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NONPROFIT

ARTICLES OF INCORPORATION

DOUBLE DIAMOND CONDOMINIUM ASSOCIATION, INC.

(A NONPROFIT CORPORATION)

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SECRETARY OF STATE
STATE OF COLORADO

The undersigned incorporator 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 I
(NAME)**

The name of this corporation is DOUBLE DIAMOND CONDOMINIUM ASSOCIATION, INC. ("Association").

**ARTICLE II
(DURATION)**

The duration of the Association shall be perpetual.

**ARTICLE III
(PURPOSES AND POWERS)**

All capitalized terms not otherwise defined herein shall have the meanings set forth in the Declaration of Condominium for Double Diamond Condominium (the "Declaration") or under the Colorado Common Interest Ownership Act (the "Act").

3.1 The Association shall operate the Common Interest Community known as Double Diamond Condominium located in the municipality of Telluride, County of San Miguel, Colorado, in accordance with the Colorado Common Interest Ownership Act of the Colorado Revised Statutes, as amended (the "Act"), and the Colorado Nonprofit Corporation Act, as amended.

3.2 The Association shall promote the health, safety, welfare and common benefit of the owners and residents of Double Diamond Condominium.

3.3 The Association shall do any and all permitted acts, and shall have and exercise any and all powers, rights, and privileges which are granted to similar associations under the laws of the State of Colorado and the Declaration, Bylaws, Rules and Regulations, and other governing documents of the Association.

3.4 The Association shall perform the following acts and services, in accordance with the administration of a condominium community under the Act, including without limitation, the following:

(i) The acquisition, construction, management, supervision, care, operation, maintenance, renewal and protection of all building, structures, grounds, roadways and other facilities, installations and appurtenances thereto relating to the Property; to provide maintenance for the Common Elements upon the Property; to provide garbage and trash collection; to maintain lands or trees; to enforce any and all covenants, restrictions and agreements applicable to the Property; and, insofar as permitted by law, to do any other thing that, in the opinion of the Executive Board, will promote the common benefit and enjoyment of the occupants, residents and Owners of Double Diamond Condominium.

(ii) The preparation of estimates and budgets of the costs and expenses of rendering these services, any other services as deemed appropriate by the Executive Board, and the performance, or contracting or entering into agreements for this performance, as provided for 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; and the borrowing of money for the Association's purposes, pledging as security the income due from Owners and from others, the property of the Association and/or the Common Elements of the Property.

(iii) Enforcing, on behalf of the Owners, rules and regulations made or promulgated by the Executive Board with respect to the safe occupancy, reasonable use and enjoyment of the Units, buildings, structures, grounds and facilities on the Property, 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 Executive 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.

(v) 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.

(vi) 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.

(vii) To promote the health, safety, welfare and common benefit of the resident and occupants of Double Diamond Condominium.

(viii) To eliminate or limit the personal liability of any member of the Executive Board of the Association or to the members for monetary damages for breach of fiduciary duty as such member, as allowed by law.

(ix) 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 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 IV (NONPROFIT/DISTRIBUTION OF ASSETS)

The Association shall be a nonprofit corporation, without shares of stock. Upon dissolution, the assets of the Association shall be distributed to the members in accordance with each member's interest in the Common Elements, as stated on Exhibit "B" to the Declaration.

ARTICLE V (MEMBERSHIP RIGHTS AND QUALIFICATIONS)

5.1 Membership/Voting. Any person who holds title to a Condominium Unit in Double Diamond Condominium shall be a member of the Association. There shall be one membership for each Condominium Unit owned within Double Diamond Condominium. This membership shall be automatically transferred upon the conveyance of that Condominium Unit. Voting shall be two votes per Condominium Unit, with one vote each allocable to Condominium Units 10A and 10B. If a Condominium Unit is owned by more than one person, those persons shall agree among themselves how the votes for that Condominium Unit's membership are to be cast. In no event shall the two votes allocable to most Condominium Units be split. Individual co-owners may not cast fractional votes. A vote by a co-owner for the entire Condominium Unit's membership interest shall be deemed to be pursuant to a valid proxy, unless another co-owner of the same Condominium Unit objects at the time the vote is cast, in which case such membership's vote shall not be counted.

5.2 Class of Membership. The members shall be of a single class including Owners who own Condominium Units within Double Diamond Condominium. These Owners shall elect the members of the Executive Board, following the period of Declarant control defined below.

5.3 Declarant's Rights.

(a) The Declarant 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 (60) days after conveyance of seventy-five (75%) percent of the Units that may be created to Owners other than Declarant; (2) two (2) years after Declarant has last conveyed a Unit in the ordinary course of business; (3) two (2) years after any right to add new Units was last exercised; or (4) five (5) years after the first Unit is conveyed to an Owner other than the Declarant. The Declarant may voluntarily surrender the right to appoint and remove officers and members 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.

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

(c) Except as otherwise provided above, not later than the termination of any period of Declarant control, the Owners shall elect an Executive Board of at least three (3) 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 VI (REGISTERED AGENT FOR SERVICE AND ADDRESS)

The initial registered agent of the Association shall be Robert C. Lorenz, at the registered address of the Association, Post Office Box 1530, 204 West Colorado Avenue, Upstairs, Telluride, Colorado 81435.

ARTICLE VII (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 members of the Executive Board be less than three. The names and addresses of the persons who shall serve on the Board until their successors shall be elected and qualified are as follows:

INITIAL EXECUTIVE BOARD MEMBERS

Robert C. Lorenz
P.O. Box 1530
Telluride, CO 81435

Tommy Thomas
P.O. Box 1715
Telluride, CO 81435

Danny Thompson
P.O. Box 543
Telluride, CO 81435

**ARTICLE VIII
(INCORPORATOR)**

The name of the incorporator is Robert C. Lorenz and his address is P.O. Box 1530, Telluride, Colorado 81435.

**ARTICLE IX
(AMENDMENT)**

Amendment of these Articles shall require the assent of at least two-thirds of the members of the Association as provided in the Colorado Nonprofit Corporation Act.

**ARTICLE X
(LIMITATION OF PERSONAL LIABILITY/INDEMNIFICATION)**

No member of the Executive Board shall have personal liability to the Association or to its members for monetary damages for breach of fiduciary duty as a member of the Executive Board, pursuant to the provisions of C.R.S., Section 7-22-10(1)(r), as amended. Every member of the Executive Board and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved by reason of his being or having been a member of the Executive Board or officer of the Association, whether or not he is a member of the Executive Board or officer at the time such expenses are incurred, except in such cases wherein the member of the Executive Board or officer is adjudged guilty of willful misfeasance or willful malfeasance in the performance of his duties, provided that in the event of a settlement, indemnification shall only apply when the Executive Board approves such settlement and reimbursement as being in the best interests of the Association. The foregoing right of indemnification shall be in addition to, and not exclusive of all other rights to which such member of the Executive Board or officer may be entitled.

ARTICLE XI
(EXECUTION)

IN WITNESS WHEREOF, the undersigned incorporator has signed these Articles in duplicate this 12th day of December, 1996.



Robert C. Lorenz

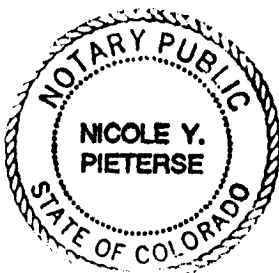
STATE OF COLORADO)
) ss.
COUNTY OF SAN MIGUEL)

The foregoing instrument was acknowledged before me this 12th day of December, 1996 by Robert C. Lorenz, Incorporator.

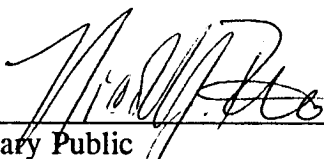
WITNESS my hand and official seal.

My Commission expires: 1/5/2000.

[SEAL]



My Commission Expires
January 5, 2000


Notary Public

Address: 309 E. Columbia
Telluride, CO 81435