

Articles of Incorporation

Of

Snowcrest Condominium Association

KNOW ALL MEN BY THESE PRESENTS, that the undersigned have associated themselves together to establish a non-profit corporation pursuant to the Colorado Nonprofit Corporation Act and do hereby certify:

Article 1.

Name

The name of this corporation shall be:

Snowcrest Condominium Association

Article II.

Duration

The corporation shall have perpetual existence.

Article III.

Purposes

The corporation is established not for profit and its objects and purposes are:

- A. To govern the condominium property situate in the County of Gunnison, State of Colorado, which is termed Snowcrest Condominium.
- B. To constitute the association to which reference is made in the Condominium Declaration for Snowcrest Condominium recorded in Book 491 at Page 494, of the records of Gunnison County, Colorado.
- C. To perform all of the rights, duties, and obligations and to exercise all of the powers as specified in said Condominium Declaration.
- D. To provide an entity for the furtherance of the interests of the owners of the condominium units in the project.
- E. To make and collect assessments against members, and of the corporation for the purpose of defraying the costs, expenses, and any losses of the corporation.
- F. To manage, control, operate, maintain, repair and improve common elements, as defined in the Colorado Condominium Ownership Act and the Condominium Declaration.
- G. To enforce covenants, restrictions or conditions affecting any property to the extent the corporation may be authorized under any covenants, restrictions or conditions.
- H. To make and enforce rules and regulations with respect to the use of property in the project.

- I. To engage in activities and endeavors which may now or hereafter be allowed or permitted by law to actively foster, promote and advance the common interests of owners of condominium units within the project.

Article IV

Powers

In furtherance of the foregoing purposes, but not otherwise, the corporation shall have and may exercise all of the following powers:

- A. Real and personal property. To acquire by gift, purchase, trade or any other method, own, operate, build, manage, rent, sell, develop, encumber and otherwise deal in and with real and personal property of every kind and character, tangible and intangible, wherever located, and interests of every sort therein.
- B. Borrowing. To borrow funds or raise moneys in any amount for any of the purposes of the corporation and from time to time to execute, accept, endorse and deliver as evidences of such borrowing, all kinds of instruments and securities, including but without limiting the generality of the foregoing: promissory notes, drafts, bills of exchange, warrants, bonds, debentures, property certificates, trust certificates and other negotiable or non-negotiable instruments and evidences of indebtedness, and to secure the payment and performance of such securities by mortgage on, or pledge, conveyance, deed or assignment in trust of, the whole or any part of the assets of the corporation, real, personal, or mixed, including contract rights, whether at the time owned or hereafter acquired.
- C. Contracts. To enter into, make, amend, perform, and carry out, or cancel and rescind, contract, leases, permits, and concession agreements for any lawful purposes pertaining to its business.
- D. Guaranties. To make any guaranty respecting securities, indebtedness, notes, interest, contracts or other obligations created by an individual, partnership, association, corporation or other entity, and to secure such guaranties by encumbrance upon any and all assets of the corporation, to the extent that such guaranty is made in pursuance of the purposes herein set forth.
- E. Loans. To lend money for any of the purposes above set forth; to invest its funds from time to time and take and hold real and personal property as security for payment of funds so loaned or invested.
- F. Assessments. To levy monthly assessments and special assessments against the owners for common expenses (including but not limited to the costs of repairing and maintaining general common elements, and utility charges which are not charged directly to the owners by the utility company), to charge interest on unpaid assessments and to collect dues, fees, and interest in accordance with its by-laws, and to enforce liens given as security for such assessments, dues, fees, and interest.

- G. General Purposes. To do everything necessary, suitable, or proper for the accomplishment of any of the purposes, the attainment of any of the objects, or the furtherance of any of the powers above set forth, either alone or in connection with other corporations, firms or individuals, and either as principal or agent, and to do every act or thing incidental or appurtenant to, or growing out of, or connected with any of the aforesaid objects, purposes, or powers.
- H. Rule Making. To make and enforce rules and regulations with regard to the management and operation of the condominium.
- I. Management, maintenance, and repair. To provide for the managements, maintenance, and repair of the condominium property.
- J. Powers conferred by law. The foregoing enumeration of specific powers shall not limit or restrict in any manner the general powers of the corporation and the enjoyment and exercise thereof as now or hereafter conferred by the laws of Colorado.

Article V

Restrictions upon the purposes and powers

The foregoing purposes and powers of the corporation are subject to the following limitations:

- A. That the corporation shall be organized and operated exclusively for pleasure, recreational and other non-profitable purposes as set forth in Section 528 of the Internal Revenue Code of 1954, as it is now or may hereafter be amended, or in any corresponding provision of any future law of the United States of America providing for exemption of similar organizations from income taxation; and
- B. That no part of the net earnings of the corporation shall inure to the benefit of any member.

Article VI

Dividends, Distributions, etc.

The corporation shall not pay any dividends. No distribution of the corporate assets to members (as such) shall be made until all corporate debts are paid, and then only upon final dissolution of the corporation by the affirmative vote of at least eight percent of the votes of all of the members at any regular or special meeting called for that purpose at which a quorum shall be represented. Upon such dissolution and distribution, the assets remaining after payment of all debts shall be distributed among the members of the corporation in proportion to their respective interests in the general common elements of the condominium property.

Article VII

Members

- A. The owner of a condominium unit or ownership interest in a time-share condominium unit in Snowcrest Condominiums, upon becoming such owner, shall be entitled and required to be a member of the corporation for the period of ownership of a condominium unit or ownership interest in a time-share condominium unit.
- B. There shall be one membership in the corporation for each condominium unit or ownership interest in a time-share condominium unit. Said membership shall be appurtenant to the condominium unit and shall be transferred automatically by a conveyance of that condominium unit to a new owner.
- C. Each membership shall be entitled to cast a vote in accordance with the percentage ownership of the general common elements appurtenant to said member's condominium unit or ownership interest in a time-share condominium unit as set forth on Exhibits "B" and "C" respectively to the Condominium Declaration for Snowcrest Condominium.
- D. The terms and conditions of membership shall be as set forth in the Articles and By-laws of the corporation and Condominium Declaration of Snowcrest Condominium.
- E. There shall be one class of members. The corporation may issue a certificate evidencing membership therein.

Article VIII

Board of Directors

- A. The affairs of the corporation shall be managed by a board of directors.
- B. The board of directors shall consist of not less than three nor more than five members, and the number of the directors, their term of office and the manner of their election shall be as set forth in the By-laws of the corporation.
- C. Five directors shall constitute the initial board of directors and their names and addresses are as follows:
 - a. George Cavagnaro, 8859 Southwest 69 Ct., Miami Florida 33156
 - b. Pete Roux, 730 17th St., Denver, CO 80202
 - c. Ken Schoenbeck, 213 Jubaka Dr., Belleville, Illinois 62221
 - d. Dr. Hugh Harris, 3205 Lansing, Columbia, Missouri 65201
 - e. Bill Swain, P.O. Box 3952, Tequesta, Florida 33458
- D. The board of directors shall have power to appoint a manager, which may be a corporation, to carry on day-to-day maintenance, repair, rental and

service functions for the corporation. The corporation may enter into a contract with such manager having a term of not more than five years (including all renewals) and with such other provisions as the board of directors may approve.

Article IX

Officers

- A. The corporation shall have as officers a President, a Vice-president, a Treasurer and a Secretary, and such other officers as may from time to time be prescribed by the By-laws. Their terms of office and the manner of their designation of selection shall also be determined according to the By-laws from time to time in effect.
- B. Authority to convey or encumber the property of the corporation and to execute any deed, contract or other instrument on behalf of the corporation for itself or as attorney-in-fact for one or more of the members is vested in the President or any vice-president. (whether or not executed as such attorney-in-fact) shall be executed by the President or a Vice-president and attested by the Secretary or an Assistant Secretary of the corporation.

Article X

Registered Office and Agent

- A. The address of the initial registered agent and principal office of this corporation shall be:
218 Sixth Street, P.O. Box 789, Crested Butte, CO 81227
- B. The name of its initial registered agent at such address shall be:
Richard T. Paynter, JR.

Article XI

By-laws

See notarized by-law adoption

See notice of Filing of Articles of Incorporation

Exhibit A

Schedule B- Section 2

Exceptions

Snowcrest

The policy or policies to be issued will contain exceptions for defects, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or

attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this Commitment; and exceptions to the following unless the same are disposed of to the satisfaction of the Company

1. Rights or claims of parties in possession not shown by the public record.
2. Easements, or claims of easements, not shown by the public records.
3. Discrepancies, conflicts in boundary line, shortage in are, encroachments, and any facts which a correct survey and inspection of the premises would disclose and which are not shown by the public records.
4. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter, furnished, imposed by law and not shown by the public records.
5. Taxes due and payable; and any tax, special assessments, charge or lien imposed for water or sewer service, or for any other special taxing district.
6. Right of way for ditches and canals constructed by the authority of the United States as reserved in patent recorded May 26, 1906 in Book 101 at Page 373.
7. Easement for a power line as shown by maps of Crested Butte Water and Sanitation District filed July 12, 1967 as Reception No. 271173 and 271774.
8. Pedestrian easement over and across the general common elements and Snow Crest Condominium as shown on the map of said condominium and as described in Warranty Deed to the Town of Mt Crested Butte, recorded January 16, 1976 in book 491 at page 484 and in Warranty Deed to Snowcrest Condominium Association recorded January 16, 1976 in Book 491 at page 489.
9. Utility easement over and across the northerly 16 feet of the general common elements of Snowcrest Condominium as shown on said Condominium Map.
10. Duties and obligations imposed by the Condominium Declaration for Snowcrest Condominiums record January 16, 1976 in Book 491 at page 494.
11. Any taxes, fees, assessments, or charges by reason of the inclusion of the subject property within the Mt. Crested Butte Special Improvement District.

