

RECEIVED MAY 22 1995

ARTICLES OF INCORPORATION
HIGHLANDER TOWNHOME ASSOCIATION, INC.
(A NONPROFIT CORPORATION)

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SECRETARY OF STATE

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

ARTICLE 1 -- Name

The name of this corporation is HIGHLANDER TOWNHOME ASSOCIATION, INC. ("Association").

ARTICLE 2 -- Duration - Dissolution

The duration of the Association shall be perpetual. If this Association is dissolved, its assets shall be distributed to the then Owners of Lots in the same proportion as assessments are charged against each Lot, as provided in the Declaration of Covenants, Conditions and Restrictions for Highlander Townhomes as such appears of record in Summit County, Colorado.

ARTICLE 3 -- Purposes and Powers of Association

3.1. The Association shall operate the Common Interest Community known as Highlander Townhomes, located in the Town of Breckenridge, County of Summit, Colorado, in accordance with the Colorado Common Interest Ownership Act of the Colorado Revised Statutes, as amended, and the Colorado Nonprofit Corporation Act, as amended.

3.2. The Association shall promote the health, safety, welfare, and common benefit of the residents of the Common Interest Community.

3.3. The Association shall do any and all permitted acts, and shall have and exercise any and all powers, rights, and privileges which are granted to a Common Interest Community Association under the laws of the State of Colorado and the Declaration, Bylaws, Rules and Regulations, and other governing documents of the Association.

3.4. The foregoing statements of purpose shall be construed as a statement of both purposes and powers. The purposes and powers stated in each clause shall not be limited or restricted by reference to or inference from the terms or provisions of any other clause, but shall be broadly construed as independent purposes powers.

ARTICLE 4 -- Nonprofit

The Association shall be a nonprofit corporation, without shares of stock.

ARTICLE 5 -- Membership Rights and Qualifications

5.1. The classes, rights, and qualifications and the manner of election or appointment of members are as follows: Any person who holds title to a Lot in the Common Interest Community shall be a member of the Association. There shall be one membership for each Lot owned within the Common Interest Community. This membership shall be automatically transferred upon the conveyance of that Lot. Voting shall be one vote per Lot, and the vote to which each membership is entitled is the vote assigned to its Lot in the Declaration of the Common Interest Community. If a Lot is owned by more than one person, those persons shall agree among themselves how a vote for that Lot's membership is to be cast. Individual co-owners may not cast fractional votes. A vote by a co-owner for the entire Lot's membership interest shall be deemed to be pursuant to a valid proxy, unless another co-owner of the same Lot objects at the time the vote is cast, in which case such membership's vote shall not be counted.

5.2. The members shall be of one class, Lot Owners who own Lots as defined in the Declaration. These Lot Owners shall elect all members of the Board of Directors, following the period of Declarant control defined below.

5.3. Notwithstanding the foregoing, the Declarant of the Common Interest Community shall have additional rights and qualifications as may be provided under the Colorado Common Interest Ownership act and the Declaration, including the right to appoint members of the Board of Directors as follows: During the period of Declarant control, the Declarant, or persons designated by him or her, subject to certain limitations, may appoint and remove the officers and members of the Board of Directors. The period of Declarant control terminates no later than the earlier of: (1) Five years from the date of the recording of the Declaration of Covenants, Conditions and Restrictions of Highlander Townhomes in the Office of the Summit County Clerk and Recorder; (2) Sixty days after conveyance of 75 percent of the Lots that may be created to Lot Owners other than a Declarant; (3) Two years after the Declarant has last conveyed a Lot in the ordinary course of business; or (4) Two years after any right to add new Lots was last exercised. A Declarant may voluntarily surrender the right to appoint and remove officers and Directors of the Board of Directors before termination of the periods of Declarant control, but in that event, the Declarant may require, for the duration of the period of Declarant control, that specified actions of the Association or Board of Directors, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

5.4. Not later than 60 days after conveyance of 25 percent of the Lots that may be created to Lot Owners other than a Declarant at least one member, and not less than 25 percent of the members of the Board of Directors shall be elected by Lot Owners other than a Declarant. Not later than 60 days after conveyance of 50 percent of the Lots that may be created to Lot Owners other than a Declarant, not less than one-third of the members of the Board of Directors must be elected by Lot Owners other than a Declarant.

ARTICLE 6 -- Registered Agent for Service and Address

The initial registered agent of the Association shall be D. Wayne Brown at the registered address of 100 South Ridge Street, Suite 204, P.O. Box 588, Breckenridge, Summit County, Colorado 80424.

ARTICLE 7 -- Board of Directors

The initial Board of Directors shall consist of three persons, and this number may be changed by a duly adopted amendment to the Bylaws, except that in no event may the number of Directors be less than three. The names and addresses of the persons who shall serve as Directors until their successors shall be elected and qualified are as follows:

Wieslaw J. Chlipala
P.O. Box 1405
Breckenridge, Colorado 80424

Maria T. Chlipala
P.O. Box 1405
Breckenridge, Colorado 80424

Piotr J. Chlipala
P.O. Box 1405
Breckenridge, Colorado 80424

ARTICLE 8 -- Director Liability

To the extent permitted by law, a Director shall have no liability to the Association or its members for monetary damages for breach of fiduciary duty as a director.

ARTICLE 9 -- Amendment

Amendment of these Articles shall require the assent of at least two-thirds of the members of the Association as provided in the Colorado Nonprofit Corporation Act.

ARTICLE 10 -- Incorporator

The Incorporator of Highlander Townhome Association, Inc., is Wieslaw J. Chlipala, P.O. Box 1405, Breckenridge, Colorado 80424.

ARTICLE 11 -- Execution

In Witness Whereof, the undersigned incorporator has signed these Articles in duplicate this 28th day of April, 1995.

INCORPORATOR:

Wieslaw J. Chlipala

STATE OF COLORADO)
) ss.
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this 28th day of April, 1995, by Wieslaw J. Chlipala.

WITNESS my hand and official seal.

My commission expires: 9-19-98

Andrea Dubas
Notary Public

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