

OFFICE OF THE SECRETARY OF STATE
OF THE STATE OF COLORADO

CERTIFICATE

I, Donetta Davidson, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

Idarado Legacy Homeowners Association

is a
Nonprofit Corporation

formed or registered on 07/29/2004 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 20041267804 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 06/30/2004 that have been posted, and by documents delivered to this office electronically through 07/29/2004 @ 15:26:54 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, authenticated, issued, delivered and communicated this official certificate at Denver, Colorado on 07/29/2004 @ 15:26:54 pursuant to and in accordance with applicable law. This certificate is assigned Confirmation Number 6019728 .



Donetta Davidson

Secretary of State of the State of Colorado

*****End of Certificate*****

Notice: A certificate issued electronically from the Colorado Secretary of State's Web site is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Certificate Confirmation Page of the Secretary of State's Web site, <http://www.sos.state.co.us/biz/CertificateSearchCriteria.do> entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our Web site, <http://www.sos.state.co.us> click Business Center and select "Frequently Asked Questions."

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Business Division
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Paper documents must be typed or machine printed.

20041267804 C
\$ 100.00
SECRETARY OF STATE
07-29-2004 15:15:58

ABOVE SPACE FOR OFFICE USE ONLY

Articles of Incorporation for a Nonprofit Corporation

filed pursuant to §7-90-301, et seq. and §7-122-101 of the Colorado Revised Statutes (C.R.S.)

1. Entity name:

Idarado Legacy Homeowners Association

(The name of a nonprofit corporation may, but need not, contain the term or abbreviation "corporation", "incorporated", "company", "limited", "corp.", "inc.", "co." or "ltd." §7-90-601, C.R.S.)

2. Use of Restricted Words *(if any of these terms are contained in an entity name, true name of an entity, trade name or trademark stated in this document, make the applicable selection):*

- "bank" or "trust" or any derivative thereof
 "credit union" "savings and loan"
 "insurance", "casualty", "mutual", or "surety"

3. Principal office street address:

123 S. Spruce Street, Suite D

(Street name and number)

Telluride CO 81435
(City) (State) (Postal/Zip Code)
(Province – if applicable) (Country – if not US)

4. Principal office mailing address:
(if different from above)

P.O. Box 1039
(Street name and number or Post Office Box information)

123 S. Spruce Street, Suite D

Telluride CO 81435
(City) (State) (Postal/Zip Code)
(Province – if applicable) (Country – if not US)

5. Registered agent: (if an individual):
OR (if a business organization):

Chaffin Christopher
(Last) (First) (Middle) (Suffix)

6. The person appointed as registered agent in the document has consented to being so appointed.

7. Registered agent street address:

123 S. Spruce Street, Suite D

(Street name and number)

Telluride CO 81435

8. Registered agent mailing address: (if different from above)

(City) (State) (Postal/Zip Code)

P.O. Box 1039

 (Street name and number or Post Office Box information)
 123 S. Spruce Street, Suite D

 Telluride CO 81435

 (City) (State) (Postal/Zip Code)

 (Province – if applicable) (Country – if not US)

9. If the corporation's period of duration is less than perpetual, state the date on which the period of duration expires: _____
 (mm/dd/yyyy)

10. (Optional) Delayed effective date: _____
 (mm/dd/yyyy)

11. Name(s) and address(es) of incorporator(s): (if an individual): Daily Arthur C

 (Last) (First) (Middle) (Suffix)
OR (if a business organization):

Holland & Hart LLP

 (Street name and number or Post Office Box information)
 600 E. Main Street, Suite 104

 Aspen CO 81611

 (City) (State) (Postal/Zip Code)

 (Province – if applicable) (Country – if not US)

(if an individual) _____
 (Last) (First) (Middle) (Suffix)
OR (if a business organization)

 (Street name and number or Post Office Box information)

 (City) (State) (Postal/Zip Code)

 (Province – if applicable) (Country – if not US)

(if an individual) _____
 (Last) (First) (Middle) (Suffix)
OR (if a business organization)

 (Street name and number or Post Office Box information)

(City)

(State)

(Postal/Zip Code)

(Province – if applicable)

(Country – if not US)

(If more than three incorporators, mark this box and include an attachment stating the names and addresses of all incorporators.)

- 12. The nonprofit corporation is formed under the Colorado Revised Nonprofit Corporation Act.
- 13. The corporation will **OR** will not have voting members.
- 14. A description of the distribution of assets upon dissolution is attached.
- 15. Additional information may be included pursuant to §7-122-102, C.R.S. and other organic statutes. If applicable, mark this box and include an attachment stating the additional information.

Notice:

Causing this document to be delivered to the secretary of state for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that the document is the individual's act and deed, or that the individual in good faith believes the document is the act and deed of the person on whose behalf the individual is causing the document to be delivered for filing, taken in conformity with the requirements of part 3 of article 90 of title 7, C.R.S., the constituent documents, and the organic statutes, and that the individual in good faith believes the facts stated in the document are true and the document complies with the requirements of that Part, the constituent documents, and the organic statutes.

This perjury notice applies to each individual who causes this document to be delivered to the secretary of state, whether or not such individual is named in the document as one who has caused it to be delivered.

16. Name(s) and address(es) of the individual(s) causing the document to be delivered for filing:

Daily	Arthur	C	Esq.
<i>(Last)</i>	<i>(First)</i>	<i>(Middle)</i>	<i>(Suffix)</i>
Holland & Hart LLP			
<i>(Street name and number or Post Office Box information)</i>			
600 E. Main Street, Suite 104			
Aspen		CO	81611
<i>(City)</i>		<i>(State)</i>	<i>(Postal/Zip Code)</i>
<i>(Province – if applicable)</i>		<i>(Country – if not US)</i>	

(The document need not state the true name and address of more than one individual. However, if you wish to state the name and address of any additional individuals causing the document to be delivered for filing, mark this box and include an attachment stating the name and address of such individuals.)

Disclaimer:

This form, and any related instructions, are not intended to provide legal, business or tax advice, and are offered as a public service without representation or warranty. While this form is believed to satisfy minimum legal requirements as of its revision date, compliance with applicable law, as the same may be amended from time to time, remains the responsibility of the user of this form. Questions should be addressed to the user's attorney.

**ADDITIONAL INFORMATION
FOR
ARTICLES OF INCORPORATION
OF
IDARADO LEGACY HOMEOWNERS ASSOCIATION**

(hereafter, the “Association”)

Capitalized terms not otherwise defined herein shall have the meanings set forth in the Declaration of Covenants, Conditions and Restrictions for Idarado Legacy Subdivision recorded June 17, 2004 as Reception No. 367146, in the Office of the Clerk and Recorder of San Miguel County, Colorado, and any supplement or amendment thereto (hereinafter referred to as the “Declaration”). All of the lands that become subject to said Declaration from time to time are hereinafter referred to as the “Common Interest Community.”

ARTICLE I

PURPOSES

The business, objectives and purposes for which the Association is organized are for as follows:

1. To be and constitute the Association to which reference is made in the Declaration made, executed and recorded by Idarado Legacy, LLC, a Colorado limited liability company (hereinafter it and its successors and assigns are referred to as the “Declarant”) pursuant to the Colorado Revised Nonprofit Corporation Act and Colorado Revised Statutes, Title 38, Article 33.3 (as amended from time to time, hereinafter referred to as the “Colorado Common Interest Ownership Act”), and to perform all obligations and duties of the Association and to exercise all rights and powers of the Association described in said Declaration, as it may be amended from time to time.

2. To provide an entity for the furtherance of the interests of all of the Owners and Occupants in the Common Interest Community, including the Declarant named in the Declaration, with the objective of establishing and maintaining the Common Interest Community as a residential project of the highest possible quality and value and enhancing and protecting its value, desirability and attractiveness, and to promote the health, safety and welfare of the Owners and Occupants within the Common Interest Community.

ARTICLE II

POWERS

In furtherance of its purposes, the Association shall have and may exercise all of the rights, powers, privileges and immunities conferred upon or not prohibited of nonprofit corporations by the statutes and common law of the State of Colorado in effect from time to time, including all of the powers necessary or desirable to perform the obligations and duties and exercise the rights and powers of the Association under the Declaration. Such powers shall include, but shall not be limited to, the following:

1. The Association shall have all of the rights, powers, and privileges granted or permitted pursuant to the Colorado Revised Nonprofit Corporation Act and the Colorado Common Interest Ownership Act;

2. The Association shall have all of the rights, powers, and privileges necessary and proper to manage the business affairs of the Common Interest Community, including without limitation those conferred upon it by the Declaration, as it may be amended from time to time;

3. Subject to applicable law, the Association shall have all of the powers, authority and duties necessary and proper to acquire, own, operate, construct, manage, lease, maintain, care for, sell, encumber and otherwise deal with the Association Property, as defined in the Declaration.

4. The Association shall be prohibited from engaging in any regular business or activity of a kind ordinarily carried on for profit.

ARTICLE III

EXECUTIVE BOARD

1. The affairs of the Association shall be conducted, managed and governed by an Executive Board. The duties, qualifications, number and term of members of the Executive Board (the "Directors") and the manner of their election and removal shall be as set forth in the Bylaws.

2. The initial Executive Board shall consist of three (3) members. The names and addresses of the persons who shall serve until the first election of Directors and until their successors are duly elected and qualified are as follows:

<u>Name</u>	<u>Address</u>
William R. Hegberg	P.O. Box 1039 123 South Spruce Street, Suite D Telluride, CO 81435
Christopher Chaffin	P.O. Box 1039 123 South Spruce Street, Suite D Telluride, CO 81435
William Lyle	P.O. Box 1039 123 South Spruce Street, Suite D Telluride, CO 81435

ARTICLE IV

PERIOD OF DECLARANT CONTROL

1. In the Declaration, Declarant has reserved the right to appoint and remove Directors and officers until the date which is the earlier of (a) sixty (60) days after the conveyance of 75% of the Lots that may be created to Owners other than Declarant, or (b) two (2) years after the last conveyance of a Lot by Declarant in the ordinary course of business (the "Turnover Date").

2. During the Period of Declarant Control: (a) Not later than sixty (60) days after conveyance of 25% of the Lots that may be created to Owners other than Declarant, at least one member and not less than 25% of the members of the Executive Board must be elected by Owners other than Declarant; and (b) not later than sixty (60) days after the conveyance of 50% of the Lots that may be created to Owners other than Declarant, not less than 33-1/3% of the members of the Executive Board must be elected by Owners other than Declarant.

3. At any time prior to the Turnover Date, the Declarant may voluntarily surrender and relinquish the right to appoint and remove officers and members of the Executive Board. In such event, Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Association or the Executive Board, as described in a recorded instrument executed by Declarant, be approved by Declarant before they become effective. As to such actions, Declarant may give its approval or disapproval in its sole discretion and option, and its disapproval shall invalidate any such action by the Executive Board or the Association.

4. Not later than the Turnover Date, the Lot Owners (including Declarant) shall elect an Executive Board of at least three (3) members, at least a majority of whom must be Owners other than Declarant or designated representatives of Owners other than

Declarant, and the Executive Board shall elect the officers, with such Executive Board members and officers to take office upon election.

5. Within sixty (60) days after Owners other than Declarant elect a majority of the members of the Executive Board, Declarant shall deliver to the Association all property of the Lot Owners and of the Association held or controlled by Declarant, including without limitation those items specified in Section 38-33.3-303(9) of the Colorado Common Interest Ownership Act.

ARTICLE V

MEMBERS AND VOTING RIGHTS

1. There shall be one "Membership" in the Association for each Lot within the Common Interest Community. The Person or Persons who constitute the Owner of a Lot shall automatically be the holder of the Membership appurtenant to that Lot, and shall collectively be the "Member" of the Association with respect to that Lot, and the Membership appurtenant to that Lot shall automatically pass with fee simple title to the Lot. Declarant shall hold a Membership in the Association for each Lot owned by Declarant. Membership in the Association shall not be assignable separate and apart from fee simple title to a Lot, and may not otherwise be separated from ownership of a Lot.

2. Each Lot in the Common Interest Community shall be entitled to one (1) vote in the Association, *i.e.*, one (1) vote per Owner/Member. Occupants of Lots shall not have voting rights. If title to a Lot is owned by more than one (1) Person, such persons shall collectively vote their interest as a single vote.

ARTICLE VI

PROXY VOTING

A Member shall be entitled to vote in person on any matters on which such Member is entitled to vote, and may vote on such matters by proxy in the manner set forth in the Bylaws.

ARTICLE VII

CUMULATIVE VOTING

Cumulative voting by Members in the election of Directors shall not be permitted.

ARTICLE VIII

INUREMENT AND DISSOLUTION

No part of the income or net earnings of the Association shall inure to the benefit of, or be distributable to, any Member, Director, or officer of the Association or to any other private individual, except that: (i) reasonable compensation may be paid for services rendered to or for the Association affecting one or more of its purposes; (ii) reimbursement may be made for any expenses incurred for the Association by any officer, Director, Member, agent or employee, or any other person or corporation, pursuant to and upon authorization of the Executive Board; and (iii) rebates of excess membership dues, fees, or Assessments may be paid.

In the event of dissolution of the Association, the property and assets thereof remaining after providing for all obligations shall then be distributed pursuant to the Colorado Revised Nonprofit Corporation Act at Article 134, and if the Common Interest Community is terminated then pursuant to the Colorado Common Interest Ownership Act at Section 38-33.3-218.

ARTICLE IX

ELIMINATION OF CERTAIN LIABILITIES OF DIRECTORS

There shall be no personal liability, either direct or indirect, of any Director of the Association to the Association or to its Members for monetary damages for any breach or breaches of fiduciary duty as a Director; except that this provision shall not eliminate the liability of a Director to the Association or to its Members for monetary damages for any breach, act, omission or transaction as to which the Colorado Revised Nonprofit Corporation Act or the Colorado Common Interest Ownership Act prohibits expressly the elimination of liability. This provision is in the Association's original Articles of Incorporation and thus is effective on the date of the Association's incorporation. This provision shall not limit the rights of Directors of the Association for indemnification or other assistance from the Association in accordance with applicable law. This provision shall not restrict or otherwise diminish the provisions of Colorado Revised Statutes, Section 13-21-115.7 (concerning no liability of directors except for wanton and willful acts or omissions), any amendment or successor provision to such Section, or any other law limiting or eliminating liabilities, such as Colorado Revised Statutes, Section 38-33.3-303(2) (fiduciary duties of officers and directors if appointed by Declarant; if not so appointed, then no liability except for wanton and willful acts or omissions). Any repeal or modification of the foregoing provisions of this Article by the Members of the Association or any repeal or modification of the provision of the Colorado Revised Nonprofit Corporation Act which permits the elimination of liability of directors by this Article shall not affect adversely any elimination of liability, right or protection of a Director of the Association with respect

to any breach, act, omission, or transaction of such Director occurring prior to the time of such repeal or modification.

ARTICLE X

AMENDMENT OF ARTICLES; CONFLICTS

1. These Articles of Incorporation may be amended from time to time in the manner set forth in the Colorado Revised Nonprofit Corporation Act, provided always that such amendments are consistent with the terms and provisions of the Declaration.

2. In the event of a conflict between the terms and provisions of these Articles and the terms and provisions of the Declaration, the terms and provisions of the Declaration shall govern and control.

3. In the event of a conflict between the terms and provisions of these Articles and the terms and provisions of the Bylaws adopted by the Executive Board, the terms and provisions of these Articles shall govern and control.

Additional Articles Information.doc