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ARTICLES OF INCORPORATION
FOR
TIMBER LODGE AT LAKE DILLON CONDOMINIUM ASSOCIATION, INC.

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 I

NAME

The name of this corporation is Timber Lodge at Lake Dillon Condominium Association, Inc.

ARTICLE II

DURATION

The duration of the Association shall be perpetual.

ARTICLE III

PURPOSES AND POWERS OF ASSOCIATION

3.1 The Association shall operate the Common Interest Community known as Timber Lodge at Lake Dillon Condominiums, located in the municipality of Dillon, 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 and powers.

ARTICLE IV

NONPROFIT

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

ARTICLE V

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 Unit in the Common Interest Community shall be a member of the Association. There shall be one membership for each Unit owned within the Common Interest Community. This membership shall be automatically transferred upon the conveyance of that Unit. Voting shall be one vote per unit, and the vote to which each membership is entitled is the vote assigned to its Unit in the Declaration of the Common Interest Community. If a Unit is owned by more than one person, those persons shall agree among themselves how a vote for that **Unit's** membership is to be cast. Individual coowners may not cast fractional votes. A vote by a coowner for the entire **Unit's** membership interest shall be deemed to be pursuant to a valid proxy, unless another coowner of the same Unit 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, Unit Owners who own Units as defined in the Declaration. These Unit Owners shall elect all members of the Executive Board, 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 Executive Board 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 Executive Board. The period of Declarant control terminates no later than the earlier of: (1) Sixty days after conveyance of 75 percent of the Units that may be created to Unit Owners other than a Declarant; or (2) Two years after Declarant has last conveyed a Unit in the ordinary course of business. The Declarant may voluntarily surrender the right to appoint and remove officers and Directors of the Executive Board 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 Executive Board, 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 Units that may be created to Unit Owners other than a Declarant, at least one member, and not less than 25 percent of the members of the Executive Board shall be elected by Unit Owners other than a Declarant. Not later than 60 days after conveyance of 50 percent of the Units that may be created to Unit Owners other than a Declarant, not less than one-half of the members of the Executive Board must be elected by Unit Owners other than a Declarant.

ARTICLE VI

REGISTERED AGENT FOR SERVICE AND ADDRESS

The initial registered office of the Association shall be at 1000 Summit Boulevard, Suite 210, Frisco, Colorado 80443, and the named initial registered agent at such address is Steven F. Letofsky. The mailing address shall be: P.O. Drawer 549, Frisco, Colorado 80443. Either the registered office or the registered agent may be changed in the manner provided by law.

ARTICLE VII

EXECUTIVE BOARD

The initial Executive Board 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:

Rick Ruben
500 N. 3rd Street, Suite 111
Fairfield, Iowa 52556

Curtis McDonald
500 N. 3rd Street, Suite 111
Fairfield, Iowa 52556

Phil Hirschhorn
500 N. 3rd Street, Suite 111
Fairfield, Iowa 52556

ARTICLE VIII

INCORPORATOR

The name and address of the incorporator is:

Steven F. **Letofsky**
1000 N. Summit Boulevard, Suite 210
P.O. Drawer 549
Frisco, Colorado 80443

ARTICLE IX

PROJECT MANAGER

The Association may obtain and pay for the services of a person, persons or entity as Project Manager to administer and manage its affairs and be responsible for the operation, maintenance, repair and improvement of the General 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.

ARTICLE X

INDEMNIFICATION

10.1 Except as otherwise provided in the Colorado Common Interest Ownership Act, the Association may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association), by reason of the fact that he is or was a manager, officer, project manager, employee, fiduciary or agent of the Association or is or was serving at the request of the Association as a manager, project manager, officer, employee, fiduciary or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgements, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding, if he acted in good faith and in a manner he reasonably believed to be in the best interests of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction or upon a plea of *nolo contendere* or its equivalent shall not of itself create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in the best interests of the Association and, with respect to

any criminal action or proceeding, had reasonable cause to believe his conduct was unlawful.

10.2 The Association may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or complete action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a manager, officer, project manager, employee, fiduciary or agent of the **Association** or is or was serving at the request of the Association as a manager, project manager, officer, employee, fiduciary or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including **attorneys'** fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in the best interests of the Association; but no indemnification shall be made in respect of any claim, issue, or matter as to which such person has been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association unless and only to the extent that the court in which such action or suit was brought determines upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses which such court deems proper.

10.3 To the extent that a manager, officer, project manager, employee, fiduciary or agent of a corporation has been successful on the merits in defense of any action, suit, or proceeding referred to in paragraphs 1 or 2 of this Article X or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including **attorneys'** fees) actually and reasonably incurred by him in connection therewith.

10.4 Any indemnification under paragraphs 1 or 2 of this Article X (unless ordered by a court) and as distinguished from paragraph 3 of this Article shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the manager, officer, project manager, employee, fiduciary or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in paragraphs 1 or 2 above. Such determination shall be made by the Executive Board by a majority vote of a quorum consisting of managers who were not parties to such action, suit, or proceeding, or, if such a quorum is not obtainable or, even if obtainable, if a quorum of disinterested managers so directs, by independent legal counsel in a written opinion, or by the members entitled to vote thereon.

10.5 Expenses, including attorneys' fees, incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Association in advance of the final disposition of such action, suit, or proceeding as authorized in paragraphs 3 or 4 of

this Article X upon receipt of an undertaking by or on behalf of the manager, officer, project manager, employee, fiduciary or agent to repay such amount unless it is ultimately determined that he is entitled to be indemnified by the Association as authorized in this Article X.

10.6 The indemnification provided by this Article X shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of members or disinterested managers, or otherwise, and any procedure provided for by any of the foregoing, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a manager, officer, project manager, employee, fiduciary or agent and shall inure to the benefit of heirs, executors, administrators of such a person.

10.7 The Association may **purchase** and maintain insurance on behalf of any person who is or was a manager, officer, project manager, employee, fiduciary or agent of the Association or who is or was serving at the request of the Association as a manager, officer, project manager, employee, fiduciary or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under provisions of this Article X.

ARTICLE XI

AMENDMENT

Amendment of these Articles shall require the assent of at least three-fourths (3/4) of the members of the Association as provided in the Colorado Nonprofit Corporation Act.

ARTICLE XII

DISTRIBUTION OF ASSETS UPON DISSOLUTION

Upon dissolution of the Corporation, the Board of **Managers** shall provide for the distribution of all assets and liabilities of the Association in the following manner:

1. All liabilities and obligations of the Association shall be paid and discharged, or adequate provisions shall be made therefor.

2. Assets held by the Association on condition requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirement.

3. Assets received and held by the Association, subject to limitations permitting their use only for charitable, religious, eleemosynary, benevolent, educational or similar purposes, but not held upon a condition requiring return, transfer or conveyance by reason of the dissolution, shall be transferred or conveyed to one or more domestic or foreign corporations, societies or organizations engaged in activities similar to those of this Corporation, in accordance with a plan of distribution adopted pursuant to the Colorado Nonprofit Corporation Act which is not inconsistent with these Articles of Incorporation.

4. Assets received and held by the Association not subject to liabilities, conditions or use limitations, as specified in Paragraphs 1, 2 and 3 above, shall be distributed to the Owners of Lots pro rata according to their ownership interests as specified in Exhibit B of the Declaration.

5. Any remaining assets may be distributed to such persons, societies, organizations, governmental entities, political subdivisions, or domestic or foreign corporations, whether for profit or nonprofit, as may be specified in a plan of distribution adopted pursuant to the Colorado Nonprofit Corporation Act and which is not inconsistent with these Articles of Incorporation.

ARTICLE XIII

EXECUTION

In Witness Whereof, the undersigned incorporator has signed these Articles in duplicate this 17th day of May, 1994.



Steven F. Letofsky

STATE OF COLORADO)
) ss.
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this 17th day of May, 1994, by Steven F. Letofsky.

Witness my hand and official seal.

My Commission Expires: July 26, 1995



Laura M. Mansfield
Notary Public