

ARTICLES OF INCORPORATION  
OF  
HIGHLAND GREENS TOWNHOME ASSOCIATION, INC.

Pursuant to Colorado Revised Statutes § 7-122-102, the individual named below causes these Articles of Incorporation to be delivered to the Colorado Secretary of State for filing, and states as follows:

ARTICLE 1  
NAME

The name of the corporation is Highland Greens Townhome Association, Inc. (the "Association").

ARTICLE 2  
PERIOD OF DURATION

The Association shall exist in perpetuity from and after the date of filing of these Articles of Incorporation with the Colorado Secretary of State, unless dissolved according to Colorado law.

ARTICLE 3  
PURPOSES OF THE ASSOCIATION

The Association shall exist (a) to provide for the operation, administration, use, and maintenance of certain common areas and other property more fully described under the Declaration for Highland Greens recorded in the office of the Clerk and Recorder of Summit County, Colorado, as amended or supplemented from time to time (the "Declaration"); (b) to preserve, protect, and enhance the values and amenities of such property; and (c) to promote the health, safety, and welfare of the members of the Association.

ARTICLE 4  
DEFINITIONS

Unless otherwise specified, capitalized terms used in these Articles of Incorporation shall have the same meanings as such terms have in the Declaration.

ARTICLE 5  
POWERS

In furtherance of the purposes stated above, the Association shall have and may exercise all of the rights, powers, privileges, and immunities now or subsequently conferred upon nonprofit corporations organized under the laws of the State of Colorado and as more particularly granted by the Colorado Nonprofit Corporations Act (the "Act"), the Colorado Common Interest Ownership Act, and the Declaration.

ARTICLE 6  
LIMITATION OF LIABILITY

No director shall have any liability to the Association or to its members for monetary damages for breach of fiduciary duty as a manager, except to the extent such exemption from liability is prohibited by Colorado law. Any repeal or modification of the foregoing sentence shall not adversely affect any right or protection of a manager with respect to any act or omission occurring prior to such repeal or modification.

No director or officer of the Association shall be personally liable for any injury to person(s) or property arising out of a tort committed by an employee of the Association except to the extent such exemption from liability is prohibited under Colorado law.

ARTICLE 7  
INDEMNIFICATION

The Association shall indemnify, to the maximum extent permitted by law, any person who is or was a director, officer, employee, fiduciary, or agent of the Association against any claim, liability, and expense asserted against or incurred by such person made a party to a proceeding, because he or she was a director, officer, employee, fiduciary, or agent of the Association. The Association shall have the authority to the maximum extent permitted by law to purchase and maintain insurance providing such indemnification. Such indemnification shall not extend, in any event, to any act or omission occurring prior to the date of incorporation of the Association.

Whenever such a person seeks indemnification by the Association against any liability or expenses incurred in any threatened, pending, or completed proceeding in which the person is a party by virtue of his or her position in any of the above-referenced capacities, the Association shall proceed diligently and in good faith to make a determination in the manner permitted in the Act, of whether indemnification is permissible in the circumstances. If indemnification is determined to be permissible, the Association shall indemnify the person to the fullest extent permissible, provided that any indemnification for expenses shall be limited to the amount found reasonable by an evaluation conducted in a manner permitted by the Act.

This Article shall not be interpreted to limit any indemnification the Association may be required to pay pursuant to the Act, any court order, or any contract, resolution, or any other commitment that is legally valid.

ARTICLE 8  
DISTRIBUTION OF ASSETS UPON DISSOLUTION

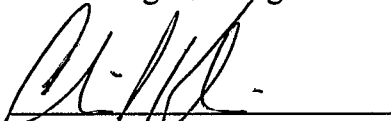
Upon dissolution, the assets of the Association will be distributed to the Owners in accordance with the Colorado Common Interest Ownership Act, codified as amended, at Colorado Revised Statutes § 38-33.3-218.

ARTICLE 9  
VOTING MEMBERS

The Association shall have voting members. Cumulative voting shall not be permitted. /

ARTICLE 10  
REGISTERED OFFICE AND REGISTERED AGENT

The initial registered office of the Association is 40800 Highway 6 & 24, Unit 8, Avon, Colorado 81620. The initial registered agent at such office is Chris Klein, whose consent to serve as registered agent is evidenced by his signature below. /

  
Chris Klein

ARTICLE 11  
INITIAL EXECUTIVE BOARD/PRINCIPAL OFFICE

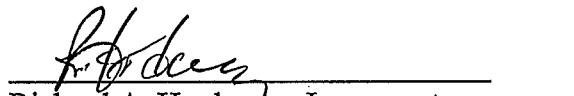
The number of directors of the Association shall be fixed by the bylaws, or if the bylaws fail to fix such a number, then by resolution adopted from time to time by the Executive Board, provided that the number of directors shall be an odd number. The number of directors constituting the initial Executive Board shall be one. The name of the person who shall serve until the first annual meeting of the members of the Association or until his successor is duly elected and qualified and the principal office address of the Association are listed as follows:

Initial Director  
Charles Biederman

Principal Office  
Woodstone Homes  
40800 Highway 6 & 24, Unit 8  
Avon, Colorado 81620

ARTICLE 12  
INCORPORATOR

The name and address of the incorporator is Richard A. Hardaway, 633 Seventeenth Street, Suite 2200, Denver, Colorado 80202. The incorporator is a natural person of the age of 18 years or more. /

  
Richard A. Hardaway, Incorporator  
Isaacson, Rosenbaum, Woods & Levy, P.C.  
633 Seventeenth Street, Suite 2200  
Denver, Colorado 80202  
303-292-5656

ARTICLE 13  
FILING

The name and address of the individual who causes this document to be delivered for filing, and to whom the Secretary of State may deliver notice if filing of this document is refused is:

*R. Hardaway*  
Richard A. Hardaway  
Isacson, Rosenbaum, Woods & Levy, P.C.  
633 Seventeenth Street, Suite 2200  
Denver, Colorado 80202  
303-292-5656

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

The foregoing instrument was acknowledged before me this 30<sup>th</sup> day of September, 2002 by Richard A. Hardaway.

Witness my hand and official seal.

My commission expires: 3/1/2005

[SEAL]

*Bernadeth D. Saleh*  
Notary Public

STATE OF COLORADO        )  
  ) ss.  
COUNTY OF SUMMIT        )

The foregoing instrument was acknowledged before me this 27 day of September, 2002 by Chris Klein, as registered agent.

Witness my hand and official seal.

My commission expires:

[SEAL]

*[Signature]*  
Notary Public

540896.1

DAVID E. HABERMIAS  
NOTARY PUBLIC  
STATE OF COLORADO  
My Commission Expires March 13, 2004