

ARTICLES OF INCORPORATION
OF
THE RESERVE ON THE EAGLE RIVER
(As Amended 1986)

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The undersigned person, acting as an incorporator under the Colorado Nonprofit Corporation Act, signs and acknowledges the following Articles of Incorporation.

ARTICLE I

Name

The name of the corporation is: THE RESERVE ON THE EAGLE RIVER CONDOMINIUM ASSOCIATION (hereinafter called the "Association").

ARTICLE II

Duration

The term of existence of this corporation is perpetual.

ARTICLE III

Purposes

The purpose or purposes for which this corporation is organized are as follows:

- A. To be and constitute the Association to which reference is made in the Declaration of Condominium for THE RESERVE on the Eagle River and any amendments thereto (hereinafter referred to as "Declaration") to be recorded in the records of the Clerk and Recorder of the County of Eagle, State of Colorado, and to perform all obligations and duties of the Association recited in the Declaration.
- B. To provide for maintenance, preservation and architectural control of THE RESERVE on the Eagle River condominium project located in Eagle County, Colorado.
- C. To provide an entity for the furtherance of the interests of the Members of the Association, including the Declarant named in the Declaration,

with objectives of establishing and maintaining THE RESERVE on the Eagle River condominiums of quality and value, enhancing and protecting its economic value and desirability, and promoting the health, safety and welfare of the residents in said project.

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 of the State of Colorado in effect from time to time, including all of the powers necessary or incidental thereto to perform the duties and exercise the rights and powers of the Association under the Declaration which will include, but shall not be limited to, the following:

- A. To act as manager of the entire project known as THE RESERVE on the Eagle River Condominiums and to perform such duties as it may undertake from time to time in connection therewith.
- B. To act, own and manage the General Common Elements, and from funds collected, to provide for maintenance, construction, management, insurance, care of General Common Elements, and to pay such other expenses as are enumerated in the Declaration.
- C. To collect assessments and fees from the Owners pursuant to the Declaration.
- D. To perform such duties and obligations which may be undertaken pursuant to the Declaration in connection with the Limited and General Common Elements and the Condominium Units.

ARTICLE V

Registered Office and Agent

The address of the registered office of the Association is 1795 East Bridge Street, Brighton, Colorado, 80601.

The name of its registered agent at such address is Sadie H. Ard.

ARTICLE VI

Membership

Membership in the Association shall consist of the following:

- A. All Owners shall automatically become Members of the Association; provided, however, Owners of Units in the Adjacent Property shall become Members only in the manner specified in Article VII. No Owner shall have more than one membership per Condominium Unit and ownership of a Condominium Unit shall be the sole qualification for membership. Upon the sale or transfer of a Condominium Unit by an Owner, that person's membership shall be automatically transferred to the purchaser or transferee.
- B. Declarant or its successors, designees or assigns shall be Members.

ARTICLE VII

Voting

The Association shall have two classes of voting membership.

CLASS A. All Owners shall be "Class A Members"; provided, however, the Declarant shall not be a Class A member during the time Declarant is a Class B Member. Class A Members shall be entitled to one vote for each Condominium Unit in which they hold the interests required for membership. When more than one person holds such interest, the vote for such Condominium Unit shall be exercised by one of them designated by written instrument to be the sole voting Member, but in no event shall more than one vote be cast with respect to any such Condominium Unit. In the absence of such designation, the Board may designate the sole voting Member.

CLASS B. The "Class B Member" shall be the Declarant, or its successor in interest, Household Bank fsb. The Class B Member shall be entitled to three votes for each Condominium Unit in which it holds the interest required for membership; provided, however, that the Class B membership shall be converted to Class A membership on the happening of either of the following

events, whichever occurs earlier:

- A. When the total votes (based upon all Condominium Units owned) outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- B. December 31, 1987.

If the Adjacent Property, as defined in the Declaration, is annexed into the Property, the Owners of the Units on the Adjacent Property shall become Members of the Association upon the occurrence of the earlier of the issuance by the appropriate governmental authorities of a certificate of occupancy for the Owner's Unit or such earlier time as designated by the Declarant. If the Declarant is a Class B member at the time it becomes a Member with respect to a Unit on the Adjacent Property, then the Declarant shall continue to be a Class B Member with respect to that Unit on the same terms specified herein.

ARTICLE VIII

Directors

The number of Directors constituting the Board of Directors of this corporation is three (3) and the names and addresses of the persons who are to serve as the initial Directors are:

Sadie H. Ard
1795 East Bridge Street
Brighton, Colorado 80601

Kathleen Correll
1795 East Bridge Street
Brighton, Colorado

Glenn B. Morgenroth
2700 Sanders Road
Prospect Heights, Illinois 60070

ARTICLE IX

Nonprofit Purposes

The Association is formed exclusively under the Colorado Nonprofit Corporation Act and not for pecuniary profit or financial gain. No part of the assets or income of the Association shall be distributable to or inure to the benefit of the Members, Directors or officers except to the extent permitted by the Colorado Nonprofit Corporation Act.

ARTICLE X

Amendments

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

ARTICLE XI

Bylaws

The Board of Directors shall have the power initially to adopt Bylaws to govern the affairs of the corporation. Any alteration, amendment or repeal of the Bylaws or adoption of new Bylaws shall be accomplished in the manner set forth in the Bylaws.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 1st day of June, 1981.

/s/ Richard H. Rossmiller

Address of Incorporator:

STATE OF COLORADO

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) ss.
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COUNTY OF

I hereby certify that on the 1st day of June, 1981, personally appeared before me Richard H. Kossmiller who, being by me first duly sworn, declared that he is the person who signed the foregoing document as incorporator and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 1st day of June, 1981.

My Commission expires: 10-20-1984

Karla Bourn
Notary Public

