

NONPROFIT

FILED
DOMESTIC DIVISION
COLORADO SECRETARY OF STATE

20031389219 M
\$ 100.00
SECRETARY OF STATE
12-09-2003 14:27:10

**ARTICLES OF INCORPORATION
FOR
CINNAMON RIDGE III CONDOMINIUM ASSOCIATION
a Colorado nonprofit corporation**

Pursuant to § 7-122-102 and part 3 of article 90 of title 7, Colorado Revised Statutes (2003), these Articles of Incorporation are delivered to the Colorado Secretary of State for filing:

**ARTICLE I
Name**

The name of the nonprofit corporation is Cinnamon Ridge III Condominium Association.

**ARTICLE II
Initial Principal Office**

The address of the initial principal office of the nonprofit corporation is P.O. Box 2590, Dillon, CO 80435.

**ARTICLE III
Initial Registered Office and Agent**

The name and address of the registered agent for service of process on the nonprofit corporation is Felice F. Huntley, 100 South Ridge Street, Suite 204, P.O. Box 588, Breckenridge, CO 80424.

**ARTICLE IV
Voting Members**

The nonprofit will have voting members.

**ARTICLE V
Incorporator**

The name and address of the incorporator are Felice F. Huntley, P.O. Box 588, Breckenridge, CO 80424.

**ARTICLE VI
Effective Date**

These Articles are effective immediately. They expressly amend and replace the Articles of Incorporation which were filed with the Colorado Secretary of State on July 24, 1991 at the time of the organization of the Association, which filing has since lapsed. In no event shall the filing of these Articles to register the Association with the Secretary of State and effectively reinstate the

Association as a registered nonprofit corporation in the State of Colorado constitute creation of a new entity or affect the law governing the Association by virtue of its establishment in 1991.

ARTICLE VII

Period of Duration

This corporation shall exist perpetually unless dissolved according to law.

ARTICLE VIII

Purpose, Activities and Definitions

1. The corporation is organized exclusively for the purpose of constituting the Association to which reference is made in the Declaration of Covenants, Conditions and Restrictions of Cinnamon Ridge III Condominiums ("Declaration") recorded in the records of the Clerk and Recorder of the County of Summit, State of Colorado, on April 10, 1991 at Reception No. 402037 and to perform all obligations and duties of the Association and to exercise all rights and powers of the Association. The corporation will not engage in any regular business ordinarily carried on for profit.

2. Activities of the corporation shall be to provide an entity for the furtherance of the interests of all the Owners, with the objectives of establishing and maintaining Cinnamon Ridge III Condominiums as a residential project of the highest possible quality and value and enhancing and protecting its value, desirability and attractiveness.

3. Terms used in these Articles are defined by the Declaration, and any amendments or modifications thereto, which may have been or may be in the future recorded in the records of the Clerk and Recorder of the County of Summit, State of Colorado.

4. In furtherance of the purposes and activities set forth in this Article VIII, the corporation shall have and may exercise all of the rights, powers, and privileges now or hereafter conferred upon corporations organized under and pursuant to the Colorado Revised Nonprofit Corporation Act.

ARTICLE IX

No Private Benefit

No part of the net earnings of the corporation shall inure to the benefit of or be distributable to the members, managers, or officers of the corporation, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered to it and to make payments and distributions in furtherance of the purposes set forth in Article XI hereof.

ARTICLE X

Powers

In furtherance of its purposes, the corporation shall have all of the powers conferred upon Colorado corporations not for profit in effect from time to time, including all of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers of the corporation under the Declaration which will include, but shall not be limited to, the following:

1. To make and to collect assessments against members of the Association for the purposes set forth in the Declaration (including the expenses incurred in exercising its powers or performing its functions);
2. To manage, control, operate, maintain, repair, improve and enlarge the General Common Elements and Limited Common Elements;
3. To enforce the terms, covenants, restrictions, conditions, uses, limitations and obligations set forth in the Declaration and Bylaws, and to make and enforce rules as provided therein;
4. To engage in activities which will actively foster, promote and advance the interests of all of the Owners of Condominium Units, including the interests of the Declarant during development of the project and its ownership of any Unit(s); and
5. To hire a professional property manager, if one is needed, who shall exercise those duties and powers granted to him by the Board of Directors, but not those powers which the Board, by law, may not delegate.

ARTICLE XI

Dissolution

Upon dissolution of the corporation, the Board of Directors shall provide for the distribution of all assets and liabilities of the corporation in the following manner:

1. All liabilities and obligations of the corporation shall be paid and discharged, or adequate provisions shall be made therefor;
2. Assets held by the corporation on condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred, or conveyed in accordance with such requirement;
3. Assets received and held by the corporation, subject to limitations permitting their use only for charitable, religious, eleemosynary, benevolent, educational, or similar purposes, but not held upon a condition requiring return, transfer, or conveyance by reason of the dissolution, shall

be transferred or conveyed to one or more domestic or foreign corporations, societies, or organizations engaged in activities similar to those of this corporation, in accordance with a plan of distribution adopted pursuant to Colorado law which is not inconsistent with these Articles of Incorporation;

4. Assets received and held by the corporation not subject to liabilities, conditions or use limitations, as specified in paragraphs 1, 2 and 3 above, shall be distributed to the owners of Units pro rata according to their ownership interests as specified in the Declaration; and

5. Any remaining assets may be distributed to such persons, societies, organizations, governmental entities, political subdivisions, or domestic or foreign corporations, whether for profit or nonprofit, as may be specified in a plan of distribution adopted pursuant to the Colorado law and which is not inconsistent with the Articles of Incorporation.

ARTICLE XII

Members

The corporation shall be a membership corporation without certificates or shares of stock. The corporation shall have one or more classes of members as provided in the Declaration or determined by the Board of Directors. The designation of each class, the manner of election or appointment and the qualifications and rights of the members of each class shall be as set forth in the Declaration and Bylaws.

ARTICLE XIII

Officers

The Board of Directors shall elect annually a President, a Vice-President, a Secretary, a Treasurer, and such other officers as the Board believes will be in the best interest of the Association. The President shall be a member of the Board of Directors and each of the officers shall be an Owner of a Condominium Unit in the Project or shall be partners, employees, or agents of the Declarant under the Declaration. The officers shall have such duties as may be prescribed in the Declaration and the Bylaws of the Association and shall hold office at the pleasure of the Board of Directors.

ARTICLE XIV

Conveyances and Encumbrances

Upon written authority as provided for in the Declaration or Bylaws, corporate property may be conveyed or encumbered by authority of the Board of Directors or by such person or persons to whom such authority may be delegated by resolution of the Board. Conveyances or encumbrances shall be by an instrument executed by the President or a Vice-President and by the Secretary or Treasurer, or executed by such other person or persons to whom such authority may be delegated by the Board.

ARTICLE XV

Amendments

Amendments to these Articles of Incorporation shall be adopted, if at all, in the manner set forth in the Declaration or the Bylaws; provided, however, that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with the provisions of the Declaration.

ARTICLE XVI

Property Manager

As permitted and limited in the Declaration and Bylaws, the corporation may obtain and pay for the services of a person, persons or entity as property manager to administer and manage its affairs and be responsible for the operation, maintenance, repair and improvement of the General Common Elements, Limited Common Elements and all of the exterior portions of the improvements and to keep the same in good, attractive and sanitary condition, order and repair.

ARTICLE XVII

Indemnification

1. The corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the corporation), by reason of the fact that he is or was a director, manager, officer, property manager, employee, fiduciary or agent of the corporation or is or was serving at the request of the corporation as a director, manager, property manager, officer, employee, fiduciary or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding, if he acted in good faith and in a manner he reasonably believed to be in the best interests of the corporation, his actions did not constitute gross negligence or intentional or reckless wrongdoing, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in the best interests of the corporation and, with respect to any criminal action or proceeding, had reasonable cause to believe his conduct was unlawful.

2. The corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, manager, officer, property manager, employee, fiduciary or agent of the corporation or is or was serving at the request of the corporation as a director, manager, property manager, officer, employee, fiduciary or agent of another corporation, partnership, joint venture, trust or other enterprise against

expenses (including attorney's fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in the best interests of the corporation; but no indemnification shall be made in respect of any claim, issue, or matter as to which such person has been adjudged to be liable for gross negligence or intentional misconduct in the performance of his duty to the corporation.

3. To the extent that a director, manager, officer, property manager, employee, fiduciary or agent of a corporation has been successful on the merits in defense of any action, suit, or proceeding referred to in paragraphs 1 or 2 of this Article XVII or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

4. Any indemnification under paragraphs 1 or 2 of this Article XVII (unless ordered by a court) and as distinguished from paragraph 3 of this Article shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, manager, officer, property manager, employee, fiduciary or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in paragraphs 1 or 2 above. Such determination shall be made by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit, or proceeding, or, if such a quorum is not obtainable or, even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or by the members entitled to vote thereon.

5. Expenses, including attorneys' fees, incurred in defending a civil or criminal action, suit, or proceeding may be paid by the corporation in advance of the final disposition of such action, suit, or proceeding as authorized in paragraphs 3 or 4 of this Article XVII upon receipt of an undertaking by or on behalf of the manager, officer, property manager, employee, fiduciary or agent to repay such amount unless it is ultimately determined that he is entitled to be indemnified by the corporation as authorized in this Article XVII.

6. The indemnification provided by this Article XVII shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of members or disinterested directors, or otherwise, and any procedure provided for by any of the foregoing, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, manager, officer, property manager, employee, fiduciary or agent and shall inure to the benefit of heirs, executors, and administrators of such a person.

7. The corporation may purchase and maintain insurance on behalf of any person who is or was a director, manager, officer, property manager, employee, fiduciary or agent of the corporation or who is or was serving at the request of the corporation as a director, manager, officer, property manager, employee, fiduciary or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him and incurred by him in any such

capacity or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under provisions of this Article XVII.

ARTICLE XVIII
General Statement of Purpose

This corporation is one which does not contemplate pecuniary gain or profit to the members thereof and is organized for nonprofit purposes.

The name and address of the individual who caused this document to be delivered for filing, and to whom the Secretary of State may deliver notice if filing of this document is refused, are Felice F. Huntley, French, West, Brown, Huntley & Thompson, P.C., P.O. Box 588, Breckenridge, CO 80424.