

ARTICLES OF INCORPORATION
OF
THE VILLAGE AT COPPER ASSOCIATION, INC.

The undersigned adult natural person, acting as incorporator, hereby establishes a nonprofit corporation pursuant to the Colorado Revised Nonprofit Corporation Act and adopts the following articles of incorporation:

ARTICLE I
NAME

The name of the corporation is The Village at Copper Association, Inc.

ARTICLE II
DURATION

The corporation shall have perpetual existence.

ARTICLE III
REGISTERED OFFICE AND AGENT

3.01 Registered Agent. The address of the initial registered office of the corporation is Copper Mountain, Inc., Copper Mountain Resort Development, P.O. Box 3786, 325 Lake Dillon Drive, Dillon, Colorado 80435. The name of its initial registered agent at such address is Paul J. Stashick. The written consent of the initial registered agent to the appointment as such is stated below.

3.02 Principal Office. The address of the corporation's principal office is Copper Mountain, Inc., Copper Mountain Resort Development, P.O. Box 3786, 325 Lake Dillon Drive, Dillon, Colorado 80435.

ARTICLE IV
DEFINITIONS

4.01 Declaration.

As used in these Articles, "Declaration" means the Declaration of Covenants, Conditions and Restrictions for The Village at Copper, recorded with the Clerk and Recorder of Summit County, Colorado.

4.02 Other Definitions.

Unless otherwise defined herein, all capitalized terms used in these Articles shall have the meanings given to them in the Declaration.

ARTICLE V
MEMBERSHIP AND VOTING

5.01 Membership.

Every Owner shall be a member of the Village Company, and a Person who is not an Owner may not be a member of the Village Company.

5.02 Associates.

The Owner of any residential property or wholesale, retail or service business, and the Association of any Common Interest Community, in each case that is not otherwise a member, shall be entitled to become an associate (an "Associate") of the Village Company by (a) giving written notice to the Executive Board to such effect and (b) complying with the Rules and Regulations governing Associates.

5.03 Voting in General.

(a) The votes in the Village Company shall be allocated as described in this Section 5.03 and Sections 5.04 through 5.08 below. Notwithstanding any other provision of this Declaration, no votes shall be allocated to Associates.

(b) There shall be five categories for allocating votes in the Village Company:

- (i) Residential Sites;
- (ii) Commercial Spaces;
- (iii) Lodge Rooms;
- (iv) the Resort Parcel; and
- (v) Undeveloped Land.

(c) The votes allocated to a Residential Site, a Commercial Space, a Lodge Room the Resort Parcel or Undeveloped Land shall be held by the Owner(s) of such Residential Site, Commercial Space, Lodge Room, Resort Parcel or Undeveloped Land, as the case may be, and may not be separated from the Residential Site, Commercial Space, Lodge Room, Resort Parcel or Undeveloped Land to which the votes are allocated. The votes allocated to a Residential Site, Commercial Space, Lodge Room, the Resort Parcel or Undeveloped Land may be transferred or encumbered only in connection with the conveyance or encumbrance of the fee simple interest in such Residential Site, Commercial Space, Lodge Room, Resort Parcel or

Undeveloped Land. Any transfer or encumbrance of votes in the Village Company, other than as permitted in this paragraph 5.03(c), shall be void and have no force or effect.

(d) Notwithstanding the terms and conditions of paragraph 5.03(c) above, the Owner of a Residential Site, Commercial Space, Lodge Room, the Resort Parcel or Undeveloped Land, may appoint an agent to vote the votes allocated to the Owner's Residential Site, Commercial Space, Lodge Room, the Resort Parcel or Undeveloped Land by a duly executed proxy, in such form as the Village Company may reasonably require, timely delivered to the Village Company.

(e) Class voting shall be allowed for the election of Residential Directors, Commercial Directors and the Resort Director pursuant to Article V of the Declaration, but for no other purpose.

(f) Cumulative voting shall not be allowed in the election of Directors or for any other purpose.

(g) There shall be no votes allocated to (i) that portion of any Site that is a Community Facility or an Employee Housing Unit or (ii) Undeveloped Land which has not been assigned any equivalent units, commercial space or cafeteria space under the Copper Mountain PUD.

(h) In any instance described in this Declaration where fractional voting is permitted, if the number of votes allocated to any Person is not a whole number, such Person shall be entitled to vote the number of votes allocated to such Owner, rounded to the nearest lower whole number. In no event shall any Person be entitled to cast less than a whole number of votes.

5.04 Residential Voting.

(a) Each Residential Site shall be allocated one vote for each square foot of Area of such Residential Site, regardless of the number of Owners of that Residential Site. Except as provided in paragraph 5.04(b) below, fractional voting shall not be allowed for any votes allocated to a Residential Site. If the Owners of a Residential Site cannot agree among themselves as to how to cast their votes on a particular matter, they shall lose their right to vote on such matter. If any Owner of a Residential Site casts the votes for that Residential Site, it will thereafter be presumed for all purposes that the Owner was acting with the authority and consent of all other Owners of that Residential Site, unless an Owner of that Residential Site makes an objection thereto to the Person presiding over the meeting when the votes are cast. If more than the votes allocated to a Residential Site are cast for any Residential Site, none of such votes shall be counted and all of such votes shall be deemed null and void.

(b) Notwithstanding the terms and conditions of paragraph 5.04(a) above, if a Residential Site is owned in Time Share Estates, fractional voting shall be allowed for the votes allocated to that Residential Site. In that case, the votes allocated to a Residential Site shall be allocated proportionally among the Time Share Estates based upon the following formula: the Area of the Residential Site multiplied by a fraction, the numerator of which is the number of

weeks the Owner is permitted to use the Residential Site as the Owner of the Time Share Estate, and the denominator of which is 52.

(c) Except as set forth in paragraph 5.04(d) below, in any election of Residential Directors, the Owner of a Residential Site shall have a number of votes equal to the number of Residential Directors for which that Owner may vote by virtue of its ownership of that Residential Site multiplied by the number of votes allocated to that Residential Site.

(d) If a Residential Site is owned in Time Share Estates, the Owner of a Time Share Estate shall have, in any election of Residential Directors, a number of votes equal to the product obtained by multiplying:

(i) the number of votes allocated to that Time Share Estate pursuant to paragraph 5.04(b) above; by

(ii) the number of Residential Directors for which the Owner may vote by virtue of its ownership of the Time Share Estate.

5.05 Commercial Voting.

(a) Each Commercial Space shall be allocated one vote for each square foot of Area of such Commercial Space, regardless of the number of Owners of that Commercial Space. If the Owners of a Commercial Space cannot agree among themselves as to how to cast their votes on a particular matter, they shall lose their right to vote on such matter. If any Owner of a Commercial Space casts the votes for that Commercial Space, it will thereafter be presumed for all purposes that the Owner was acting with the authority and consent of all other Owners of that Commercial Space, unless an Owner of that Commercial Space makes an objection thereto to the Person presiding over the meeting when the votes are cast. If more than the votes allocated to a Commercial Space are cast for any Commercial Space, none of such votes shall be counted and all of such votes shall be deemed null and void.

(b) The Owner of a Commercial Space may appoint its lessee in that Commercial Space as its agent to vote all or any portion of the votes allocated to that Commercial Space by proxy in accordance with the terms and conditions of paragraph 5.03(d) above. In that regard, fractional voting shall be allowed for the votes allocated to a Commercial Space. Notwithstanding the foregoing, if more votes are cast for a Commercial Space than are allocated to that Commercial Space, none of such votes shall be counted and all of such votes shall be deemed null and void.

(c) In any election of Commercial Directors, the Owner of a Commercial Space shall have a number of votes equal to the product obtained by multiplying:

(i) the number of votes allocated to that Commercial Space; by

(ii) the number of Commercial Directors for which Owner may vote by virtue of its ownership of that Commercial Space.

5.06 Lodge Room Voting.

(a) Each Lodge Room shall be allocated a number of votes equal to the quotient obtained by dividing:

- (i) the number of square feet of Area of such Lodge Room; by
- (ii) three (3), regardless of the number of Owners of that Lodge Room.

(b) Fractional voting shall not be allowed for votes allocated to a Lodge Room. If the Owners of a Lodge Room cannot agree among themselves as to how to cast their votes on a particular matter, they shall lose their right to vote on such matter. If any Owner of a Lodge Room casts the votes for that Lodge Room, it will thereafter be presumed for all purposes that the Owner was acting with the authority and consent of all other Owners of that Lodge Room, unless an Owner of that Lodge Room makes an objection thereto to the Person presiding over the meeting when the votes are cast. If at any meeting more votes are cast for a Lodge Room than are allocated to that Lodge Room, none of such votes shall be counted and all of such votes shall be deemed null and void.

(c) In any election of Commercial Directors, the Owner of a Lodge Room shall have a number of votes equal to the product obtained by multiplying:

- (i) the number of votes allocated to the Lodge Room, by
- (ii) the number of Commercial Directors for which the Owner may vote by virtue of its ownership of the Lodge Room.

5.07 Resort Parcel Voting.

(a) The Resort Parcel shall be allocated one vote for each square foot of Area of the Resort Parcel, regardless of the number of Owners of the Resort Parcel.

(b) If the Owners of the Resort Parcel cannot agree among themselves as to how to cast their votes on a particular matter, they shall lose their right to vote on that matter. If any Owner of the Resort Parcel casts the votes for the Resort Parcel, it will thereafter be presumed for all purposes that the Owner was acting with the consent and authority of all other Owners of the Resort Parcel, unless an Owner of the Resort Parcel makes an objection thereto to the Person presiding over the meeting when the votes are cast. If the Owners of the Resort Parcel cast more votes for the Resort Parcel than are allocated to the Resort Parcel, none of such votes shall be counted and all of such votes shall be deemed null and void.

5.08 Undeveloped Land Voting.

(a) Undeveloped Land shall be allocated one vote for each square foot of Area of such Undeveloped Land, regardless of the number of Owners of such Undeveloped Land.

(b) If the Owners of Undeveloped Land cannot agree among themselves as to how to cast the votes on a particular matter, they shall lose their right to vote on such matter. If

any Owner of Undeveloped Land casts the votes for that Undeveloped Land, it will thereafter be presumed for all purposes that the Owner was acting with the consent and authority of all other Owners of such Undeveloped Land, unless an Owner such Undeveloped Land makes an objection thereto to the Person presiding over the meeting when the votes are cast. If the Owners of Undeveloped Land cast more votes for such Undeveloped Land than are allocated thereto, none of such votes shall be counted and all of such votes shall be deemed null and void.

(c) In any election of Commercial Directors, the Owner of Undeveloped Land shall have a number of votes equal to the product obtained by multiplying:

- (i) the number of votes allocated to such Undeveloped Land; by
- (ii) the number of Commercial Directors for which the Owner may vote by virtue of its ownership of such Undeveloped Land.

ARTICLE VI **PURPOSES AND POWERS**

6.01 Purposes.

The Village Company's purposes are:

- (a) to acquire, own, lease, sell, transfer, grant easements over, encumber, manage, operate, insure, improve, repair, replace and maintain the Common Elements and all other property of the Village Company;
- (b) to provide certain facilities and services to Owners, Guests and the general public;
- (c) to administer and enforce the covenants, conditions, restrictions, reservations and easements created by the Declaration;
- (d) to levy, collect and enforce the Assessments, charges and liens imposed pursuant to the Declaration;
- (e) to promote Copper Mountain Resort as a four-season destination resort community;
- (f) to maintain and enhance property values within The Village at Copper;
- (g) to take any action it deems necessary or appropriate to protect the general welfare of Owners, Guests and the general public;
- (h) to enter into agreements with other Persons, including, without limitation, easements, licenses, leases and other agreements with other Associations and with governmental and quasi-governmental entities, which provide for the sharing of expenses among the Village Company and such other Persons for improvements, facilities and services that serve the Village Company and such other Persons; and

- (i) to regulate and manage The Village at Copper.

6.02 Powers.

(a) Unless expressly prohibited by law or any of the Village Company Documents, the Village Company may (i) take any and all actions that it deems necessary or advisable to fulfill its purposes, including, without limitation, the hiring and termination of employees, agents and independent contractors; (ii) exercise any powers conferred by the Act or any Village Company Document; (iii) exercise all powers that may be exercised in Colorado by nonprofit corporations, including, without limitation, the power to borrow money and to secure any such borrowing with the Common Elements and the Village Company's other assets; and (iv) merge or consolidate the Village Company with one or more Associations or other Persons, including, without limitation, POLA and/or the Resort Chamber.

(b) Without in any way limiting the powers of the Village Company as described in paragraph 6.02(a) above, the Village Company may, but is not obligated to, provide the following facilities and services to Owners, Guests and the general public:

- (i) safety facilities and services, such as security, traffic control, waste control and disposal and rodent, pest, mosquito and other animal control facilities and services;
- (ii) medical facilities and services;
- (iii) roads and road maintenance and construction services;
- (iv) transportation facilities and services;
- (v) parking facilities and services;
- (vi) lighting and signage facilities and services;
- (vii) utility facilities and services, such as electric, natural gas, water, sewer, telephone, and fiber optic facilities and services;
- (viii) environmental management facilities and services, including those related to forest management, wildlife management, water management, air quality management, wetland management, flood plain management and environmental cleanup and remediation;
- (ix) family facilities and services, including child care centers and teen centers;
- (x) cultural facilities and services, such as chapel, library, theater, art, music, community center and special events facilities and services;
- (xi) athletic facilities and services, such as aquatic, golf, tennis, gym, spa, exercise, hiking, biking, skiing, snowboarding, skating, snowshoeing and equestrian facilities and services;

(xii) other recreational facilities and services, such as nature centers, parks, open spaces, picnic grounds, fire pits, public fountains and squares and botanical gardens;

(xiii) conference and meeting facilities and services;

(xiv) marketing, travel and special events facilities and services;

(xv) property management facilities and services, including landscaping, trash removal and recycling, snow removal and maintenance facilities and services; and

(xvi) information facilities and services.

(c) Without in any way limiting the powers of the Village Company as described in paragraph 6.02(a) above, the Village Company may, but is not obligated to, (i) charge use fees for the use of any Common Elements and for the use of any facilities or services provided by the Village Company and (ii) make capital improvements to the Common Elements.

(d) The Village Company may provide facilities and services itself or it may contract with private, governmental and quasi-governmental Persons to provide facilities or services.

6.03 Restrictions on Purposes and Powers.

The purposes and powers of the Village Company described in Sections 6.01 and 6.02 above are subject to the following limitations:

(a) The Village Company shall be organized and operated exclusively for nonprofit purposes as set forth in Section 528 of the Internal Revenue Code of 1986, as amended, or in any corresponding provision of any future law of the United States of America providing for exemption of similar organizations from income taxation.

(b) No part of the net earnings of the Village Company shall inure to the benefit of any Owner, except as expressly permitted in paragraph 6.03(c) below with respect to the dissolution of the Village Company.

(c) The Village Company shall not pay any dividends. No distribution of the Village Company's assets to Owners shall be made until all of the Village Company's debts are paid, and then only upon the final dissolution of the Village Company as permitted in the Declaration. Upon payment of all of the Village Company's debts and final dissolution, any remaining assets of the Village Company shall be distributed among the Owners in accordance with the terms and conditions of the Act.

ARTICLE VII
EXECUTIVE BOARD

7.01 Executive Board.

(a) The business and affairs of the Village Company shall be controlled, conducted and managed by the Executive Board, except as otherwise provided in the Colorado Revised Nonprofit Corporation Act, the Declaration, these Articles or the Bylaws.

(b) Except as provided by law or in the Declaration, these Articles or the Bylaws, the Executive Board may act on behalf of the Village Company in all instances. The Executive Board may not however, act on behalf of the Village Company to (i) amend the Declaration; (ii) terminate the Village Company, the Declaration or The Village at Copper; (iii) elect Directors to the Executive Board, other than to fill a vacancy for the unexpired portion of any Director's term, subject to Declarant's rights under Section 7.02 below; or (iv) determine the qualifications, powers and duties, or terms of office, of Directors.

(c) The Executive Board shall consist of seven (7) Directors, of which three (3) shall be Residential Directors, three (3) shall be Commercial Directors and one (1) shall be the Resort Director. The names and addresses of the initial Directors are as follows:

<u>Name</u>	<u>Address</u>
Paul Stashick	325 Lake Dillon Drive, Suite 205 Dillon, Colorado 80435
Steve Kelley	325 Lake Dillon Drive, Suite 205 Dillon, Colorado 80435
Brenton Guyor	325 Lake Dillon Drive, Suite 205 Dillon, Colorado 80435
Ron Barnes	325 Lake Dillon Drive, Suite 205 Dillon, Colorado 80435
Scott Chomiak	25 Lake Dillon Drive, Suite 205 Dillon, Colorado 80435
Wenda Huseman	325 Lake Dillon Drive, Suite 205 Dillon, Colorado 80435
Martin Hammock	209 Ten Mile Circle, 2nd Floor Copper Mountain, Colorado 80443

7.02 Declarant Control Period.

(a) Subject to the terms and conditions of paragraphs 7.02(b), (c) and (d) below, but notwithstanding anything else to the contrary contained in these Articles or in any other Village Company Document, Declarant shall have the exclusive right to appoint and remove all Officers and Directors during the Declarant Control Period. The term "Declarant Control Period" means the period commencing on the date on which Declarant forms the Village Company and ending on the earlier of:

(i) the date that is sixty (60) days after conveyance to Purchasers of seventy-five percent (75%) of the maximum number of Equivalent Units allocated to the Property;

(ii) the date that is six (6) years after the last conveyance of a Site by Declarant to a Purchaser in the ordinary course of business; or

(iii) the date that is twenty (20) years after the date the Declaration is recorded in the Summit County Records.

(b) Declarant may voluntarily surrender its right to appoint and remove Officers and Directors prior to the expiration of the Declarant Control Period, but, in that event, Declarant may require, for the remainder of the Declarant Control Period, that specific actions of the Village Company or the Executive Board, as described in a recorded instrument executed by Declarant, be approved by the Declarant before they become effective.

(c) Notwithstanding anything to the contrary contained in paragraph 7.02(a) above, not later than sixty (60) days after the conveyance to Purchasers of twenty-five percent (25%) of the maximum number of Equivalent Units allocated to the Property, the two (2) Residential Directors appointed by Declarant that are in the same class (as described in paragraph 5.03(a) of the Declaration) shall be replaced with two Residential Directors elected by the Owners of Residential Sites, other than Declarant.

(d) Notwithstanding anything to the contrary contained in paragraph 7.02(a) above, not later than sixty (60) days after the conveyance to Purchasers of fifty percent (50%) of the maximum number of Equivalent Units allocated to the Property, the Residential Director appointed by the Declarant that is in the second class (as described in paragraph 5.03(b) of the Declaration) shall be replaced with a Residential Director elected by the Owners of Residential Sites, other than Declarant.

(e) During the thirty (30)-day period immediately preceding the date on which the Declarant Control Period expires, the Owners shall elect an Executive Board of seven (7) Directors, at least a majority of whom must be Owners other than Declarant or designated representatives of Owners other than Declarant.

ARTICLE VIII
LIABILITY AND INDEMNIFICATION

8.01 Limits on Directors' Liability.

To the fullest extent permitted by the Act and the Colorado Revised Nonprofit Corporation Act, as the same exist or may hereafter be amended, a Director shall not be liable to the Village Company or the Owners for monetary damages for breach of fiduciary duty. Any repeal or modification of this Section 8.01 shall be prospective only and shall not adversely affect any right or protection of a Director existing at the time of such repeal or modification.

8.02 Indemnification.

To the fullest extent permitted by the Act and the Colorado Revised Nonprofit Corporation Act, as the same exist or may hereafter be amended, the Village Company shall indemnify each Director and each officer, employee, fiduciary and agent of the Village Company.

ARTICLE IX
BYLAWS

The initial Bylaws of the Village Company shall be adopted by the Executive Board. The Executive Board shall have the power to alter, amend or repeal the Bylaws from time to time and to adopt new Bylaws. The Bylaws of the Village Company may contain any provisions for the regulation or management of the affairs of the Village Company that are not inconsistent with applicable law, the Declaration or these Articles.

ARTICLE X
AMENDMENT

The Village Company may amend, alter, change or repeal any provision contained in these Articles by, unless a higher voting requirement is set forth herein with respect to any particular provisions, the vote of the holders of at least eighty percent (80%) of the votes in the Village Company at any regular or special meeting called for that purpose at which a quorum is represented. The Village Company's right to amend, alter, change or repeal these Articles is subject to the limitations thereon set forth in the Declaration.

ARTICLE XI
INCORPORATOR

The name and address of the incorporator is Robert P. Detrick, 1050 - 17th Street, Suite 1500, Denver, Colorado 80265.

Dated this ____ day of _____, 200_.

Robert P. Detrick

REGISTERED AGENT'S ACCEPTANCE OF APPOINTMENT

Paul J. Stashick hereby consents to appointment as the initial registered agent for The Village at Copper Association, Inc.

Paul J. Stashick

The address to which the Secretary of State may send a copy upon completion of the filing is Robert P. Detrick, Jacobs Chase Frick Kleinkopf & Kelley, LLC 1050 - 17th Street, Suite 1500, Denver, Colorado 80265.