

ARTICLES OF INCORPORATION  
OF  
LAKE FOREST CONDOMINIUM ASSOCIATION

The undersigned 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 Lake Forest Condominium Association (the "Association").

ARTICLE II  
PERIOD OF EXISTENCE

The Association shall have perpetual existence.

ARTICLE III  
PURPOSES AND POWERS

3.1 Purposes. The purposes and objectives for which the Association is formed are as follows:

- A. To promote, undertake and advance any and all lawful activities and objectives for the general benefit, well-being, advancement, improvement and enjoyment of the Association and its members;
- B. To provide for the care, upkeep and supervision of Lake Forest Condominiums (the "Property"), as more fully described in the Declaration and all supplements and amendments thereto filed of record from time to time in the Office of the Clerk and Recorder, Summit County, Colorado (the "Declaration"), and the Plat to be filed for record in the real property records of Summit County, Colorado and all supplements thereto (the "Plat"), including the Common Area and the Property roads as defined in the Declaration and shown on the Plat;
- C. To provide an entity for the furtherance of the interests of the Owners of the Property.

3.2 Powers Subject to any specific limitation imposed by these Articles of Incorporation, the Association shall have the following powers:

- A. All powers conferred upon nonprofit corporations by the laws of the State of Colorado in effect from time to time.
- B. All powers conferred upon unit owners' associations pursuant to Colorado Revised Statutes Section 38-33.3-302.
- C. 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 (terms which are defined in the Declaration shall have the same meanings herein unless otherwise defined herein), including, without limitation, the following powers:
  1. To make and collect assessments against Members for the purpose of paying the costs, expenses and any losses of the Association, or of exercising its powers or of performing its functions;
  2. To manage, control, operate, maintain, repair and improve the Common Area, if any;
  3. To enforce covenants, restrictions and conditions affecting the Property to the extent the Association may be authorized under any such covenants, restrictions or conditions and to make and enforce rules and regulations for use of the Property;
  4. To engage in activities which will actively foster, promote and advance the interests of the Owners;
  5. To buy or otherwise acquire, sell or otherwise dispose of, mortgage or otherwise encumber, exchange, lease, hold, use, operate and otherwise deal with and in, real, personal and mixed property of all kinds, and any right or interest therein, for any purpose of the Association, subject to the Declaration and Bylaws of the Association;
  6. To borrow money and secure the repayment of monies borrowed for any purpose of the Association, limited in amount or in other respects as may be provided in the Bylaws or in the Declaration;



7. To enter into, make, perform or enforce contracts of every kind and description, including, without limitation, a contract for management services, and to do all other acts necessary, appropriate or advisable in carrying out any purpose of the Association, with or in association with any person, firm, association, corporation or other entity or agency, public or private;

8. To adopt, alter, and amend or repeal such Bylaws as may be necessary or desirable for the proper management of the affairs of the Association, provided, however, that such Bylaws may not be inconsistent with or contrary to any provisions of these Articles of Incorporation or the Declaration.

The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers which may now or hereafter be allowed or permitted by law; and the powers specified in each of the paragraphs of this Article III are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provisions of this Article III, except for those limitations set forth in paragraph 3.3 below.

3.3 Restrictions Upon Purposes and Powers; Dissolution. The foregoing purposes and powers of the Association are subject to the following limitations:

A. The Association shall be organized and operated exclusively for nonprofit purposes as set forth in the Internal Revenue Code of 1986, as it is now or may hereafter be 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. No part of the net earnings of the Association shall inure to the benefit of any Member (except that reasonable compensation may be paid for services rendered to or for the Association and affecting one (1) or more of its purposes and objectives, and reimbursement may be made for any expenses incurred for the Association by any officer, Director, Member, agent, or employee, or any person or corporation, pursuant to and upon authorization of the Executive Board).

C. 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 eighty percent (80%) 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 proportion to their respective interests in the Common Area of the project as set forth in the Declaration.

#### ARTICLE IV INITIAL REGISTERED OFFICE AND AGENT

The initial registered office of the Association shall be at 1600 Dillon Dam Road, P.O. Box 1320, Frisco, Colorado 80443. The initial registered agent shall be Robert R. Fulton.

#### ARTICLE V MEMBERSHIP

5.1. Qualifications. The Association shall be a membership corporation without certificates or shares of stock and shall consist of one class of membership. Members shall be all Owners and the Declarant (as defined in the Declaration). The rights and obligations of membership are set forth in the Declaration and Bylaws of the Association. A membership shall terminate automatically without any Association action whenever such entity or individual ceases to own a Lot. 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 Lot, or impair any rights or remedies which the Association or others may have against such former Member arising out of, or in any way connected with, such membership.

5.2 Suspension of Voting Rights. The Association may suspend the voting rights of a Member for failure to pay any Assessments or for failure to otherwise comply with the rules and regulations, or the Bylaws, of the Association, or with any other obligations of the Members under the Declaration, or agreement created pursuant thereto.

5.3 Bylaws. The Bylaws may contain provisions, not inconsistent with the foregoing, setting forth the rights, privileges, duties and responsibilities of the Members.

#### ARTICLE VI BOARD OF MANAGERS

The business and affairs of the Association shall be conducted, managed and controlled by an Executive Board.

6.1 Number; Manner of Election. The Executive Board shall consist of not less than three (3) nor more than seven (7) members, the specified number to be set forth from time to time in the Bylaws. In the absence of any provision in the Bylaws, the Executive Board shall consist of three members. The terms of office of Directors and the manner of their

selection or election shall be determined according to the Bylaws from time to time in effect. Directors may be removed and vacancies on the Executive Board shall be filled in the manner provided in the Bylaws.

6.2 Initial Executive Board. The initial Executive Board shall consist of three (3) persons, and the names and addresses of the members of the initial Executive Board who shall serve until their respective successors are duly elected and qualified, are as follows:

NAME

Robert R. Fulton  
P.O. Box 887  
Frisco, Colorado 80443

Kathry J. Law  
P.O. Box 1083  
Silverthorne, CO 80498

Timothy B. Page  
162 High Meadow Drive  
Dillon, Colorado 80435

Any vacancies in the Executive Board occurring before the first election of Directors by the Members shall be filled by the remaining Directors. Notwithstanding anything to the contrary provided for herein, however, the Declarant shall be entitled to appoint and remove the members of the Association's Executive Board and officers of the Association as provided in the Declaration to the fullest extent permitted by Section 38-33.3-303 of the Colorado Revised Statutes ("C.R.S."). The Declarant's right to appoint and remove members of the Executive Board shall terminate on the earlier of those two events set forth in Section 38-33.3-303(5) of C.R.S. as terminating the period of Declarant control or the date on which Declarant voluntarily relinquishes its rights, evidenced by a notice recorded in the office of the Clerk and Recorder for Summit County, Colorado.

After termination of the Declarant's rights as set forth above, Declarant and any designated Successor Declarant shall be entitled to one vote as a Member for each Unit owned.

**ARTICLE VII  
OFFICERS**

The Executive Board may appoint a President, one or more Vice-Presidents, a Secretary, a Treasurer and such other officers as the Board, in accordance with the provisions of the Bylaws, believes will be in the best interests of the Association. The officers shall have such duties as may be prescribed in the Bylaws.

**ARTICLE VIII  
NON-LIABILITY AND INDEMNIFICATION**

To the fullest extent permitted by the Colorado Corporation Code, as the same exists or may hereafter be amended, a Director of this corporation shall not be liable to the corporation or its members for monetary damages for breach of fiduciary duty as a Director.

The Association shall have the right to indemnify any person to the fullest extent allowed by Colorado law, except as limited by the Bylaws of the Association from time to time in effect.

**ARTICLE IX  
AMENDMENTS**

The Association reserves the right to amend, alter, or change any provision contained in these Articles of Incorporation by a vote of at least two-thirds (2/3) of the votes in the Association present at any regular or special meeting of the Members of the Association at which a quorum is present, provided, however, that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with the provisions of the Declaration.

