

ARTICLES OF INCORPORATION

OF

PAGOSA PROPERTY OWNERS ASSOCIATION, INC.

The undersigned persons acting as incorporators of a corporation under the Colorado Nonprofit Corporation Act, sign, and acknowledge the following Articles of Incorporation for such corporation:

FIRST: The name of the corporation is PAGOSA PROPERTY OWNERS ASSOCIATION, INC.

SECOND: The period of its duration is perpetual

THIRD: The purpose or purposes for which the corporation is organized are:

(a) To promote and enhance the civic, social and recreational interests of those persons who may from time to time be the owners of real estate in Pagosa, a Development situated in Archuleta County, Colorado insofar as those interests relate to said ownership; to acquire by gift or purchase or otherwise, and to hold in its corporate name, real and personal property; to construct, maintain, replace or otherwise deal with improvements of every kind whatsoever upon its land; to exercise all powers granted by law to non-profit corporations and to do all lawful things and acts for the betterment of its members and promotion of their interests; to collect dues and fees, levy assessments to foreclose any liens for such assessments and to borrow money for the accomplishment of the foregoing purposes. Notwithstanding anything herein to the contrary, the corporation shall exercise only such powers as are in furtherance of the exempt purposes of organizations set forth in Section 501(c)(7) of the Internal Revenue Code

and its regulations as the same now exist or as they may be hereinafter amended from time to time.

To own, purchase, lease or otherwise acquire real estate, to improve, operate, and to sell, convey, assign, mortgage, or lease any real estate or personal property.

To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; to secure the same by mortgage, deed of trust pledge or other lien

To enter into, perform and carry out contracts of any kind necessary to, or in connection with, or incidental to the accomplishment of any one or more of the purposes of the corporation.

foregoing clauses shall be construed both as objects and powers. The foregoing enumeration of specific powers shall not be deemed to limit or restrict in any manner the general powers of the corporation and the enjoyment and exercise thereof as conferred by the laws of the State of Colorado now or hereafter in effect.

FOURTH: The corporation shall have no power to declare dividends, and no part of its net earnings shall inure to the benefit of any member of or director of the corporation or to any other private individual. The corporation shall have no power or authority to engage in activities which consist of carrying on propaganda or otherwise attempting to influence legislation or to participate in or intervene in, any political campaign on behalf of any candidate for public office.

FIFTH: The address of the initial registered office of the corporation is:

P.O. Box 219
Durango, Colorado 81147

and the name of its initial registered agent at such address
is

Frederic B. Emigh

SIXTH: Address of the principal office:

P.O. Box 908
Pagosa Springs, Colorado 81147

SEVENTH: The number of Directors constituting
initial Board of Directors of the corporation is three
(3), and the names and addresses of the persons who are to
serve as the initial Directors are:

Ralph H. Eaton	3443 North Central, #1401 Phoenix, Arizona 85012
I.W. Killian	3443 North Central, #1401, Phoenix, Arizona 85012
David H. Eaton	3443 North Central, #1401, Phoenix, Arizona 85012

EIGHTH: There shall be members and associate
members. No member or associate member shall have the right
to vote except as provided in the Bylaws of the corporation.

owner of each lot in the Development who is designated
as a member in the Declaration of Restrictions applicable to
such lot shall, by virtue of such ownership, and during the
period thereof, be a member of the Association. The following
persons, if not otherwise a member, shall, subject to such
conditions, rules and regulations of the Board, be associate
members of the Association:

(a) The spouse and children of a member who
have the same principal residence as the member

(b) Persons who are tenants or regular occupants
of residences constructed on any residential lot as
aforesaid.

(c) Persons, who by virtue of special written agreement with the corporation shall be entitled to associate membership. Within this classification of associate members may be the following, but such itemization shall in no way be construed or interpreted as imposing limitations on the power of the Board to establish or confer by resolution, associate memberships upon any person or group or classification of persons, when, in the judgment of the Board, the best interest of the corporation so require. Examples of the persons who may become associate members under this subsection (c) are:

(1) Tenants, occupants or guests of any hotel or motel which may be established within the Development.

Persons who may be tenants or occupants of any portion of the Development which may be designated for use as a campground.

Persons who may be granted permission to use one or more of the facilities, amenities or properties owned or controlled by the corporation

NINTH: The names, residences and post office addresses of the incorporators are as follows:

Ralph H. Eaton	3443 North Central, #1401, Phoenix, Arizona 85012
I.W. Killian	3443 North Central, #1401 Phoenix, Arizona 85012 -
David H. Eaton	3443 North Central, #1401 Phoenix, Arizona 85012

TENTH: Subject to the further provisions hereof, the corporation shall indemnify any and all of its directors,

officers, former directors and former officers, against all expenses incurred by them and each of them, including but limited to legal fees, judgments and penalties which may be incurred, rendered or levied in any legal action brought against any of them for or on account of any action or omission alleged to have been committed while acting within the scope of employment as director or officer of the corporation. Whenever director, officer, former director or former officer shall report to the president of the corporation or the chairman of the Board of Directors that he has incurred or may incur expenses, including but not limited to legal fees, judgments and penalties in a legal action brought or about to be brought against him for or on account of any action or omission alleged to have been committed by him while acting within the scope of his employment as a director or officer of the corporation, the Board of Directors of the corporation shall, at its next regular or at a special meeting held within a reasonable time thereafter, determine in good faith whether in regard to the matter involved in the action or contemplated action, such person acted, failed to act, or refused to act willfully, with gross negligence or with fraudulent or criminal intent. If the Board of Directors determines in good faith that such person did not act, fail to act, or refuse to act willfully or with gross negligence or with fraudulent or criminal intent in regard to the matter involved in the action or contemplated action, indemnification shall be mandatory and shall be automatically extended as specified herein, provided, however, that no such indemnification shall be available with respect to liabilities under the Securities Act of 1933, and provided further, that the corporation shall have the right to refuse indemnification in any instance in which the person to whom indemnification would otherwise have been applicable shall have unreasonably refused to permit the

corporation, at its own expense and through counsel of its choosing, to defend him in the action.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 29th day of February, 1972

Ralph H. Eaton
Ralph H. Eaton

I.W. Killian
I.W. Killian

David H. Eaton
David H. Eaton

STATE OF ARIZONA

SS

County of Maricopa

On this, the 29th day of February, 1972 before me, the undersigned Notary Public, personally appeared RALPH H. EATON, I.W. KILLIAN and DAVID H. EATON, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged that they executed the same for purposes therein contained

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

John R. Christman
Notary Public

My commission expires:

Apr 30, 1975



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ARTICLES OF AMENDMENT
to the
ARTICLES OF INCORPORATION

Pursuant to the provisions of the Colorado Nonprofit Corporation Act, the under-
signed corporation adopts the following Articles of Amendment to its Articles of
Incorporation:

FIRST: The name of the corporation is Pagosa Property Owners Association

SECOND: The following amendment of the Articles of Incorporation was adopted on the
28th day of July 1984, in the manner prescribed by the Colorado
Nonprofit Corporation Act, according to the procedure marked with an X below:

XX a quorum of members was present at such meeting, and the amendment received at least
two-thirds of the votes which members present or represented by proxy were entitled
to cast.

 such amendment was adopted by a consent in writing signed by all members entitled
to vote with respect thereto.

 there are no members, or no members entitled to vote thereon, such amendment
received the vote of a majority of the directors in office.

The new name of the association is the "Pagosa Lakes Property Owners
Association".

STATE OF Colorado
COUNTY OF Archuleta ss.

Harry Young President
Margery Stearns Secretary

The foregoing instrument was acknowledged before me this 14th day of
August 1984, by Harry Young, President; Margery Stearns,
Secretary and Treasurer, Pagosa Property Owners Association

(Insert names of the officers, as signed above, titles, and name of the corporation)
In witness whereof I have hereunto set my hand and seal.

My commission expires March 13, 1985

Patricia Sanchez
Notary Public

Note: Fee \$5.00

Submit the original typed & first carbon copy, or two xerox copies both having
original signatures & acknowledgments

If this is a change of name amendment the name to be typed in FIRST and the
acknowledgment will be the corporate name before this amendment is filed.