

SECOND AMENDED AND RESTATED

FILED - CUSTOMER COPY
VICTORIA S. SCHMIDT
COLORADO SECRETARY OF STATE

ARTICLES OF INCORPORATION OF
ARROWHEAD AT VAIL ASSOCIATION

19991065878 C
\$ 75.00
SECRETARY OF STATE
04-08-1999 12:22:27

In compliance with the requirements of the Colorado Nonprofit Corporation Act, and specifically Title VII, Article 21, Sections 107 and 110, Colorado Revised Statutes, as amended, the undersigned hereby acknowledge their intent to amend and restate the original Articles of Incorporation of the Arrowhead at Vail Association, a nonprofit corporation, which articles were filed with the Colorado Secretary of State on July 8, 1983 and the Amended and Restated Articles of Incorporation of the Arrowhead at Vail Association, which articles were filed with the Colorado Secretary of State on September 12, 1985. Defined terms used herein shall have the same meaning as they have in the Declaration, defined below.

ARTICLE I

NAME

The name of the corporation is Arrowhead at Vail Association ("Association").

ARTICLE II

REGISTERED OFFICE

The principal office of the Association is located in Eagle County, Colorado, at 1000 South Frontage Road West, Vail, Colorado 81657. The registered office of the Association is Suite 700, Stanford Place 3, 4582 South Ulster Street Parkway, Denver, Colorado 80237.

ARTICLE III

REGISTERED AGENT

James L. Cunningham, whose address is the same as the registered office, is the initial registered agent of the Association.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

The Association does not contemplate pecuniary gain or profit of the Members thereof. The specific purposes for which it is formed are (i) to provide for maintenance, preservation and architectural control of the Property described on Exhibit A of the Second

Amended and Restated Declaration of Covenants, Conditions, Restrictions, and Easements for Arrowhead at Vail, as amended from time to time (the "Declaration") and recorded in the office of the Clerk and Recorder of Eagle County, Colorado, and (ii) to promote the health, safety, and welfare of the Owners and users of the Property (the "Project").

ARTICLE V

POWERS

In furtherance of its purposes, the Association shall have the powers 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 the Declaration or in the Bylaws of the Association;

(b) fix, levy, collect and enforce payment by any lawful means of 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, subject to all restrictions imposed by the Declaration and Bylaws;

(d) borrow money, and mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, and to authorize the appropriate officers or the Board of Directors to execute all instruments necessary to evidence such indebtedness; provided, however, that the Board shall not borrow an amount greater than \$50,000 or cause the Association to be indebted for an amount greater than \$50,000 at any one time without the prior approval of a majority of the votes in both classes of membership;

(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; provided that such dedication or transfer shall not be effective unless an instrument has been signed by 67 percent of the votes of each class of membership, agreeing to such dedication, sale or transfer (the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area of the Project or the conveyance of any Common Area property or of an interest in Common Area property to the District shall not be deemed a transfer within the meaning of this clause);

(f) participate in mergers and consolidations with other nonprofit corporations organized for similar purposes or annex additional residential property and common area, not included in the Expansion Property, provided that any such merger, consolidation or annexation shall be approved as provided in the Declaration;

(g) enforce covenants, restrictions, or conditions affecting the Project to the extent the Association may be authorized under any such covenants, restrictions, or conditions, and make and enforce rules and regulations pertaining to the use of Common Area and the conduct of Members, their licensees, guests, and invitees while on or in the Project;

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

(i) adopt, alter, and amend or repeal such Bylaws as may be necessary or desirable for the proper management of the affairs of the Association, provided, however, that such Bylaws may not be inconsistent with or contrary to any provisions of the Declaration or these Articles of Incorporation; and

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

ARTICLE VI

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot or Condominium Unit 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 or Condominium Unit.

ARTICLE VII

CLASSES OF MEMBERSHIP AND VOTING RIGHTS

The Association shall have two classes of voting membership.

Class A: Class A Members shall be all Owners, with the exception of Declarant. Each Class A Member shall be entitled to a specific number of votes based on the actual subdivision (as opposed to the permitted density) of the property in Arrowhead at Vail owned, figured as follows:

(i) For Lots classified as Residential Property, as defined in Section 4.5.1 of the Declaration, one vote for each Lot, as shown on the Plat recorded in the office of the Clerk and Recorder of Eagle County, Colorado;

(ii) For Condominium Units classified as Residential Property, one vote for each Condominium Unit, as shown on the Condominium Map recorded in the office of the Clerk and Recorder of Eagle County, Colorado;

(iii) In the case of Commercial Property, as defined in Section 4.5.2 of the Declaration, other than hotel property, regardless of whether the Commercial Property is subject to a condominium or other subdivision regime, one vote for every unit of up to 1,200 square feet of usable or rentable square feet, determined by standards consistent with the Design Guidelines, as indicated by the final, as-built plans for the Commercial Property and noted in a statement of allocated votes signed by Declarant and filed with the Secretary of the Association;

(iv) In the case of a hotel which is not subject to a condominium regime, one vote for each three hotel rooms designed for guest lodging, and in the case of a hotel which is subject to a condominium regime, one vote for each Condominium Unit, as indicated in either case by the final, as-built plans for the Project and noted in a statement of allocated votes signed by Declarant and filed with the Secretary of the Association.

The ownership interests enumerated in paragraphs (i) and (ii) above are sometimes referred to as "Voting Units" in these Articles. The number of votes allocated to the Owner of a Project Parcel shall decrease accordingly as each Voting Unit is transferred by the Owner of the Project Parcel to individual Owners. In the event that the calculation of a voting interest results in what would otherwise be a fractional vote, such voting interest shall be rounded down to the nearest whole number of votes. When more than one person holds an interest in any Voting Unit, all such persons shall be Members. The vote for such Voting Unit shall be exercised by a designated Member as the Owners among themselves determine, and the Secretary of the Association shall be notified of such designation prior to any meeting. In the absence of such advice, the vote allocated to the Voting Unit shall be suspended in the event more than one person or entity seeks to exercise the right to vote. Any Owner of a Voting Unit which is leased may assign his voting right to the tenant, provided that a copy of the instrument of assignment is furnished to the Secretary of the Association prior to any meeting in which the tenant exercises the voting right.

Class B: The Class B Member(s) shall be Declarant and any successor of Declarant who takes title to all or part of the Property for the purpose of development and sale and who is designated as successor declarant in a recorded instrument executed by Declarant. Class B Members shall be entitled to three times the vote otherwise allocated to Class A Members for each Voting Unit owned by Declarant. The Class B membership shall terminate on either of the following dates, whichever occurs earlier:

(a) December 31, 1998, or

(b) The date on which Declarant voluntarily relinquishes its Class B membership, evidenced by a notice recorded in the office of the Clerk and Recorder for Eagle County, Colorado.

From and after the termination of the Class B membership, the Declarant and any designated successor declarant shall be entitled to vote on the same basis as Class A Members. At such time, Declarant shall call a meeting of Owners, as provided by the Bylaws for special meetings, to advise the membership of the termination of Class B status and to transfer control of the Association to the Class A Members.

ARTICLE VIII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of three to nine Directors, who shall be members of the Association or delegates of members appointed pursuant to the Bylaws, except that they need not be members of the Association during the Class B membership. The exact number of Directors shall be as set forth in the Bylaws from time to time. Notwithstanding the foregoing, the initial number of Directors selected by the Declarant shall be three. The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
Willis J. Wright, Jr.	1000 South Frontage Road West Suite 203 Vail, Colorado 81657
Andrew D. Norris	1000 South Frontage Road West Suite 203 Vail, Colorado 81657
Frederick D. Green	1000 South Frontage Road West Suite 203 Vail, Colorado 81657

After the termination of Class B membership, at least one Director shall be elected from each Electoral District, as defined in the Bylaws, and one or more Directors elected at-large. There shall be no more than two at-large members of the Board at any time residing in any one Electoral District. Election of Directors and their terms of office shall be as set out in more detail in the Bylaws. Directors may be removed and vacancies on the Board may be filled as provided in the Bylaws.

ARTICLE IX

OFFICERS

The Board of Directors shall elect a President, a Vice-President, a Secretary, and a Treasurer. The Board may additionally elect such other officers as the Board believes will be in the best interests of the Association. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to the Bylaws. The President must be a member of the Board of Directors. The term of office, duties, and method of removal of officers shall be as prescribed in the Bylaws.

ARTICLE X

MERGER, CONSOLIDATION, OR DISSOLUTION

The Association may be merged or consolidated in the manner provided in Article 25 of Title VII of the Colorado Nonprofit Corporation Act, or may be dissolved in the manner provided in Article 26 of Title VII of said Act. In order for the question of merger, consolidation, or dissolution of the Association (when such question is duly presented in accordance with the statutory requirements at an annual or special meeting) to be approved, such merger, consolidation, or dissolution shall require the assent of 67 percent of the votes of each class of Members present or represented by proxy at a meeting duly called for such purpose. Voting by mail on the question of merger, consolidation, or dissolution is hereby permitted.

ARTICLE XI

DURATION

The Association shall exist perpetually.

ARTICLE XII

AMENDMENTS

Amendment of these Articles shall require the assent of 67 percent of the votes of both classes of Members present or represented by proxy at a meeting duly called for such purpose.

ARTICLE XIII

INITIAL INCORPORATION

The date of the initial incorporation of the Association was July 8, 1983. The name and address of the incorporator was Christina C. Bauer at the address of Sherman & Howard, Suite 2900, 633 Seventeenth Street, Denver, Colorado 80202.

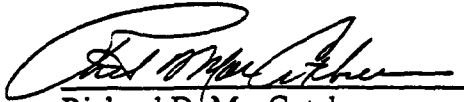
ARTICLE XIV

AMENDMENT AND RESTATEMENT

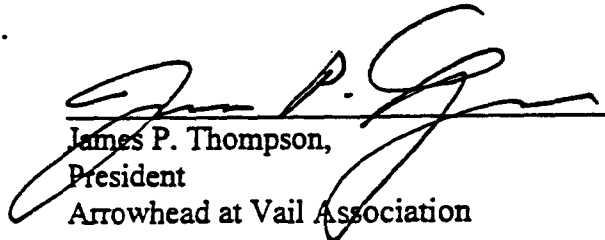
The provisions of these Second Amended and Restated Articles of Incorporation correctly set forth the provisions of the articles of incorporation of the Association, as amended and restated, and supersede the original articles of incorporation of the Association and the Amended and Restated Articles of Incorporation of the Association. These Second Amended and Restated Articles of Incorporation were duly adopted as required by law at an annual meeting of the Members of the Association held December 29, 1998, at which a quorum was present, and such amendment received at least two-thirds of the votes which were entitled to be cast by both classes of Members present or represented by proxy at the meeting.

Dated: as of December 29, 1998.

Attest:



Richard D. MacCutcheon,
Secretary
Arrowhead at Vail Association


James P. Thompson,
President
Arrowhead at Vail Association


STATE OF COLORADO)
) ss.
COUNTY OF EAGLE)

The foregoing instrument was acknowledged before me this 30th day of March, 1999, by James P. Thompson, as President of Arrowhead at Vail Association, a Colorado nonprofit corporation, as of December 29, 1998.

WITNESS my hand and official seal.



My Commission Expires: _____


Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF EAGLE)

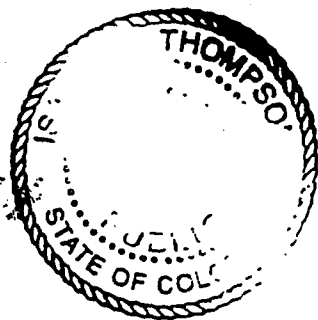
The foregoing instrument was acknowledged before me this 30th day of March, 1999, by Richard D. MacCutcheon, as Secretary of Arrowhead at Vail Association, a Colorado nonprofit corporation, as of December 29, 1998.

WITNESS my hand and official seal.

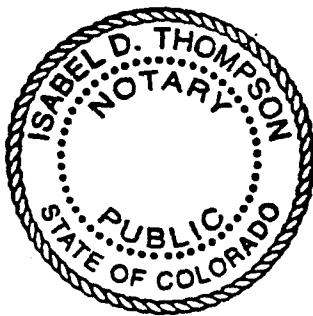
My commission expires: _____



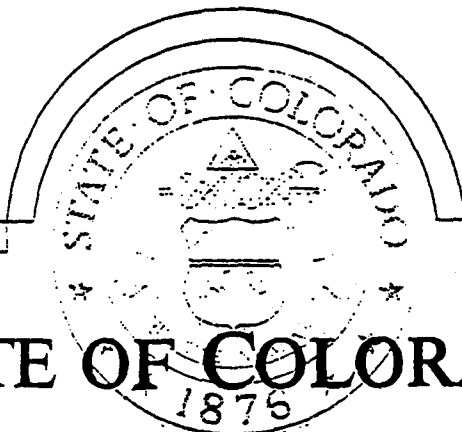
Notary Public



My Commission Expires 09/12/2001



My Commission Expires 09/12/2001



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

ARROWHEAD AT VAIL ASSOCIATION
(COLORADO NONPROFIT CORPORATION)

FILE # 19871529681 WAS FILED IN THIS OFFICE ON July 08, 1983
AND HAS COMPLIED WITH THE APPLICABLE PROVISIONS OF THE
LAWS OF THE STATE OF COLORADO AND ON THIS DATE IS IN GOOD
STANDING AND AUTHORIZED AND COMPETENT TO TRANSACT BUSINESS
OR TO CONDUCT ITS AFFAIRS WITHIN THIS STATE.

Dated: April 08, 1999

Victoria Buckley

SECRETARY OF STATE