

**ARTICLES OF INCORPORATION
OF
GLEN COVE OWNERS 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 Glen Cove Owners 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 member;

B. To provide for the care, upkeep and supervision of Glen Cove Homes (the "Property"), as more fully described in the Declaration of Covenants, Conditions and Restrictions for Glen Cove Homes 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 Elements as defined in the Declaration and shown on the Plat;

C. 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 the Colorado Common Ownership Act, §38-33.3-302, as it may be amended from time to time.

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), Bylaws, Rules and other governing documents of the Association, 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 Elements, 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, board 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 for payment of the Common Expenses of the Property as set forth in the Declaration.

**ARTICLE IV
INITIAL REGISTERED OFFICE AND AGENT**

The initial registered office of the Association shall be at 375 Belford, P.O. Box 937, Frisco, Colorado 80443. The initial registered agent shall be Daniel L. McCreery.

**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 Home. 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 Home, 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, maintained and controlled by all Executive Board.

6.1. Number; Manner of Election. The Executive Board shall consist of not less than one (1) nor more than five (5) members, the specified number to be set forth from time to time in the Bylaws. In the absence of any provision in the Bylaws and after the period of Declarant control, the Executive Board shall consist of three members. The terms of office of Board Members and the manner of their selection or election shall be determined according to the Bylaws from time to time in effect. Board Members 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 one (1) person and the name and address of the person who shall serve on the Executive Board during the period of Declarant Control or until his respective successors are duly appointed or elected is:

Daniel L. McCreery, P.O. Box 937, Frisco, Colorado 80443

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 C.R.S §38-33.3-303. 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 C.R.S. §38-33.3-303(5) 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 vote as a Member for each Home 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 Board Member of this corporation shall not be liable to the corporation or its members for monetary damages for breach of fiduciary duty as a Board Member.

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.

ARTICLE X
INCORPORATOR

The name and address of the incorporator of the Association is as follows:

Mark Richmond
P.O. Box 280
Frisco, Colorado 80443

Executed this 20 day of January, 1998

Mark Richmond
By: Mark Richmond, Incorporator

STATE OF COLORADO)
) ss.
County of Summit)

The foregoing instrument was acknowledged before me in the County of Summit, State of Colorado, this 20th day of January, 1998, by Mark Richmond as Incorporator.

My Commission expires: 6-14-2000

Linda M. Wilson
Notary Public

