

**NONPROFIT**

**ARTICLES OF INCORPORATION  
OF  
PITCHFORK TOWNHOMES ASSOCIATION, INC.**

FILED  
DORRETTA DAVIDSON  
COLORADO SECRETARY OF STATE  
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SECRETARY OF STATE  
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In compliance with the requirements of the Colorado Revised Nonprofit Corporation Act, Section 7-121-101 through 7-134-501, C.R.S. 1997 as amended, the undersigned, acting as incorporator, for the purpose of forming a nonprofit corporation hereby certifies:

**ARTICLE I  
NAME**

The name of the nonprofit corporation is **PITCHFORK TOWNHOMES ASSOCIATION, INC.** (herein the "Association").

**ARTICLE II  
PRINCIPAL OFFICE**

The initial principal office of the nonprofit corporation shall be 211 Elk Avenue, Crested Butte, CO 81224.

**ARTICLE III  
DURATION**

The nonprofit corporation shall have perpetual existence.

**ARTICLE IV  
REGISTERED AGENT AND ADDRESS**

David Leinsdorf is hereby appointed the initial registered agent of the nonprofit corporation, and the address of the initial registered office shall be 215 Elk Avenue, Third Floor, Crested Butte, CO 81224 with a mailing address of P.O. Box 187, Crested Butte, CO 81224-0187.

**ARTICLE V  
PURPOSES AND POWERS OF THE ASSOCIATION**

This nonprofit corporation does not contemplate pecuniary gain or profit to the members thereof. It is formed to:

1. Provide for maintenance and preservation of that all townhome buildings located on the property described on the Plat of Pitchfork ("Plat") and in the Declaration of Covenants, Conditions and Restrictions for Pitchfork Townhomes (herein "Declaration"), recorded in the Office of the Clerk and Recorder of Gunnison County, Colorado, and all amendments thereto; said Declaration is incorporated herein as if set forth at length; terms which are defined in the Declaration shall have the same meanings herein unless otherwise defined; and any additions thereto as may be brought within the jurisdiction of the Association (herein the "Project");

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2. Promote the interests of the residents within the Project;
3. Exercise all of the powers and perform all of the duties of the Association as set forth in the Association Documents and as required by the Colorado Common Interest Ownership Act, and the Colorado Revised Nonprofit Corporation Act;
4. Adopt and amend budgets for revenues, expenditures, and reserves, and fix, levy, collect and enforce payment of, by any lawful means, all charges and assessments pursuant to the terms of the Declaration and pay all expenses in connection therewith and all other expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the Project, in its own name, in connection with the affairs of the Association;
5. Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, encumber, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property or interests therein, in its own name, in connection with the affairs of the Association upon receipt of any approval of Members as may be required in the Declaration.
6. Borrow money and mortgage, pledge, encumber by deed in trust, or hypothecate any or all of its real or personal property or interests therein as security for money borrowed or debts incurred;
7. Engage in activities which will actively foster, promote and advance the common interests of all Members;
8. Hire and terminate Managers and other employees, agents, and independent contractors;
9. Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Owners on matters affecting any townhome unit or the Project;
10. Enforce covenants, restrictions, and conditions affecting any part of the Project to the extent the Association may be authorized to do so under the Declaration;
11. Enter into, make, perform or enforce contracts, licenses, easements, leases and agreements of every kind and description, incur liabilities, and do all other acts necessary, appropriate or advisable in carrying out any purpose of the Association with any person, firm, corporation or other entity or agency, public or private; provided, however, that the following contracts and leases, if entered into before the Executive Board elected by Owners (takes office subsequent to termination of the Period of Declarant Control, may be terminated without penalty by the Association at any time after such date, upon not less than ninety (90) days' notice to the other party:
  - A. Any management contract, employment contract, or lease of recreational or parking areas or facilities;

B. Any other contract or lease between the Association and Declarant or an affiliate of a Declarant; or

C. Any contract or lease that is not bona fide or was unconscionable to the Owners at the time entered into under the circumstances then prevailing; and

12. Adopt, alter and amend or repeal such Bylaws, architectural and design guidelines, and promulgate and publish such rules, regulations and restrictions, as may be necessary or desirable for the proper management of the affairs of this nonprofit corporation; provided, however, that they shall not be inconsistent with or contrary to any provision of these Articles of Incorporation, the Declaration, the Colorado Common Interest Ownership Act or the Colorado Revised Nonprofit Corporation Act.

#### ARTICLE VII MEMBERSHIP

Every person or entity who is a record Owner of a fee or undivided fee interest in any Unit which is now or hereafter subject to assessment as provided in the Declaration, including contract sellers, shall be a Member of the nonprofit corporation. Acquisition by such Owner of an interest in a Unit shall be deemed such Owner's consent to admission as a Member, and such membership may not be terminated without divestiture of such interest in a Unit. Following termination of the Project, the membership shall consist of all former Owners entitled to distribution of proceeds under the Act or their heirs, personal representatives, successors or assigns. 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 Unit which is subject to assessment by the Association.

A transfer of membership shall occur automatically upon the transfer of title to the Unit to which the membership pertains. The Association may suspend the rights of a Member in compliance with the provisions of the Declaration.

#### ARTICLE VIII VOTING RIGHTS

The Association shall have one class of membership consisting of all Owners of Units in the Project. Except as otherwise provided for in the Declaration, each Member shall be entitled to vote in all matters affecting the Association. The total number of votes which may be cast in connection with any matter shall be determined in accordance with the provisions of the Declaration. During the Period of Declarant Control, except as may otherwise be provided in the Declaration, the Declarant or persons appointed by the Declarant may appoint and remove all Officers and members of the Executive Board. The Declarant may voluntarily surrender the right to appoint and remove Officers and members 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.

## ARTICLE IX EXECUTIVE BOARD

The affairs of the nonprofit corporation shall be managed by an Executive Board of three (3) or seven (7) Directors. Except for members of the Executive Board appointed by the Declarant during the Period of Declarant Control, all members of the Executive Board shall be Members of the Association, or in the event that a Member is an entity other than a natural person, such member of the Executive Board shall be an authorized representative of such entity Member. Subject to the provisions of the Declaration, during the Period of Declarant Control, the Executive Board shall consist of three (3) directors. At such time as the Declarant conveys fifty percent (50%) of the townhome Units that may be created in Pitkin, the number of directors on the Executive Board shall increase to seven (7). Upon expiration of the Period of Declarant Control, the Members shall elect all seven directors to the Executive Board, three of whom shall serve for initial terms of one (1) year, two of whom shall serve for initial terms of two (2) years and two of whom shall serve for initial terms of three (3) years. After the initial terms, all members of the Executive Board shall serve for terms of two (2) years. The number of Directors may be changed by amendment of the Bylaws of the nonprofit corporation. The names and addresses of the persons who are to act in the capacity of the initial Directors until the selection of their successors are:

<u>Name</u>	<u>Address</u>
William E. Coburn, II	211 Elk Avenue, Crested Butte, CO 81224
Ann E. Coburn	211 Elk Avenue, Crested Butte, CO 81224
Dan Rotner	211 Elk Avenue, Crested Butte, CO 81224

The Association shall indemnify its Directors as provided in the Bylaws.

The personal liability of a Director, other than Declarant appointed Directors, to the nonprofit corporation or its members for monetary damages for breach of fiduciary duty as a Director is eliminated; except that this shall not eliminate or limit the liability of a Director to the Association or its members for monetary damages for: any breach of the Director's duty of loyalty to the nonprofit corporation or its members; wanton or willful acts or omissions; acts specified in Section 7-128-403 C.R.S., as now in effect or hereafter amended; or any transaction from which the Director derived an improper personal benefit; or any act or omission occurring prior to the date when this provision becomes effective.

## ARTICLE X DISSOLUTION

The nonprofit corporation may be dissolved with the assent given in writing, and signed by Members holding not less than eighty percent (80%) of the votes in the Association.

Upon dissolution of the nonprofit corporation other than merger or consolidation, the assets, both real and personal, of the nonprofit corporation, shall be dedicated to an appropriate public agency to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the nonprofit corporation. If such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, trust or other organization to be devoted to purposes and uses that would most nearly reflect the purposes and uses to which they were required to be devoted by the Association.

#### ARTICLE XI OFFICERS

The Executive Board may appoint a President, a Vice President, a Secretary, a Treasurer and such other officers as the Executive Board, in accordance with the provisions of the Bylaws, believes will be in the best interests of the nonprofit corporation. The officers shall have such duties as may be proscribed in the Bylaws and shall serve at the pleasure of the Executive Board.

#### ARTICLE XII AMENDMENTS

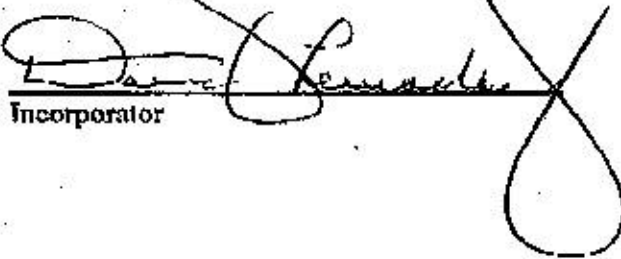
Amendment of these Articles shall require the assent given in writing, and signed by Members holding not less than sixty-seven percent (67%) of the votes in the Association, in person or by proxy, at an annual meeting of the Members or at a special meeting called for this purpose; provided, however, that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with any provision of the Declaration.

#### ARTICLE XIII INCORPORATION

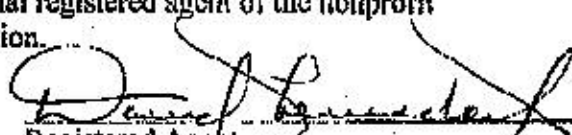
The Incorporator of this corporation and his address are as follows:

David Leinsdorf  
215 Elk Avenue, P.O. Box 187  
Crested Butte, CO 81224

IN WITNESS WHEREOF, for the purpose of forming this nonprofit corporation under the laws of the State of Colorado, the undersigned, the Incorporator of this nonprofit corporation, has executed these Articles of Incorporation this 30<sup>th</sup> day of October, 2001.

  
\_\_\_\_\_  
Incorporator

I hereby consent to my appointment as initial registered agent of the nonprofit corporation in the foregoing Articles of Incorporation.

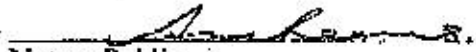
  
 Registered Agent

STATE OF COLORADO )  
 ) ss.  
 COUNTY OF GUNNISON )

The foregoing Articles of Incorporation were acknowledged before me this 30<sup>th</sup> day of ~~OCTOBER~~ 2001 by David Leinsdorf.

Witness my hand and official seal. My commission expires: 03/27/04



  
 Notary Public