

ARTICLES OF INCORPORATION  
BASBERG TOWNHOUSE ASSOCIATION

The undersigned natural person, being more than twenty—one years of age, and acting as incorporator, does hereby establish a non-profit corporation under and by virtue of the Colorado Non-Profit Corporation Act and adopts the following Articles of Incorporation:

ARTICLE I  
Name

The name of the corporation is the Basberg Townhouse Association, hereafter called the “Association.”

ARTICLE II  
Principal Office

The principal office of the Association is located at 805 Pinion Dr., Unit No. 5, (P. O. Box 1128) Basalt, CO 81621.

ARTICLE III  
Registered Agent

Howard Freeman, whose address is 805 Pinion Dr., Unit No. 5, (P. O. Box 1128) Basalt, CO 81621 is hereby appointed the initial registered agent of this Association, and said address shall be the registered address of this Association.

ARTICLE IV  
Purpose and Powers of the Association

This Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the Lots, Residences and Common Area within that certain tract of property described as the Basberg Townhouses, Town of Basalt, County of Eagle, State of Colorado, and to promote the health, safety and welfare of the residents within the Property and any additions thereto as may hereafter be brought within the jurisdiction of this Association and for these purposes to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Easements, Restrictions and Covenants for the Basberg Townhouses, hereinafter called the

“Declaration,” applicable to the Property, or a portion thereof, and recorded in the Office of the Clerk and Recorder of the County of Eagle, Colorado, in Book 369 at Page 97, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length (terms which are defined in the Declaration shall have the same meanings herein unless otherwise defined);

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association, provided that no conveyance, sale, transfer or dedication will be effective unless approved by two—thirds (2/3) of each class of Members, as hereinafter described, and by all First Mortgagees of Lots;

(d) borrow money, and with the assent of two—thirds (2/3) of each class of Members and all First Mortgagees of Lots, mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members, and grant easements for public utilities and other purposes consistent with the intended use of the common area, provided that no such dedication, sale or transfer shall be effective unless first approved by two-thirds (2/3) of each class of Members and by all First Mortgagees of Lots, and further provided that the granting of easements as provided herein shall not be deemed a transfer within the meaning of this subsection (e);

(f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area, subject to the prior written approval of the Federal Housing Administration or Veterans Administration while there is a Class B membership, provided that any merger or consolidation shall have the assent of two—thirds (2/3) of each class of Members;

(g) manage, control, operate, maintain, repair and improve the Common Area;

(h) enforce covenants, restrictions and conditions affecting any property to the extent this corporation may be authorized under the Declaration;

(i) engage in activities which will actively foster, promote and advance the common ownership interests of Owners of Lots;

(j) enter into, make, perform or enforce contracts of every kind and description, and to do all other acts necessary, appropriate or advisable in carrying out any purpose of this Association, with or in association with any person, firm, association, corporation or other entity or agency, public or private;

(k) adopt, alter and amend or repeal such Bylaws as may be necessary or

desirable for the proper management of the affairs of this Association, provided, however, that such Bylaws may not be inconsistent with or contrary to any provisions of these Articles of Incorporation or the Declaration; and

(1) have and exercise any and all powers, rights, and privileges which a corporation organized under the Colorado Nonprofit Corporation Act by law may now or hereafter have or exercise.

## ARTICLE V Membership

Every person or entity who is a record owner of a fee or undivided fee interest in any lot which is now or hereafter subject to the Declaration, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

A transfer of membership, including all rights of an Owner with respect to the Common Area, shall occur automatically upon the transfer of title to the Lot to which the membership pertains. The Association may suspend the voting rights of a Member for failure to comply with rules and regulations of the Bylaws of the Association or with any other obligations of the Owners of a lot under the Declaration. All Members shall be entitled to vote on all matters, except any Members who are in default in any obligations to the Association.

Cumulative voting is prohibited.

## ARTICLE VI Voting Rights

The Association shall have two classes of voting membership;

Class A. Class A Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote of such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any such Lot.

Class B. The Class Member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each Lot owned which is neither leased, nor rented, nor otherwise occupied. Leasing, renting or allowing entry for occupancy shall terminate the Declarant's weighted voting advantage in relation to any Lot so leased, rented or occupied, and will limit Declarant in relation to any such Lots to the same voting rights as a Class A Member. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership; or

(b) three years following conveyance of the first Lot within the above described property by the Declarant as named in the Declaration.

ARTICLE VII  
Board of Directors

The affairs of this Association shall be managed by a Board of not less than one (1) director, and not more than five (5) directors, who shall be members of the Association. The number of Directors shall be designated in the Bylaws of the Association and may be changed by amendment of the Bylaws from time to time. The initial Board of Directors of the corporation shall consist of three (3) directors who shall serve until the first annual meeting of members or until their successors are duly elected and qualified. The names and addresses of said initial directors are:

Howard Freeman	P.O. Box 1128	Basalt, CO	81621
Joe H. Emery	P.O. Box 995	Basalt, CO	81621
Al Burnham	P.O. Box 8137	Aspen, CO	81612

ARTICLE VIII  
Officers

The Board of Directors may appoint a President, one or more Vice—Presidents, a Secretary, a Treasurer and such other officers as the Board, in accordance with the provisions of the Bylaws, believes will be in the best interests of the corporation. The officers shall have such duties as may be prescribed in the Bylaws of the corporation and shall serve at the pleasure of the Board of Directors.

ARTICLE IX  
Dissolution

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of Members. Upon dissolution of the Association other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE X  
Duration

The corporation shall exist perpetually.

ARTICLE XI  
Amendments

Amendment of these Articles shall require the assent of three-fourths (3/4) of each class of Members, provided, however, that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with any provision of the Declaration.


ARTICLE XII  
FHA/VA Approval

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

ARTICLE XIII  
Incorporator

The incorporator of this corporation is Howard Freeman and his address is 805 Pinion Dr., Unit No. 5, (P. O. Box 1128) Basalt, CO 81621.

IN WITNESS WHEREOF, the undersigned incorporator has subscribed his name to the Articles of Incorporation of Basberg Townhouse Association, a corporation not for profit, on this 5<sup>th</sup> day of February, 1992.

  
Howard Freeman

STATE OF COLORADO    )  
                                  )  
                                  )    ss.  
COUNTY OF EAGLE    )

I,  
a notary public, hereby certify that Howard Freeman, known to me to be the person whose name is subscribed in the foregoing Articles of Incorporation, appeared before me this 5<sup>th</sup> day of February, 1992, in person and being by me first duly sworn, acknowledged and declared that he signed such Articles of Incorporation as his free and voluntary act and deed, for the uses and purposes therein set forth, and that the statements therein contained are true.

WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public