

ARTICLES OF INCORPORATION
QUAIL CROSSING RESIDENTIAL ASSOCIATION, INC. *FILED COPY*
(A NONPROFIT CORPORATION)

The undersigned hereby signs and acknowledges, for delivery in duplicate to the Secretary of State of Colorado, these Articles of Incorporation for the purpose of forming a nonprofit corporation under the Colorado Nonprofit Corporation Act.

ARTICLE 1 -- Name

The name of this corporation is Quail Crossing Residential Association, Inc. ("Association").

ARTICLE 2 -- Duration

The duration of the Association shall be perpetual.

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ARTICLE 3 -- Purposes and Powers of Association

3.1. The Association shall operate the Common Interest Community known as Quail Crossing, Phase I located in the County of Boulder, Colorado, in accordance with the Colorado Common Interest Ownership Act, as amended, and the Colorado Nonprofit Corporation Act, as amended.

3.2. The Association shall promote the health, safety, welfare, and common benefit of the residents of the Common Interest Community.

3.3. The Association shall do any and all permitted acts, and shall have and exercise any and all powers, rights, and privileges which are granted to a Common Interest Community Association under the laws of the State of Colorado and the Declaration, Bylaws, Rules and Regulations, and other governing documents of the Association.

3.4. The foregoing statements of purpose shall be construed as a statement of both purposes and powers. The purposes and powers stated in each clause shall not be limited or restricted by reference to or inference from the terms or provisions of any other clause, but shall be broadly construed as independent purposes and powers.

ARTICLE 4 -- Nonprofit

The Association shall be a nonprofit corporation, without shares of stock.

ARTICLE 5 -- Membership Rights and Qualifications

5.1. The classes, rights, and qualifications and the manner of election or appointment of members are as follows: Any member who holds title to a Lot in the Common Interest Community shall be a member of the Association. There shall be one membership for each Lot owned within the Common Interest Community. This membership shall be automatically transferred upon the conveyance of that Lot. Voting shall be one vote per Lot, and the vote to which each membership is entitled is the vote assigned to its Lot in the Declaration of the Common Interest Community. If two individuals own a Lot, as joint tenants, tenants in common, or other legal manner of holding title, and cannot agree between themselves on one or more matters coming before the Association, then each shall be entitled to one-half vote. If three or more individuals or entities own a Lot as joint tenants, or tenants in common, or other legal manner of holding title and cannot agree among themselves on one or more matters coming before the Association, then the Owners shall agree among themselves prior to recordation of the vote how the vote shall be cast; however, in no event shall less than one-half vote be cast. In no event shall more than one total vote be cast for each Lot. A vote by a co-Owner for the entire Lot's membership interest shall be deemed to be made pursuant to a valid proxy, unless another co-Owner of the same Lot objects at the time the vote is cast, in which case such member's vote shall be split one-half vote for each co-Owner.

5.2. The members shall be of one class consisting of Lot Owners who own Lots as defined in the Declaration. These Lot Owners shall elect all members of the Executive Board, following the period of Declarant Control defined below.

5.3. Notwithstanding the foregoing, the Declarant of the Common Interest Community shall have additional rights and qualifications as may be provided under the Colorado Common Interest Ownership Act and the Declaration, including the right to appoint members of the Executive Board as follows: During the period of Declarant Control, the Declarant, or persons designated by it, subject to certain limitations, may appoint and remove the officers and members of the Executive Board. The period of Declarant Control terminates no later than the earlier of: (1) Sixty days after conveyance of 75 percent of the Lots that may be created to Lot Owners other than a Declarant; or (2) Two years after Declarant has last conveyed a Lot in the ordinary course of business. A Declarant may voluntarily surrender the right to appoint and remove Officers and Directors of the Executive Board before termination of the period of Declarant Control, but in that event, the Declarant may require, for the duration of the period of Declarant control, that specified actions of the Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

5.4. Not later than 60 days after conveyance of 25 percent of the Lots that may be created to Lot Owners other than a Declarant, at least one member, and not less than 25 percent of the members of the Executive Board, shall be elected by Lot Owners other than a Declarant. Not later than 60 days after conveyance of 50 percent of the Lots that may be created to Lot Owners other than a Declarant, not less than one-third of the members of the The Executive Board must be elected by Lot Owners other than a Declarant.

ARTICLE 6 -- Registered Agent for Service and Address

The initial registered agent of the Association shall be James G. Postle at the registered address of 2919 Valmont Road, #204, Boulder, Boulder County, Colorado 80301.

ARTICLE 7 -- Executive Board

The initial Executive Board shall consist of three persons, and this number may be changed by a duly adopted amendment to the Bylaws, except that in no event may the number of Directors be less than three. The names and addresses of the persons who shall serve as Directors until their successors shall be elected and qualified are as follows:

James G. Postle
2919 Valmont Road, #204
Boulder, Colorado 80301

David Miller
2919 Valmont Road, #204
Boulder, Colorado 80301

Craig Constant
2919 Valmont Road, #204
Boulder, Colorado 80301

ARTICLE 8 - DISTRIBUTION UPON DISSOLUTION

Upon Dissolution of the Corporation, the assets of the Corporation shall be disposed of according to the procedure outlined in the Colorado Non-Profit Corporation Act. After the liabilities of the Corporation have been discharged or provided for, the Corporation's remaining assets shall be distributed to the Owners of Lots within Common Interests Community in accordance with each Lot Owner's undivided interest in the Common Interest Community as set forth in the Declaration of Quail Crossing Townhomes

ARTICLE 9 -- Incorporator

The name and address of the incorporator is:

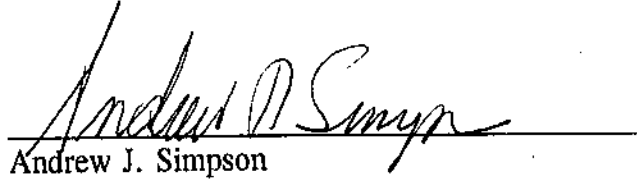
Andrew J. Simpson
2336 Canyon Blvd., #200
Boulder, Colorado 80302

ARTICLE 10 -- Amendment

Amendment of these Articles shall require the assent of at least two-thirds of the members of the Association as provided in the Colorado Nonprofit Corporation Act.

ARTICLE 11 -- Execution


In Witness Whereof, the undersigned incorporator has signed these Articles in duplicate this 26 day of January, 1998.


Andrew J. Simpson

STATE OF COLORADO),ss.
COUNTY OF BOULDER)

The foregoing instrument was acknowledged before me this 26 day of January, 1998, by Andrew J. Simpson.

WITNESS my hand and official seal.
My commission expires: 11-24-2001


Notary Public