

ARTICLES OF INCORPORATION

OF

VILLAS AT MT. CRESTED BUTTE ASSOCIATION

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, acting as incorporator, hereby establishes a corporation pursuant to the Colorado Nonprofit Corporation Act and adopts the following Articles of Incorporation:

**ARTICLE I
Name of Corporation**

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SECRETARY OF STATE
07-11-96 12:23

The name of this corporation is:

VILLAS AT MT. CRESTED BUTTE ASSOCIATION

**ARTICLE II
Period of Duration**

The corporation shall have perpetual existence, unless dissolved according to law.

**ARTICLE III
Purposes**

The corporation is established not for profit and the objects and purposes for which the corporation is organized and the nature of the business to be conducted by it shall be:

- 1. To constitute the Association to which reference is made in the Declaration of Protective Covenants of Villas at Mt. Crested Butte.**
- 2. To be the Association for the Common Interest Community of Villas at Mt. Crested Butte in accordance with the Colorado Common Interest Ownership Act and the Colorado Nonprofit Corporation Act, as they now exist and as they may hereafter be amended from time to time.**
- 3. To exercise all powers and to administer, manage, and govern the Villas at Mt. Crested Butte, governed by the Declaration of Protective Covenants of Villas at Mt. Crested Butte, including all powers granted to the Association under the Declaration of Protective Covenants.**

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4. To own, administer and maintain all property, whether real or personal or interests therein, for the use and benefit of all lot owners within Villas at Mt. Crested Butte governed by the Declaration of Protective Covenants of Villas at Mt. Crested Butte.

ARTICLE IV

Powers

This nonprofit corporation shall have and may exercise all powers conferred upon a nonprofit corporation under the Colorado Nonprofit Corporation Act and the Colorado Common Interest Ownership Act, as they now exist and as they may hereafter be amended from time to time.

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ARTICLE V

Membership

This nonprofit corporation shall have members and the membership shall be constituted as follows:

1. Members. The owner of a lot in Villas at Mt. Crested Butte governed by the Declaration of Protective Covenants of Villas at Mt. Crested Butte, upon becoming such owner, shall be entitled and required to be a member of the corporation and shall remain a member of the corporation for the period of ownership of the lot.

2. Appurtenant Right. Such membership shall be an appurtenant right of the ownership of a Lot, shall run with a Lot, and shall automatically be transferred to any subsequent owner of the Lots upon the recording of any deed or conveyance thereof to a subsequent owner.

3. Terms and Conditions. The terms and conditions of membership in the Corporation shall be as set forth in these Articles of Incorporation and the Bylaws of the Corporation.

4. There shall be one class of members.

5. The corporation may issue a certificate evidencing membership therein.

ARTICLE VI

Board of Directors

1. Directors. The business and affairs of the corporation shall be managed by a board of directors, also known as an executive board under the Colorado Common Interest Ownership Act.

2. **Qualifications of Directors.** All directors shall be members of the Corporation.

3. **Number of Directors.** The initial Board of Directors shall consist of three persons whose term of office and the manner of their election shall be set forth in the Bylaws of the Corporation.

4. **Initial Board of Directors.** The initial persons comprising the Board of Directors of the Corporation and their names and addresses are as follows:

<u>Name</u>	<u>Address</u>
R. O. Walton, Jr.	12 Snowmass Road Post Office Box A Mt. Crested Butte, Colorado 81225
Edward C. Callaway	12 Snowmass Road Post Office Box A Mt. Crested Butte, Colorado 81225
T. Richard Connally	12 Snowmass Road Post Office Box A Mt. Crested Butte, Colorado 81225

5. **Rights of Declarant.** Notwithstanding any other provision of these Articles of Incorporation, Crested Butte Mountain Resort, Inc., a Colorado corporation, as the Declarant of the Common Interest Community known as Villas at Mt. Crested Butte, its successors and assigns, shall have the right to appoint the members of the board of directors during the period of declarant control. The period of declarant control shall terminate no later than the earlier of (1) 60 days after the conveyance of 75% of the Lots within Villas at Mt. Crested Butte to Owners other than the Declarant or (2) 2 years after Declarant has last conveyed a Lot within Villas at Mt. Crested Butte in the ordinary course of business. Further, not later than 60 days after the conveyance of 25% of the Lots to Owners other than Declarant, at least one member and not less than 25% of the members of the board of directors shall be elected by the Lot Owners other than Declarant and not later than 60 days after the conveyance of 50% of the Lots to Owners other than Declarant, not less than 1/3 of the members of the board of directors must be elected by the Lot Owners other than Declarant.

ARTICLE VII
Indemnification

The corporation shall indemnify the officers and directors of the corporation to the full extent permitted by the statutes of the State of Colorado.

ARTICLE VIII
Limitation of Liability

1. **Non Liability of Director.** The personal liability of a director to the corporation or its members for monetary damages for breach of a fiduciary duty as a director or officer is limited to the full extent provided by the statutes of the State of Colorado.

2. **Liability for Willful or Wanton Acts.** Directors shall not be liable for actions taken or omissions made in the performance of corporate duties except for wanton and willful acts or omissions.

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ARTICLE IX
Bylaws

The initial Bylaws of the corporation shall be adopted by the Board of Directors. The power to alter, amend or repeal the Bylaws or adopt new Bylaws shall be vested in the Board of Directors.

ARTICLE X
Registered Office and Agent

1. **Address and Name of Office and Agent.** The address of the initial registered office of the corporation is:

Russell & Wilderson, P.C.
120 North Taylor Avenue
Post Office Box 179
Gunnison, Colorado 81230

and the name of its initial registered agent at such address is:

Harrison F. Russell

2. **Change of Office or Agent.** Either the registered office or the registered agent may be changed at any time in the manner provided by law.

ARTICLE XI
Distribution of Assets on Dissolution

Upon dissolution of the corporation, its assets shall be applied and distributed as follows:

1. First to pay and discharge all liabilities and obligations of the corporation.
2. To return, transfer or convey any assets as required by the provisions of Section 7-26-103, C.R.S. or as the same may be subsequently amended or modified.
3. All remaining assets of the corporation shall be distributed to its members.

ARTICLE XII
Incorporator

The incorporator of the corporation is:

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Name

Address

Harrison F. Russell

120 North Taylor Avenue
Post Office Box 179
Gunnison, Colorado 81230

IN WITNESS WHEREOF, the above named incorporator has signed these Articles of Incorporation the 9th day of July, 1996.


Harrison F. Russell