

401

ARTICLES OF INCORPORATION
OF
SUMMERWOOD HOMEOWNERS ASSOCIATION

FILED

8 DEC '81

STATE OF COLORADO

The undersigned natural person hereby establishes a nonprofit corporation pursuant to the Colorado Nonprofit Corporation Act and adopts the following Articles of Incorporation.

ARTICLE I
NAME

The name of this corporation shall be the Summerwood Homeowners Association (the "Association").

ARTICLE II
DURATION

This Association shall have perpetual existence.

ARTICLE III
PURPOSES

The objects and purposes for which this Association is formed are as follows:

1. To be and constitute the Association to which reference is made in the Condominium Declaration for the Summerwood Homeowners Association (the "Declaration"), to be recorded in the records of the Clerk and Recorder of Summit County, Colorado, and to perform all obligations and duties of the Association and to exercise all rights and powers of the Association.
2. To provide an entity for the furtherance of the interests of all Owners of Sites with the objective of establishing and maintaining the Project with the highest possible quality and value and enhancing and protecting its value, desirability and attractiveness.

ARTICLE IV
POWERS

In furtherance of its purposes, the Association shall have all of the powers conferred upon corporations not for profit by the statutes and common law of the State of Colorado in effect from time to time, including all of the powers necessary or desirable to perform the obligations and duties and exercise the rights and powers of the Association under the Declaration which will include, but shall not be limited to, the following:

1. To make and collect assessments against members of the Association for the purpose of payment of the Common Expenses (including all expenses incurred in exercising its powers or performing its functions);

2. To manage, control, operate, maintain, repair and improve the Common Elements;

3. To enforce the terms, covenants, restrictions, conditions, uses, limitations, and obligations set forth in the Declaration and in the Bylaws of the Association and to make and enforce rules and regulations as provided therein;

4. To engage in activities which will actively foster, promote and advance the interests of all Owners of Condominium Units, including the Declarant.

ARTICLE V MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Site which is subject by covenants of record to assessment by the Association, including a purchaser under an installment land contract, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Site which is subject to assessment by the Association.

ARTICLE VI VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A: Class A members shall be all Owners, with the exception of the Declarant. A members shall be entitled to one vote for each Site owned, except as otherwise provided for herein. When more than one person holds an interest in any Site, all such persons shall be members of the Association. The vote of any Site for which a vote is allowed shall be exercised as the persons having an interest in such Site among themselves shall determine, but in no event shall more than one vote be cast with respect to any Site.

Class B: The Class B member shall be the Declarant, and Declarant shall be entitled to three votes for each Site owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs first:

(a) when the total votes outstanding in the Class A membership are equal or greater than the total votes outstanding in the Class B membership, or

(b) on July 1, 1985. Class A member(s) who previously were a Class B member may have one vote for each Site owned, whether or not the Site contains improvements thereon.

ARTICLE VII
BOARD OF MANAGERS

1. The business and affairs of this Association shall be conducted, managed and controlled by a Board of Managers. The Board of Managers shall consist of that number of persons set forth in the Bylaws of the Association, all of whom shall be members of the Association. Notwithstanding anything to the contrary provided herein, until 80% of all Units to be construed within the Project have been sold (meaning that title to said Condominium has been conveyed by the Declarant), the members of the Board of Managers shall be appointed by the Declarant and need not be Owners of Condominium Units; provided, however, that Declarant shall have an option at any time to turn over control of the Board of Managers to the Owners upon sixty (60) days' prior notice.

2. Except as provided in Paragraph 1 above, members of the Board of Managers shall be elected by the members of the Association in the manner set forth in the Bylaws of the Association.

3. Managers may be removed and vacancies filled in the manner set forth in the Bylaws of the Association.

4. The names and addresses of the members of the first Board of Managers who shall serve until their successors are duly qualified, are as follows:

<u>NAME</u>	<u>ADDRESS</u>
John R. Stevens	Drawer E Dillon, Colorado 80435
E.J. Olbright	Drawer E Dillon, Colorado 80435
Gray A. Pearson	Box 2422 Dillon, Colorado 80435
Craig Nelson	Montezume Route Dillon, Colorado 80435
J. Albert Bauer	Box 734 Dillon, Colorado 80435

Any vacancies in the Board of Managers occurring before the first election of Managers shall be filled by the remaining Managers.

ARTICLE VIII
OFFICERS

The Board of Managers may appoint a President, one or more Vice Presidents, a Secretary, a Treasurer and such other officers as the Board believes will be in the best interest of the Association. The officers shall have such duties as may be prescribed in the Bylaws of this Association and shall serve at the pleasure of the Board of Managers.

ARTICLE IX
CONVEYANCES AND ENCUMBRANCES

Corporate property may be conveyed or encumbered by authority of the Board of Managers or by such person or persons to whom such authority may be delegated by resolution of the Board. Conveyances and encumbrances shall be by an instrument executed by the President or a Vice President and attested by the Secretary or an Assistant Secretary, or executed by such other person or persons to whom such authority may be delegated by the Board.

ARTICLE X
INITIAL REGISTERED OFFICE AND AGENT

The initial registered office of the Association shall be 111 Ski Hill Road, P.O. Box 307, Breckenridge, Colorado 80424. The initial registered agent shall be J. Albert Bauer.

ARTICLE XI
AMENDMENTS

Amendments to these Articles of Incorporation shall be adopted in the manner set forth in the Bylaws of the Association; provided, however, that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with the provisions of the Declaration.

ARTICLE XII
MANAGER'S FUNCTIONS

The Association, by its Board of Managers, may obtain and pay for the services of a Managing Agent to administer and manage the affairs of this Association and be responsible for the operation, maintenance, repair and the improving of the Common Elements and all of the exterior portions of the improvements and to keep the same in good, attractive and sanitary condition, order and repair. The cost of such services shall be borne by the members as provided in the Declaration and in the Bylaws of the Association. Maintenance of the Common Elements, billing and collection of Common Expenses, preparation of an operation budget, maintenance of files, books and records, the employment of personnel to perform such duties and other services and functions may be performed by said Managing Agent.

ARTICLE XIII
GENERAL

The Association is formed exclusively to provide for the management, maintenance and care of the Condominium Project within the meaning of Section 528 of the Internal Revenue Code. The Association is not formed for pecuniary profit or financial gain and no part of the Association's net earnings, profits or income is distributable to or shall inure to the benefit of its members, directors or officers or any other private individual except to the extent permitted under the Colorado Nonprofit Corporation Act and Section 528 of the Internal Revenue Code.

