

NONPROFIT

**ARTICLES OF INCORPORATION  
FOR  
THE PLAZA COMMUNITY ASSOCIATION, INC.  
(A Nonprofit Corporation)**

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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 THE PLAZA COMMUNITY 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.

**ARTICLE 4--Purposes and Powers of Association**

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

(a) To operate the Common Interest Community known as "The Plaza", located in San Miguel County, Colorado, for the purposes of enhancing and preserving the value of the properties of the members.

(b) To perform the following acts and services, in accordance with the requirements for an association of Unit Owners charged with the administration of property under the Colorado Common Interest Ownership Act, as amended, including, without limiting the generality of the foregoing statement:

(i) The acquisition, construction, management, supervision, care, operation, maintenance, renewal and protection of all buildings, structures, grounds, roadways and other facilities, installations and appurtenances thereto relating to the Property of the Common Interest Community; to provide maintenance for the Common Elements within the Common Interest Community; to provide garbage and trash collection; to maintain lands or trees; to supplement services of the Mountain Village Metropolitan District and the Telluride Mountain Village Resort Company; to enforce any and all covenants, restrictions and agreements applicable to the Common Interest Community; and, insofar as permitted

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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 these 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 Unit Owners; and the collection of these costs and expenses from the Unit Owners obligated to assume or bear the same; and 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.

(iii) Enforcing, on behalf of the Unit Owner, rules and regulations made or 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.

(iv) 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.

(c) 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.

(d) 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.

(e) To promote the health, safety, welfare and common benefit of the residents and occupants of the Common Interest Community.

(f) 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.

(g) 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.

(h) One or more of the activities to be conducted or the duties of the Association may be delegated to a municipal, quasi-municipal corporate body, metropolitan district or other agency upon such body's agreement to accept and assume such duties and an assignment therefor, pursuant to the documents for the Common Interest Community.

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**

(a) The classes, rights and qualifications and the manner of election or appointment of members are as follows: 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 coowners may not cast fractional votes. A vote by a coowner for the entire Unit's membership interest shall be deemed to be pursuant to a valid proxy, unless another coowner of the same Unit objects at the time the vote is cast, in which case such membership's vote shall not be counted.

(b) The members shall be of three classes, Unit Owners who own (1) Commercial Units, (2) Retail Units, and (3) Residential Units as defined in the Declaration. These Classes of Unit Owners shall elect one member apiece of the Executive Board, following the period of Declarant control defined below.

(c) The Declarant of the Common Interest Community shall have additional rights and qualifications as 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 the Declarant, subject to certain limitations in the Declaration, 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 Units that may be created to Unit Owners other than Declarant; (2) Two years after Declarant has last conveyed a Unit in the ordinary course of business; (3) Two years after any right to add new Units was last exercised; or (4) five years after the first Unit is conveyed to a Unit Owner other than the Declarant. The Declarant may voluntarily surrender the right to appoint and remove officers and Directors of the Executive Board before termination of the periods 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.

(d) Not later than 60 days after conveyance of 25 percent of the Units that may be created to Unit Owners other than the Declarant, at least one member, and not less than 25 percent of the members of the Executive Board shall be elected by Unit Owners other than the Declarant. Not later than 60 days after conveyance of 50 percent of the Units that may be created to Unit Owners other than the Declarant, not less than 33-1/3 percent of the members of the Executive Board must be elected by Unit Owners other than the Declarant.

(e) Except as otherwise provided above, not later than the termination of any period of Declarant control, the Unit Owners shall elect an Executive Board of at least three members, at least a majority of whom shall be Unit Owners. The Board shall elect the officers. The Board members and officers shall take office upon election.

#### **ARTICLE 6--Agent for Service**

The initial registered agent of the Association shall be George I. Brown at the registered address of P.O. Box 11040, 566 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, with equal representation between each classification of the members. 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:

Director

Class

George I. Brown  
P.O. Box 11040  
566 Mountain Village Boulevard  
Telluride, Colorado 81435

Retail

A.J. Wells  
P.O. Box 11155  
562 Mountain Village Boulevard  
Telluride, Colorado 81435

Commercial

Gary Gilmore  
P.O. Box 11155  
562 Mountain Village Boulevard  
Telluride, Colorado 81435

Residential

**ARTICLE 8--Incorporator**

The name and address of the incorporator is as follows:

Jerry C.M. Orten  
Orten & Hindman, P.C.  
1125 17th Street, Suite 2310  
Denver, Colorado 80202

**ARTICLE 9--Amendment**

Amendment of these Articles shall require the assent of at least two-thirds of the votes in the Association 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 may not be changed without the assent of at least two-thirds of all votes in the Association.

**ARTICLE 10--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 11--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.

In witness whereof, the undersigned has signed these Articles in duplicate this 24th  
day of February, 1993.

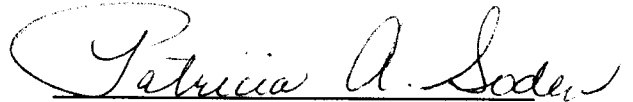
  
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Jerry C.M. Orten

February 24, 1993

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

Subscribed and sworn to before me this 24<sup>th</sup> day of February, 1993.

My commission expires: 3-23-96

  
Notary Public

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