as the Partial Turnover Director and the individuals elected to serve as Directors at the First Director Election Meeting After Completion) shall be two (2) years commencing at the close of the Annual Owners Meeting at which such Director is elected and ending at the close of the second Annual Owners Meeting following such Director's election.

4.10 Founder Control Period.

(a) Right to Appoint and Remove Directors and Officers. Subject to the terms and conditions of Sections 4.10(b)-(e), but notwithstanding anything else to the contrary contained in any Community Document, Founder shall have the exclusive right to appoint and remove all Directors and Officers during the Founder Control Period.

(b) Term. The term "**Founder Control Period**" means the period commencing on the date on which Baseline Community Association is formed and ending on the earliest to occur of:

(i) the date that is sixty (60) days after conveyance to Purchasers of seventy-five percent (75%) of the maximum number of Sites that may be created by Founder under the Declaration,

(ii) the date that is two (2) years after the last conveyance of a Site by Founder or a Successor Founder in the ordinary course of business, or

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

(c) Voluntary Surrender. Founder may voluntarily surrender its right to appoint and remove Officers and Directors prior to the expiration of the Founder Control Period, but, in that event, Founder may require, for the remainder of the Founder Control Period, that specific actions of Baseline Community Association or the Board, as described in a Recorded instrument executed by Founder, be approved by the Founder before they become effective.

(d) Partial Turnover Director. Notwithstanding Section 4.10(a), not later than sixty (60) days after the conveyance of twenty-five percent (25%) of the Sites that may be created under the Declaration to Purchasers, one Director appointed by Founder shall be replaced with a Director elected by Owners other than Founder through Owners' respective Delegates (the "**Partial Turnover Director**").

(e) Electing Board Upon Expiration of Founder Control Period. During the thirty (30)-day period immediately preceding the date on which the Founder Control Period expires, the Owners, through the Owners' respective Delegates, shall elect a Board of three (3)

Directors, pursuant to the terms of the Community Documents, at least a majority of whom must be Owners other than Founder or designated representatives of Owners other than Founder. Such Directors shall take office upon election.

4.11 Removal of Directors.

(f) Directors Appointed by Founder. An individual appointed by Founder as a Director may be removed from such position only by Founder. For such removal to be effective, Founder shall give written notice of the removal to the Director, and either the presiding officer of the Board, the President or the Secretary. Such a removal is effective when the notice is delivered unless the notice specifies a future effective date.

(g) Partial Turnover Director. An individual serving as the Partial Turnover Director may be removed from such position, with or without cause, at a Director Removal Meeting, by a sixty-seven percent (67%) or greater vote of the votes allocated to the Owners of Designated Single-family Sites and Designated Multi-family Sites. Such a removal is effective immediately after the counting of all votes cast therefor at such Director Removal Meeting if at least the requisite number of votes are cast in favor of removal.

(h) D#1–D#3. An individual serving as any of D#1, D#2 and D#3 may be removed, with or without cause, at a Director Removal Meeting, by a sixty-seven percent (67%) or greater vote of all votes allocated to the Owners of Designated Single-family Sites and Designated Multi-family Sites within the Election District such Director represents. Such a removal is effective immediately after the counting of all votes cast therefor at such Director Removal Meeting if at least the requisite number of votes are cast in favor of removal.

4.12 Resignation of Directors. Any Director may resign at any time by giving written notice to other members of the Board stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make any resignation effective.

4.13 Replacement of Directors.

(i) Directors Appointed by Founder. Directors appointed by Founder shall be replaced only by Founder.

(j) Other Directors. A vacancy of any of the Partial Turnover Director position or Director positions D#1, D#2 D#3 shall be filled at a Regular Director Election Meeting or a Special Director Election Meeting.

(k) Term for Replacement. Any individual elected or appointed pursuant to this Section 4.13 shall hold office for the remainder of the term of the Director that individual replaced.

ARTICLE V **LIABILITY AND INDEMNIFICATION**

5.01 Liability, Insurance and Indemnity.

(a) **Definition.** The term “**Indemnified Party**” means: (i) each current or former employee of Baseline Community Association designated as an “Indemnified Party” by the Board, and (ii) each current or former Director, Officer, Delegate, Alternate, or member of the Design Review Committee.

(b) **Indemnity.** To the fullest extent permitted by applicable law, no Indemnified Party shall be liable to any Owner or Baseline Community Association for monetary damages for any mistake of judgment or breach of fiduciary duty.

(c) **Insurance.** Baseline Community Association shall obtain and maintain, at Baseline Community Association’s expense, a policy of liability insurance covering each of the Indemnified Parties in an amount determined in good faith by the Board to be appropriate.

(d) **Defense.** To the fullest extent permitted by the Colorado Revised Nonprofit Corporation Act, as the same now exists or may hereafter be amended or replaced, Baseline Community Association shall defend and indemnify each Indemnified Party against all costs, expenses and liabilities, including the amount of judgments, amounts paid to settle claims and liabilities, and amounts paid for reasonable attorneys’ fees and other related expenses which may be incurred by or imposed on such Indemnified Party in connection with any claim, action, suit, proceeding, investigation or inquiry (each, a “**Claim**”) hereafter made, instituted, or threatened in which such Indemnified Party may be involved as a party or otherwise by reason of such Indemnified Party being or having been a Director, Officer, Delegate, or Alternate or by reason of any past or future action taken, authorized or approved by such Indemnified Party or any omission by such Indemnified Party regardless of the time such Indemnified Party incurs such costs, expenses or liabilities, including those related to: (i) any actual or alleged error or misstatement or misleading statement or act or omission or neglect or breach of duty while acting in such Indemnified Person’s official capacity as Director, Officer, Delegate, or Alternate, or (ii) any matter claimed against such person solely by reason of such person being a Director, Officer, Delegate, or Alternate (collectively, “**Expenses**”).

(e) **Opinion of Counsel.** As to whether or not an Indemnified Party may be indemnified by Baseline Community Association in the absence of such final adjudication of such matter, each Indemnified Party may conclusively rely upon an Opinion of Counsel obtained by the Board. The foregoing right of indemnification shall not be exclusive of other rights to which any such Indemnified Party may be entitled as a matter of law or otherwise and shall inure to the benefit of the heirs, executors, administrators and assigns of each such Indemnified Party.

(f) **Limitation.** The right of indemnification under this Section 5.01 shall not extend to matters as to which the subject Indemnified Party is finally adjudged in an action, suit or proceeding to have been liable for gross negligence or willful misconduct in the performance of

such person's duty except to the extent that a court may determine, upon application, that despite such adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity. The right of indemnification under this Section 5.01 shall not extend to any matter as to which said indemnification would not be lawful under the laws of the State of Colorado.

5.02 Advances of Expenses and Defense. Baseline Community Association may advance Expenses to, or where appropriate, may undertake the defense of, any Indemnified Party in connection with any Claim, provided that the Board may condition such advances or defense on the Indemnified Party committing, in writing, to reimburse Baseline Community Association for the Expenses advanced or for the costs and expenses of such defense if it should ultimately be determined that Indemnified Party is not entitled to indemnification under Section 5.01.

5.03 Rights Not Exclusive. The right of indemnification provided under Section 5.01 shall not be exclusive of other rights to which such Indemnified Party may be entitled.

5.04 Amendments Prospective. Any repeal or modification of this Article V 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.

5.05 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, Baseline Community Association shall indemnify each Director, Officer, Delegate, Alternate, and each employee, fiduciary and agent of Baseline Community Association.

ARTICLE VI **BYLAWS**

The initial Bylaws shall be adopted by the Board. The 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 may contain any provisions for the regulation or management of the affairs of Baseline Community Association that are not inconsistent with law, the Declaration or these Articles.

ARTICLE VII **AMENDMENTS**

7.01 Amendments By Owners.

(a) Subject to Section 7.03 and Section 7.04, the Articles may be amended by the Owners only by the affirmative vote of a Majority of all votes in Baseline Community Association.

(b) Notwithstanding Section 7.01(a), but subject to Section 7.03 and Section 7.04, except to the extent permitted or required by CCIOA, any amendment to these Articles that changes the votes allocated to any Site must be approved by at least sixty-seven percent (67%) of

all votes in Baseline Community Association including at least sixty-seven percent (67%) of the votes allocates to Sites not owned by Founder.

7.02 By the Board. Except as limited by law or the Declaration, and specifically subject to Section 7.03 and Section 7.04, the Board shall have power to amend these Articles at any regular meeting of the Board or at any special meeting of the Board called for that purpose at which a quorum is present. If, however, with respect to any amendment to these Articles by the Owners, the Board shall not thereafter amend the same in such manner as to defeat or impair the object of the Owners in taking such action.

7.03 Founder Approval Required. Notwithstanding any other provision of any these Articles:

- (i) these Articles may not be amended during the Founder Rights Period without the written consent of Founder as evidenced on such amendment filed with the Colorado Secretary of State,
- (ii) no portion of Section 1.03, or Articles II, IV or VII may be amended without Founder's prior written consent thereto as evidenced on such amendment filed with the Colorado Secretary of State,
- (iii) these Articles may not be amended in manner that would hinder, impact, modify or otherwise affect the rights or obligations of Founder, Baseline Community Association, the Design Review Committee, the Board, any Director, any Delegate or any Alternate, without Founder's prior written consent thereto as evidenced on such amendment filed with the Colorado Secretary of State,
- (iv) these Articles may not be amended in manner that would affect the allocation of votes in Baseline Community Association without Founder's prior written consent thereto as evidenced on such amendment filed with the Colorado Secretary of State.,

7.04 Amendments Affecting Delegates and Alternates. With respect to any amendment to these Articles directly affecting the rights or obligations of Delegates or Alternates, the votes allocated to Designated Single-family Sites shall cast by the Owners of such Designated Single-family Sites and not by Delegates. The Board shall determine whether any matter directly affects the rights or obligations of Delegates or Alternates.

[End of Additional Provisions to Articles of Incorporation]