

NONPROFIT

ARTICLES OF INCORPORATION
OF
THE MASTERS HOMEOWNERS ASSOCIATION, INC.

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The undersigned, desiring to establish a nonprofit corporation pursuant to the Colorado Nonprofit Corporation Act, hereby certifies:

ARTICLE I
NAME AND DEFINITIONS

The name of the corporation shall be THE MASTERS HOMEOWNERS ASSOCIATION, INC. (Association). Capitalized terms used herein, if not defined, shall have the meanings set forth in the Declaration of Covenants, Conditions, Easements and Restrictions for the Masters (as amended and supplemented) recorded in the Clerk and Recorder's office for Summit County, Colorado (Declaration).

ARTICLE II
EXISTENCE

The corporation shall have perpetual existence.

ARTICLE III
PURPOSES AND POWERS

(a) Purposes. The objects and purposes of the corporation shall be (i) to provide for the care, upkeep, and supervision of The Masters Homeowners Association in Summit County, Colorado (Project), as further described in the Declaration, including the Common Elements and all recreational facilities maintained thereon from time to time, if any; (ii) to regulate and control the relationships between the Owners of Units on the Project in connection with their ownership of the Units; (iii) to provide for the pleasure and recreation of the Owners; and (iv) to promote the best interests of the Owners for the purpose of securing for them the finest utilization and enjoyment of the Project.

(b) Powers. In furtherance of the foregoing purposes, but not otherwise, the corporation shall have and may exercise all of the following powers:

(i) Real and Personal Property. To acquire by gift, purchase, trade, or any other method, own, operate, build, manage, rent, sell, develop, encumber, and otherwise deal in and with real and personal property of every kind and



character, tangible and intangible, wherever located, and interests of every sort therein.

(ii) Borrowing. To borrow funds or raise moneys in any amount for any of the purposes of the Association and from time to time to execute, accept, endorse, and deliver as evidences of such borrowing, all kinds of instruments and securities, including, but without limiting the generality of the foregoing, promissory notes, drafts, bills of exchange, warrants, bonds, debentures, property certificates, trust certificates, and other negotiable or nonnegotiable instruments and evidences of indebtedness, and to secure the payment and performance of such securities by mortgage on, or pledge, conveyance, deed, or assignment in trust of, the whole or any part of the assets of the Association, real, personal, or mixed, including contract rights, whether at the time owned or hereafter acquired.

(iii) Contracts. To enter into, make, amend, perform, and carry out, or cancel and rescind, contracts, leases, permits, and concession agreements for any lawful purposes pertaining to its business.

(iv) Guaranties. To make any guaranty respecting securities, indebtedness, notes, interest, contracts, or other obligations created by any individual, partnership, association, corporation, or other entity, and to secure such guaranties by encumbrance upon any and all assets of the Association, to the extent that such guaranty is made in pursuance of the purposes herein set forth.

(v) Loans. To lend money for any of the purposes above set forth, to invest its funds from time to time and take and hold real and personal property as security for payment of funds so loaned or invested.

(vi) Assessments. To levy quarterly assessments and special assessments against the Owners for common expenses (including but not limited to the costs of repairing and maintaining the Common Elements, and utility charges which are not charged directly to the Owners by the utility company), to charge interest on unpaid assessments and to collect dues, fees, and interest in accordance with the Declaration and the Association's Bylaws, and to enforce liens given as security for such assessment, dues, fees, and interest.

(vii) General Powers. To do everything necessary, suitable, or proper for the accomplishment of any of the purposes, the attainment of any of the objects, or the

furtherance of any of the powers above set forth and as set forth in the Bylaws, either alone or in connection with other corporations, firms, or individuals, and either as principal or agent, and to do every act or thing incidental or appurtenant to, or growing out of, or connected with any of the aforesaid objects, purposes, or powers.

(viii) Rule Making. To make and enforce rules and regulations with regard to the management and operation of the Project.

(ix) Management, Maintenance and Repair. To provide for the management, maintenance, and repair of the Project.

(x) Powers Conferred by Law. The foregoing enumeration of specific powers shall not limit or restrict in any manner the general powers of the Association and the enjoyment and exercise thereof at now or hereafter conferred by the laws of Colorado.

(c) Restrictions upon Purposes and Powers. The foregoing purposes and powers of the Association are subject to the limitation that no part of the net earnings of the Association shall inure to the personal benefit of any private member of the Association.

(d) Dividends, Distributions, Etc. The Association shall not pay any dividends. No distribution of the corporate assets to members (as such) shall be made until all corporate debts are paid, and then only upon final dissolution of the Association by the affirmative vote of at least 80 percent of the votes of all of the members at any regular or special meeting called for that purpose at which a quorum shall be represented. Upon such dissolution and distribution, the assets remaining after payment of all debts shall be distributed among the members of the Association in the same proportion as the size of their Unit bears to the size of all Units in the Property.

ARTICLE IV OPERATIONS, ADDRESS, AND AGENT

The operations of the Association shall be conducted at such places within or outside of the United States as may from time to time be determined by the Board of Directors. The address of the initial registered agent and the principal office of the corporation is 1601 Blake Street, #300, Denver, Colorado 80202. The name of its initial registered agent at such address is Harry B. Mosgrove.

ARTICLE V
MEMBERSHIPS AND VOTING

(a) Members. Any individual, corporation, partnership, association, trust, or other legal entity or combination of entities that is a record Owner of an undivided fee simple interest in one or more Units shall automatically be a member of the Association. Such membership shall be continuous throughout the period that ownership continues. A membership shall terminate automatically without any Association action whenever such Owner ceases to own a Unit. Termination of membership shall not relieve or release any former member from any liability or obligation incurred by virtue of or in any way connected with ownership of a Unit, or impair any rights or remedies which the Association or others may have against such former Owner and member arising out of or in any way connected with such ownership or membership.

(b) Membership. The Association shall have one class of membership, Residential. Residential Members shall be Owners of Residential Units, and they shall be entitled to vote on all matters. There shall be categories of membership as follows:

(i) Individual Membership. Any individual acquiring an interest in a Unit shall automatically become an individual member of the Association.

(ii) Organizational Membership. Any corporation, partnership, association, trust, or other legal entity acquiring an interest in a Unit shall automatically become an organizational member of the Association. Each organizational member shall from time to time designate one or more individuals who may represent it at meetings and vote on behalf of such member. The secretary of the Association shall maintain a list of the persons entitled to vote on behalf of such member and, until the Association is notified to the contrary, any action taken by such persons purporting to act on behalf of the organizational member shall be binding on such member.

(iii) Declarant Membership. The Declarant shall be a member of the Association as long as it owns an interest in any Unit.

(c) Number of Votes. Each member shall be entitled to one (1) vote for each Unit owned in the Project. When more than one Owner holds an interest in the same Unit, all such Owners shall be members, and the vote for such Unit shall be cast as the Owners thereof agree, but in no event shall more than one (1) vote per question be cast with respect to such Unit. If the Owners of such

Unit do not agree as to the manner in which their vote should be cast when called upon to vote, then they shall be treated as having abstained.

(d) Amendment. This Article V may be amended only by the unanimous vote of all the members.

ARTICLE VI
BOARD OF DIRECTORS

(a) The control and management of the affairs of the Association and the disposition of its funds and property shall be vested in a Board of Directors. The number of Directors (which may not be less than three), their terms of office, and the manner of their selection or election shall be determined according to the Bylaws from time to time in effect. Cumulative voting shall not be allowed in the election of Directors or for any other purpose. The names and addresses of those comprising the first Board of Directors, to serve until their successors shall be duly elected, are as follows:

Harry B. Mosgrove	1601 Blake Street, #300 Denver, Colorado 80202
Paul Miles	1601 Blake Street, #300 Denver, Colorado 80202
Sid Schwartz	1601 Blake Street, #300 Denver, Colorado 80202

(b) The Board of Directors may by resolution designate two or more of their number to constitute an executive committee which shall have and exercise all of the power of the Board of Directors in the management of the business and affairs of the Association or such lesser authority as the Board of Directors may set forth in such resolution. No such delegation of authority shall relieve the Board of Directors or any member of the Board from any responsibility imposed by law.

ARTICLE VII
OFFICERS

The Association shall have such officers as may from time to time be prescribed by the Bylaws. Their terms of office and the manner of their designation or selection shall also be determined according to the Bylaws from time to time in effect.

ARTICLE VIII
MANAGER

The Board of Directors shall have the power to appoint a manager, which may be a corporation, to carry on day-to-day maintenance, repair, rents, and service functions for the Association. The Association may enter into a contract with such manager having a term of not more than five years (including any renewal) and with such other provisions as the Board of Directors may approve, including the right to terminate such manager without paying any penalty with an advance notice of no more than ninety (90) days.

ARTICLE IX
CONVEYANCE AND ENCUMBRANCE OF PROPERTY

Authority to convey or encumber the property of the Association and to execute any deed, contract, or other instrument on behalf of the Association for itself or as attorney-in-fact for one or more of the members is vested in the president or any vice-president. All instruments conveying or encumbering such property (whether or not executed as such attorney-in-fact) shall be executed by the president or a vice-president and attested by the secretary or an assistant secretary of the Association.

ARTICLE X
DIRECTORS' CONTRACTS, REMOVAL, COMPENSATION, AND INDEMNITY

The following provisions are inserted for the management of the business and for the conduct of the affairs of the Association, and the same are in furtherance of and not in limitation or exclusion of the powers conferred by law:

(a) Contracts with Directors, Officers, or Members. No contract or other transaction of the Association with any other person, firm, or corporation shall be affected or invalidated by (i) the fact that any one or more of the directors, officers, or members of the Association is interested in, or is a director, trustee, or officer of another corporation, or (ii) the fact that any director, officer, or member, individually or jointly with others, may be a party to or may be interested in any such contract or transaction. Each person who may become a director, officer, or member of the Association is hereby relieved from any liability that might otherwise arise by reason of his contracting with the Association for the benefit of himself or any firm or corporation in which he may be interested.

(b) Board of Directors to Exercise General Power. All corporate powers except those which by law or by these Articles

expressly require the consent of the members shall be exercised by the Board of Directors or the executive committee.

(c) Removal of Directors. One or more or all of the Directors may be removed with or without cause by the vote of a majority of the votes of the members then entitled to vote at an election of Directors. Such vacancies shall be filled only by the vote of the members so represented, as if such meeting were a regular annual meeting for the election of Directors, the person or persons having the highest number of votes in consecutive order being declared elected to the Board of Directors.

(d) Compensation of Directors and Members. The Board of Directors is hereby authorized to make provision for reasonable compensation to its members and to members of the Association for their services, and to reimburse such members for expenses incurred in connection with furthering the purposes of the Association. The Board of Directors shall fix the basis and conditions upon which such compensation and reimbursement shall be paid. Any Director of the Association may also serve in any other capacity and receive compensation and reimbursement for such other work.

(e) Indemnity. Each Director or officer, whether or not then in office, and each person who may have served at the request of the Association on a committee or as a director or officer of another corporation in which it owns capital stock or of which it is a creditor, and his executors, administrators, and assigns, shall be indemnified by the Association against all costs and expenses, including, without limitation, all attorneys' fees, reasonably incurred by or imposed upon him in connection with or arising out of any action, suit, or proceeding in which he may be involved, or to which he may be made a party by reason of his being or having been such a committee member, Director or officer (such expenses to include the cost of reasonable settlement made with a view toward curtailment of the costs of litigation), except in relation to matters as to which he shall be finally adjudged in such action, suit, or proceeding to have been liable for gross negligence or misconduct in the performance of his duties on behalf of the Association. Any costs and expenses incurred by such committee member, officer, or director not paid within thirty (30) days shall accrue interest at the rate of eighteen percent (18%) per annum. The foregoing right of indemnification shall not be exclusive of other rights to which he may as entitled as a matter of law.

ARTICLE XI
BYLAWS

The initial Bylaws of the Association shall be as adopted by its Board of Directors. The Board shall have the power to alter, amend, or repeal the Bylaws. The Bylaws may contain any provisions for the regulation or management of the affairs of the Association which are not inconsistent with law or these Articles of Incorporation, at the same may from time to time be amended.

ARTICLE XII
AMENDMENT OF ARTICLES

The Association reserves the right to amend, alter, or repeal any provision contained in these Articles of Incorporation by, unless a higher voting requirement is set forth herein or in the Declaration with respect to any particular provision, the vote of the holders of at least two-thirds of the votes of the members at any regular or special meeting called for that purpose at which a quorum shall be represented.

ARTICLE XIII
INCORPORATOR

The name and address of the incorporator is:

Robert A. Holmes, Esq.
Fairfield and Woods, P.C.
1700 Lincoln Street, Suite 2400
Denver, Colorado 80203-4524

Dated: June 14, 1994.



Robert A. Holmes

VERIFICATION

STATE OF COLORADO)
 CITY AND) ss.
COUNTY OF DENVER)

I, Nancy W. Flett, a notary public, hereby certify that on the 14th day of June, 1994, personally appeared before me, Robert A. Holmes, who, being by me first duly sworn, severally declared that he was the person who signed the foregoing documents as incorporator and that the statements therein contained are true.

My commission expires:

My Commission expires January 28, 1997
1700 Lincoln #2400
Denver, Colorado 80203



Nancy W. Flett
Notary Public