

INTRODUCTION

The condominium form of property ownership requires several contractual agreements. These cover the ownership of the condominium unit and common elements, the owner's responsibility to contribute his proportional share of the expenses of maintenance, repair, and insurance of the property, and the Owners Association which manages the property (usually through a hired professional property manager). By this means the interests of all parties are equitably protected. The necessary agreements are described in brief as follows:

Purchase Contract - The receipt for initial payment and the agreement between buyer and seller covering terms of sale, obligations of each party, and provisions for settlement in the event the sale does not close.

Condominium Declaration - The document filed for record with the local County Recorder as required by law. It provides for the legal description and ownership of the individual condominium unit and co-ownership of the land, the building's mechanical and structural components and exterior, the parking area, the pool, and all other areas available to and used by all the owners. Provision is made for the Owners Association which is responsible for the management, maintenance, repairs, and insurance of the property, and assessment of the individual owners for their share of the expenses.

By-Laws - The regulations by which the Owners Association is organized, operated, and financed. The obligations of the owners are detailed.

Articles of Incorporation - The document filed with the State giving non-profit corporation status to the Owners Association which protects the interests of the owners and the officers of the Association.

This introduction is for explanatory purposes only and is not part of any agreement. It is important to read and understand the attached documents in their entirety as they govern the purchase and future operation of the property.

ARTICLES OF INCORPORATION

OF

FOREST HAUS CONDOMINIUM ASSOCIATION
(A Not For Profit Corporation)

We, the undersigned natural persons of the age of twenty-one years or more, acting as incorporators of a corporation under the Colorado Corporation Act, adopt the following Articles of Incorporation for such corporation.

FIRST: The name or title by which the corporation shall be known in law is:

"FOREST HAUS CONDOMINIUM ASSOCIATION"

SECOND: The period of its duration is perpetual.

THIRD: The particular business and objects for which this corporation is formed are as follows:

1. To govern the condominium property situate in Breckenridge, County of Summit, State of Colorado, which is called "The Forest Haus Condominium" and which is described in Exhibit "A" of the By-Laws.

2. To take and hold by bequest, devise, gift, purchase, or lease, either absolutely or in trust for any of its purposes, any property, real, personal or mixed, without limitation as to amount or value thereof, and while the owner thereof, to exercise and enjoy all of the rights, powers and privileges of ownership to the same extent as a natural person might or could do; to operate, use, enjoy, manage, improve, mortgage, pledge, lease, assign, sell, transfer, convey or otherwise dispose of any such property; to invest and reinvest its funds, either principal or income, in any securities or property of whatsoever character deemed proper by its directors for such investment; and, generally to employ, donate and expend the property and funds of the corporation for the purposes thereof as specified in the preceding paragraphs of this Article Third.

3. To make, enter into and perform contracts of every kind and description, necessary, advisable or expedient in carrying out the purposes of the corporation, with any person, firm, association, corporation, municipality, body politic, county, state or government.

4. To have one or more offices and to conduct and carry on any of its business at any place in the State of Colorado.

5. In addition to the above enumerated objects and purposes this corporation shall have all powers granted by the laws of the State of Colorado.

FOURTH: No member shall have any right, title or interest in the assets of the corporation and in the event of dissolution the assets of the corporation shall be liquidated as quickly as possible, the liabilities of the corporation paid, and the balance of the funds on hand shall be donated to a like corporation which is organized not for profit.

FIFTH: The address of the initial registered office of the corporation shall be:

3576 South Logan Street
Englewood, Colorado 80110

and the name of its initial registered agent at such address is John W. Dick.

SIXTH: The number of managers who shall conduct and manage the business and affairs of the corporation shall be not less than three (3), nor more than eleven (11), and the following are hereby designated as managers of the corporation during the first year of its existence or until their successors are duly elected and qualified:

John W. Dick	1888 South Jackson St. #708	Denver, Colorado 80210
Arthur J. Tiffan	3576 South Logan Street	Englewood, Colorado 80110
Larry F. Tiffan	3576 South Logan Street	Englewood, Colorado 80110

SEVENTH: No manager of the corporation shall receive any pecuniary profit from the corporation or its operations; no member of the corporation shall receive any pecuniary profit from the corporation or its operation except reasonable compensation for services performed in effecting one or more of its purposes.

EIGHTH: Qualifications for membership in the corporation shall be set forth in its By-Laws which shall describe the powers and duties of the managers of the corporation, and the managers or members of the corporation, as may be provided in the By-Laws shall have the power, from time to time, to make, alter and amend such prudential By-Laws as they shall deem proper for the management of the business and affairs of said corporation.

NINTH: The name and address of each incorporator is:

John W. Dick	1888 South Jackson St. #708	Denver, Colorado 80210
Arthur J. Tiffan	3576 South Logan Street	Englewood, Colorado 80110

IN WITNESS WHEREOF, we have hereunto set our hands and seals at Denver, Colorado, this _____ day of December, 1971.

_____(SEAL)

_____(SEAL)

_____(SEAL)

STATE OF COLORADO)
) ss.
CITY AND)
COUNTY OF DENVER)

I, Corinne Taylor, a Notary Public, hereby certify that on the _____ day of December, 1971, personally appeared before me, John W. Dick, Arthur J. Tiffan and Larry F. Tiffan, who being by me first duly sworn, severally declared that they are the persons who signed the foregoing document as incorporators and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this _____ day of December, 19 _____.

My commission expires:

Corinne Taylor Notary Public

EXPLANATION OF AMENDMENT

RECOMMENDED CHANGES TO BY-LAWS

1. Amendment to Paragraph 2.3 of Article Two.

It is recommended that Paragraph 2.3 of Article Two of the By-Laws be amended to read as follows:

"2.3 Annual Meeting. The Annual Meeting of the Association shall be held in ~~January or February~~ ^{June} of each year, at a time and place to be designated by the Board of Directors. If the election of directors shall not be held on the date designated for any annual meeting of the members, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be."

EXPLANATION OF AMENDMENT. The By-Laws currently provide that the annual meeting of the Association is to be held in December of each year and must be held prior to December 20. This has been found to be unworkable due to the holiday season and the Board of Directors of the Association believes that holding the meeting in January or February of each year is more convenient and in the best interests of the Association. The notice and quorum provisions of the By-Laws will remain unchanged.

2. Amendment to Paragraph 3.2 of Article Three.

It is recommended that Paragraph 3.2 of Article Three of the By-Laws be amended to read as follows:

"3.2 Number, Tenure, and Qualification. The Board of Directors shall consist of five (5) members, to serve three-year terms. The terms of each Director shall be staggered in order that no more than two (2) terms shall regularly expire in any one year. Directors shall be elected at the annual meeting of members. The directors of the Association shall be members of the Association throughout their tenure."

EXPLANATION OF AMENDMENT. The By-Laws currently provide for only four members on the Board of Directors. This raises the possibility of a tie vote which would be impractical. Further, the Directors believe it to be in the best interests of the Association to have an additional Director in order to have more members participating in the governance of the Association.

3. Amendment to Paragraph 3.9 of Article Three.

It is recommended that Paragraph 3.9 of Article Three of the By-Laws be amended to read as follows:

"3.9 Manner of Acting and Action Without a Meeting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. Any action required or which may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof."

AMENDMENT OF BYLAWS. It has sometimes been necessary for the President or other officers of the Association to take prompt action, in which case it has been impossible to call a special meeting of the Board of Directors. This amendment permits flexibility and prompt action, but does require the officer (presumably the president) to obtain approval of his actions in order for it to be deemed the act of the Board of Directors of the Association.