

NONPROFIT

**ARTICLES OF INCORPORATION**

**FOR**

**THE PALMYRA CONDOMINIUM ASSOCIATION, INC.**

*(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**

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SECRETARY OF STATE  
07-08-95 10:40

The name of this corporation is THE PALMYRA CONDOMINIUM ASSOCIATION, INC. ("Association").

**ARTICLE 2**

**Duration**

The duration of the Association shall be perpetual.

**ARTICLE 3**

**Nonprofit**

The Association shall be a nonprofit corporation, without shares of stock. The Association does not contemplate pecuniary gain or profit, direct or indirect, to its members.

**ARTICLE 4**

**Purposes and Powers of Association**

The purposes for which the Association is formed are as follows:

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- (a) To operate the Common Interest Community known as "The Palmyra at Telluride Mountain Village, a Condominium Community," as created by the recorded Declaration and map, for purposes of enhancing and preserving the value of the properties of the members.
- (b) To be and constitute the Association to which reference is made in the Declaration and perform all obligations and duties of the Association set forth in the Declaration.
- (c) To perform the following acts and services, in accordance with the requirements for an association of owners charged with the administration of property under the Colorado Common Interest Ownership Act, as amended, and the Declaration, including, without limiting the generality of the foregoing statements:
  - (i) The acquisition, construction, management, supervision, care, operation, maintenance, renewal and protection of all buildings, structures, grounds, roadways and other facilities, installations and appurtenances of the Common Interest Community; to provide maintenance for the Common Elements within the Common Interest Community; to enforce any and all covenants, restrictions and agreements applicable to the Common Interest Community; and, insofar as permitted by law, to do any other thing that, in the opinion of the Board, will promote the common benefit and enjoyment of the occupants, residents and Unit Owners of the Common Interest Community.
  - (ii) The preparation of estimates and budgets of the costs and expenses of rendering services, any other services as deemed appropriate by the Board, and the performance, or contracting or entering into agreements for this performance, as provided for in or contemplated in this Article; the apportionment of these estimated costs and expenses among the Owners; and the collection of these costs and expenses from the Owners obligated to assume or bear the same.
  - (iii) The borrowing of money for the Association's purposes, pledging as security the income due from Unit Owners and from others, the property of the Association and/or the Common Elements of the Common Interest Community.
  - (iv) Enforcing, on behalf of the Unit Owners, rules and regulations promulgated by the Board with respect to the safe occupancy, reasonable use and enjoyment of the Units, buildings, structures, grounds and facilities of the Common Interest Community, and to enforce compliance with these rules, including the levy of reasonable fines.

- (v) Performing, or causing to be performed, all other and additional services and acts as are usually performed by an association of owners, or as deemed appropriate by the Board, including, without limitation, keeping or causing to be kept, appropriate books and records, preparing and filing necessary reports and returns, and making or causing to be made audits of books and accounts.
- (d) To promote the health, safety, welfare and common benefit of the residents and occupants of the properties subject to the Declaration.
- (e) To retain counsel, auditors, accountants, appraisers and other persons or services that may be necessary for or incidental to any of the activities of the Association.
- (f) To do and perform, or cause to be performed, all other necessary acts and services suitable or incidental to any of the foregoing purposes and objects to the fullest extent permitted by law, and to acquire, sell, mortgage, lease or encumber any real or personal property for these purposes.
- (g) To eliminate or limit the personal liability of a Director to the Association or to the members for monetary damages for breach of fiduciary duty as a Director, as allowed by law.
- (h) To do any and all permitted acts, and to have and to exercise any and all powers, rights and privileges which are granted to a Common Interest Community Association under the Colorado Common Interest Ownership Act, the Declaration, the Bylaws, and the laws applicable to a nonprofit corporation of the State of Colorado.

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. The Association shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of the Association.

## **ARTICLE 5**

### **Membership Rights and Qualifications**

Any person who holds title to a Unit in the Common Interest Community shall be a member of the Association. There shall be one membership for each Unit owned within the Common Interest Community. This membership shall be automatically transferred upon the conveyance of that Unit. The vote to which each membership is entitled is the number of votes

assigned to the Unit in the Declaration of the Common Interest Community. If a Unit is owned by more than one person, those persons shall agree among themselves how a vote for that Unit's membership is to be cast. Individual co-owners may not cast fractional votes. A vote by a co-owner for the entire Unit's membership interest shall be deemed to be pursuant to a valid proxy, unless another co-owner of the same Unit objects at the time the vote is cast, in which case such membership's vote shall not be counted.

The members may be of two classes of membership. One class of membership shall consist of Unit Owners of either Commercial or Retail Units, and this class of Unit Owners shall elect at least two-thirds of the members of the Executing Board following the period of Declarant Control. The other class of membership shall consist of Unit Owners of either Residential or Garage Units, which class of Unit Owners shall elect the remaining member or members of the Executive Board following the period of Declarant Control.

## ARTICLE 6

### Agent for Service

The initial registered agent of the Association shall be Gary Gilmore at the registered address of Post Office Box 11155, 565 Mountain Village Boulevard, Telluride, Colorado 81435.

## 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 and provided further that the number of Directors shall always be a number divisible by three. The names and addresses of the persons who shall serve as Directors and their initial classification until their successors shall be elected and qualified are as follows:

| <u>Director</u>   | <u>Class</u>      |
|---|-------------------|
| Gary Gilmore<br>P.O. Box 11155<br>565 Mountain Village Boulevard<br>Telluride, CO 81435 | Retail/Commercial |

Linda Rodgers  
P.O. Box 11155  
565 Mountain Village Boulevard  
Telluride, CO 81435

Retail/Commercial

Steve Meyer  
111 Kalamath Street  
Denver, CO 80223

Residential/Garage

The Declaration shall govern appointment of Directors of the Executive Board, during the period of Declarant control, as allowed under Section 303 of the Colorado Common Interest Ownership Act.

## **ARTICLE 8**

### **Amendment**

Amendment of these Articles shall require the assent of at least two-thirds of the votes at a meeting of the members at which a quorum is present; provided, further that the classification of members and the ratio of Directors by classification of members may not be changed without the assent of at least two-thirds of the votes of each class of members.

## **ARTICLE 9**

### **Dissolution**

In the event of the dissolution of the Association as a corporation, either voluntarily or involuntarily by the members hereof, by operation of law or otherwise, then the assets of the Association shall be deemed to be owned by the members at the date of dissolution, as a part of their Unit, in proportion to their allocated interests, unless otherwise agreed or provided by law.

## **ARTICLE 10**

### **Interpretation**

Express reference is hereby made to the terms and provisions of the Declaration, which shall be referred to when necessary to interpret, construe or clarify the provisions of these Articles. In the event of conflict, the terms of the Declaration shall control over these Articles of Incorporation.

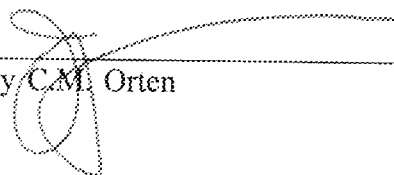
ARTICLE 11

Incorporator

The name and address of the incorporator is as follows:

Jerry C.M. Orten  
ORTEN HINDMAN & JORDAN, P.C.  
1099 Eighteenth Street, Suite 2750  
Denver, Colorado 80202-1927

IN WITNESS WHEREOF, the undersigned has signed these Articles in duplicate this 8th day of September 1995.

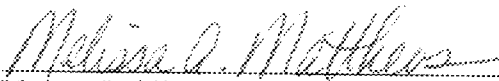
  
Jerry C.M. Orten

STATE OF COLORADO )  
CITY AND ) ss.  
COUNTY OF DENVER )

Subscribed and sworn to before me this 8th day of September, 1995.

Witness my hand and official seal.

My commission expires: 1/30/98

  
Notary Public

