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ARTICLES OF INCORPORATION

APPLE GLEN TOWNHOMES ASSOCIATION, INC. 1997/150994 M

SECRETARY OF STATE
03-22-97 14:01:00

A COLORADO NONPROFIT CORPORATION

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 1

Name

The name of this corporation is Apple Glen Townhomes Association, Inc. ("Apple Glen" or the "Association").

ARTICLE 2

Duration

The duration of the Association shall be perpetual.

ARTICLE 3

Purposes and Powers of Association

3.1 The Association shall operate the Common Interest Community known as Apple Glen Townhomes located in the City of Glenwood Springs, County of Garfield, Colorado (the "Common Interest Community") in accordance with the Colorado Common Interest Ownership Act of the Colorado Revised Statutes, as amended (the "Act"), 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 permitted under the Act and the nonprofit corporation laws of the State of Colorado and the Declaration, Bylaws, any Rules and Regulations and other governing documents of the Association.

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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 4

Nonprofit

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

ARTICLE 5

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 one of the Townhomes ("Townhome" or the "Townhomes") in the Common Interest Community shall be a member of the Association. There shall be one membership for each Townhome owned within the Common Interest Community. This membership shall be automatically transferred upon the conveyance of that Townhome. Voting shall be one vote per Townhome, and the vote to which each membership is entitled is the vote assigned to its Townhome in the Declaration of the Common Interest Community. If a Townhome is owned by more than one person, those persons shall agree among themselves how a vote for that Townhome's membership is to be cast. Individual co-owners may not cast fractional votes. A vote by a co-owner for the entire Townhome's membership interest shall be deemed to be pursuant to a valid proxy, unless another co-owner of the same Townhome 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, Townhome Owners who own Townhomes as defined in the Declaration. These Townhome Owners shall elect all members of the Executive Board, following the period of Declarant control defined below.

ARTICLE 6

Registered Agent for Service and Address

The initial registered agent of the Association shall be Bill Shirley at the registered address of 36 Lazy Glen, Snowmass, Colorado 81654.



ARTICLE 7

Directors

The initial Board of Directors shall consist of 2 persons, and this number may be changed by a duly adopted amendment to the Bylaws. Directors shall be nominated and elected as provided in the Bylaws and Declaration. If any Townhome is owned by a partnership, corporation or limited liability company, any officer, partner, manager or employee of that Owner shall be eligible to serve as a director and shall be deemed to be an Owner for the purpose of the preceding sentence. The name and address of the person(s) who shall serve as director(s) until his/their successor(s) shall be selected and qualified is/are as follows.

Bill Shirley
36 Lazy Glen
Snowmass, Colorado 81654

George H. Langworthy, Sr.
6025 Martway, #111
Mission, Kansas 66202

ARTICLE 8

Transactions with Directors

Any director, individually, or any firm of which any director may be a member or any corporation or association of which any director may be an officer or director or in which any director may be interested as the holder of any amount of its capital stock or otherwise may be a party to or may be pecuniarily or otherwise interested in any contract or transaction of the corporation and in the absence of fraud, no contract or other transaction shall be thereby affected or invalidated. Any director of the Association who is also a director or officer of, or interested in, such other corporation, association or firm may not be counted in determining the existence of a quorum for the purpose of authorizing, approving or ratifying such contract or transaction at any meeting of the Board of Directors of the Association; and the vote(s) of such director shall not be counted in any action by the Board of Directors to authorize, approve or ratify such contract or transaction provided, however, that no contract or other transaction described above shall be void or voidable despite failure to comply with the above provisions if such contract or transaction is fair and reasonable to the Association.



ARTICLE 9

Limited Liability

No member of the Board of Directors shall be personally liable to the Association or to its members for monetary damages for any breach of fiduciary duty as a director, except that the foregoing shall not eliminate or limit such director's liability to the Association for monetary damages for the following.

- 9.1 Any breach of such director's duty of loyalty to the Association.
- 9.2 Any of such director's acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law.
- 9.3 Acts specified by applicable statute regarding a director's assent to or participating in the making of any loan by the Association to any director or officer thereof.
- 9.4 Any transaction from which such director derived an improper personal benefit.

If any applicable statute is hereafter amended to authorize the further elimination or limitation of the liability of directors, the liability of a director of the Association, in addition to the limitation on personal liability provided herein, shall be further eliminated or limited to the fullest extent permitted by law. Any repeal or modification of this Article 9 shall be prospective only and shall not adversely affect any right or protection of a director of the Association existing at the time of such repeal or modification.

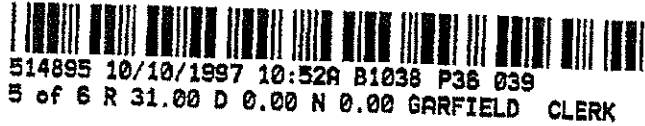
ARTICLE 10

Dissolution

In the event of the dissolution of the Association, all the property and assets of the Association, shall be distributed as follows.

10.1 All liabilities and obligations of the Association shall be paid, satisfied or discharged, or adequate provision shall be made therefor;

10.2 Assets held by the Association requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirements; and



10.3 All other property and assets shall go and be distributed pursuant to a recorded termination agreement executed or ratified by all Townhome Owners and the assets of the Association will be distributed to all Townhome Owners and all lienholders as their interests may appear, all in accordance with the Act.

ARTICLE 11

Incorporator

The name and address of the incorporator is:

George H. Langworthy, Sr.
6025 Martway, #111
Mission, Kansas 66202

ARTICLE 12

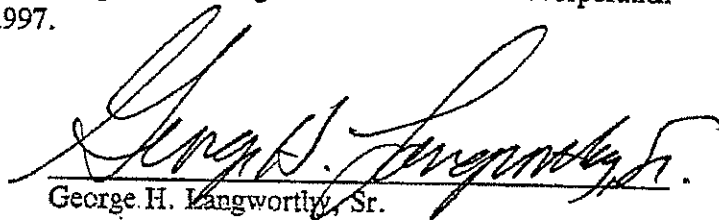
Amendment

Amendment of these Articles of Incorporation shall require the unanimous approval of all of the members of the Association.

ARTICLE 13

Execution

In witness whereof, the undersigned incorporator has signed these Articles of Incorporation in duplicate the 17th day of September, 1997.


George H. Langworthy, Sr.



STATE OF COLORADO

DEPARTMENT OF
STATE
CERTIFICATE

I, VICTORIA BUCKLEY, SECRETARY OF STATE OF THE STATE OF
COLORADO HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF
THIS OFFICE,

APPLE GLEN TOWNHOMES ASSOCIATION, INC.
(COLORADO NONPROFIT CORPORATION)

BECAME INCORPORATED UPON FILING ARTICLES OF INCORPORATION
DATED September 22, 1997.

DATED: September 22, 1997

Victoria Buckley

SECRETARY OF STATE

OFFICE OF THE SECRETARY OF STATE
1700 EAST AVENUE
DENVER, COLORADO 80202



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