

ARTICLES OF INCORPORATION OF THE BAVARIAN CONDOMINIUM ASSOCIATION

FILED DONNETTA BASHAM COLORADO SECRETARY OF STATE

The undersigned, acting as incorporator of the Bavarian Condominium Association, hereby certifies the following Articles of Incorporation for said nonprofit corporation.

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ARTICLE I

NAME

The name of the corporation hereinafter shall be BAVARIAN CONDOMINIUM ASSOCIATION, hereinafter called the Association.

ARTICLE II

PURPOSES

The purpose for which the Association is organized pursuant to the Colorado Common Interest Ownership Act (Section 38-33.3-101, et seq., C.R.S. 1973, as amended) and the Colorado Nonprofit Corporation Act (Section 7-20-101, et seq., as amended) is to create a nonprofit corporation entity to operate and maintain the Bavarian Condominiums, a condominium project, located on a parcel of land situate in Pitkin County, Colorado, as described on the plat for such property and recorded in the real property records of Pitkin County, Colorado.

ARTICLE III

PERIOD OF DURATION

The Association's existence shall be perpetual, unless terminated sooner under provisions of the Bavarian Condominiums Declaration (hereinafter "Declaration") and/or the Bavarian Condominium Association By-Laws (hereinafter "By-Laws").

ARTICLE IV

POWERS

- 1. The Association shall have all of the common law and statutory powers of a nonprofit corporation which are not in conflict with the terms of these Articles.
2. The Association shall have all of the powers and duties set forth in the Colorado Common Interest Ownership Act except as limited by these Articles and the Condominium Declaration for the Bavarian Condominiums, and all of the powers and duties reasonably necessary to operate the Bavarian Condominiums as set forth in the Declaration and as it may be amended from time to time, including, but not limited to, the following:

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- (a) To make and collect assessments against members to defray the costs, expenses and losses of the Bavarian Condominiums.
- (b) To use the proceeds of assessments in the exercise of its powers and duties.
- (c) To maintain, repair, replace, and operate the condominium property.
- (d) To purchase insurance upon the Bavarian Condominiums property and protection for the Association and its members as provided by the Declaration and By-Laws.
- (e) To reconstruct improvements after casualty and to further improve the property.
- (f) To make and amend reasonable rules and regulations respecting the use of the property in the Bavarian Condominiums.
- (g) To enforce by legal means the provisions of the Colorado Common Interest Ownership Act, the Declaration, these Articles, the By-Laws of the Association, and the rules and regulations for the use of the Bavarian Condominium property.
- (h) To contract for the management of the Bavarian Condominiums and to delegate to such managing agent all powers and duties of the Association except as such are specifically required by the Declaration to have approval of the Board of Directors or the membership of the Association.
- (i) To employ personnel to perform the services required for proper operation of the Bavarian Condominiums
- (j) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an owner as is provided in the Declaration and By-Laws.
- (k) To protect and defend in the name of the Association any part or all of the condominium project from loss and damages by suit or otherwise
- (l) To borrow funds in order to pay for an expenditure or outlays required pursuant to authority granted by provisions of the Declaration and By-Laws, and to execute all such instruments (evidencing such indebtedness) deemed necessary.
- (m) To execute contracts to carry out the duties and powers of the Association.
- (n) In general, to carry on the administration of the Association and to do all those things necessary and reasonable in order to carry out the governing and the operation of the Bavarian Condominiums.

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- (n) To eliminate or limit the personal liability of a director to the Association or to its members for monetary damages for breach of fiduciary duty as a director; except for monetary damages for any breach of a director's duty of loyalty to the Association or its members; acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law; loans made by the Association to its directors or officers (prohibited by Section 7-24-111, C.R.S. 1973 as amended); or any transaction from which the director derived an improper personal benefit.
3. The powers of the Association shall be subject to and shall be exercised in accordance with the provisions of the Bavarian Condominium Declaration and By-Laws of the Association.

ARTICLE V

MEMBERS OF THE ASSOCIATION

1. The members of the Association shall consist of all record owners of condominium units of the Bavarian Condominiums.
2. Change of membership of the Association shall be affected and established by the recording in the public records of Pitkin County, Colorado, of a deed or other instrument establishing a record title to a condominium unit in the Bavarian Condominiums and the delivery to the Association of any notice of change in ownership as may be required by the Declaration or By-Laws. The membership of the prior owner shall thereby be terminated.
3. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance to his condominium unit.
4. The members of the Association shall exercise voting rights appurtenant to each condominium unit owned by them. The exact number of votes to be cast by owners of a condominium unit and the manner of exercising voters rights shall be determined by the Declaration and By-Laws of the Association.

ARTICLE VI

EXECUTIVE BOARD

1. ~~The affairs of the Association will be managed by an Executive Board consisting of the number of Members as shall be determined by the Declaration and By-Laws, but not less than three (3) Directors, and in the absence of such determination shall consist of three (3) Directors.~~
2. Members of the Executive Board of the Association shall be elected at the annual meeting of the members in the manner determined by the By-Laws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the By-Laws.
3. The initial Executive Board shall consist of three (3) Directors who shall hold office until their successors are elected and have qualified, or until removed. The initial members of the Executive Board are the following: Scott Writer, Frank Goldsmith and Todd Emerson.

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ARTICLE VII

OFFICERS OF THE ASSOCIATION

1. The affairs of the Association shall be administered by officers elected by the Executive Board at its first meeting following the annual meeting of the members of the Association, which officers shall serve at the pleasure of the Executive Board.
2. The names and addresses of the officers who shall serve until their successors are designated by the Executive Board are the following:

President: Scott Writter
P.O. Box 10300
Aspen, Colorado 81612

Vice President: Frank Goldsmith
P.O. Box 10300
Aspen, Colorado 81612

Secretary/Treasurer: Todd Emerson
P.O. Box 10300
Aspen, Colorado 81612

ARTICLE VIII

REGISTERED OFFICE AND AGENT

The initial Registered Office of the Association is c/o Garfield & Hecht, P.C., 601 East Hyman Avenue, Aspen, Colorado 81611. The initial registered agent at such office is Garfield & Hecht, P.C. The principal office is located at 1000 South Mill Street, Aspen, Colorado 81611.

ARTICLE IX

NONPROFIT ASSOCIATION

The Association is not organized for profit. No member, member of the Board of Directors, officer or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any member of the Executive Board, officer or member, provided, however, always: a) that reasonable compensation may be paid to any member, Director or officer while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association; and b) that any a member, Director or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE X

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INDEMNIFICATION

1. Except as provided below, any person made a party to a proceeding because the person is or was a director or an officer of the Association, shall be indemnified against any and all liability incurred in the proceeding, if: a) the person conducted himself in good faith; b) the person reasonably believed: (i) in the case of conduct in an official capacity with the Association, that his conduct was in the Association's best interest, and (ii) in all other cases, that his conduct was at least not opposed to the Association's best interests; and c) in the case of any criminal proceeding, the person had no reasonable cause to believe his conduct was unlawful. Determination of a proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the person did not meet the standard of conduct described in this section. Notwithstanding the foregoing, the Association shall not indemnify a director under this section: a) in connection with a proceeding by or in the right of the Association in which the person was adjudged liable to the Association; or, b) in connection with any other proceedings charging that the person derived an improper personal benefit, whether or not involving an action in an official capacity, in which proceeding the person was adjudged liable on the basis that he derived an improper personal benefit. In this case, indemnification is limited to reasonable expenses incurred by such person in connection with the proceeding.

2. No director or officer shall be personally liable for any injury to any person or property arising out of a tort committed by an employee, unless such director or officer was personally involved in the situation giving rise to the litigation or unless such director or officer committed a criminal offense in connection with such situation. The protection afforded in this paragraph shall not restrict other common law protections and rights that a director or officer may have. Nothing herein shall restrict the Association's right to eliminate or limit the personal liability of a director to the Association, or to its members for monetary damages for breach of fiduciary duty as a director as provided in Article IV, paragraph 2(c).

ARTICLE XI

BY-LAWS

The first By-Laws of the Association shall be adopted by the Board of Directors, and may be altered, amended or received in the manner provided by the Declaration or By-Laws.

ARTICLE XII

DISSOLUTION AND LIQUIDATION

Upon dissolution of the Association, the Board of Directors shall, after paying or making provisions for the payment of all of the liabilities of the Association, adopt a plan for the distribution of the assets of the Association consistent with the Declaration and the Colorado Nonprofit Corporation Act.

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ARTICLE XIII
AMENDMENTS

Amendments to these Articles of Incorporation shall be proposed, adopted and executed, acknowledged and filed with the Secretary of State, all as required by the Colorado Nonprofit Corporation Act.

ARTICLE XIV
INCORPORATOR

The name of the incorporator and the person who causes this document to be delivered for filing (and to whom the Secretary of State may deliver notice if filing of this document is refused) is Garfield & Hecht, P.C., whose address is 601 East Hyman Avenue, Aspen, Colorado 81611, Attention: ~~Corporate Secretary~~ Natasha Saypol

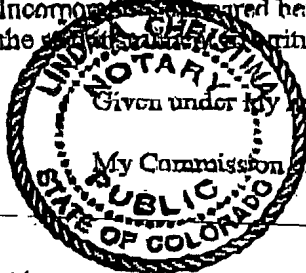
IN WITNESS WHEREOF, the incorporator has affixed his signature on this 7th day of January, 2004.

GARFIELD & HECHT, P.C.

By: *Natasha Saypol*
Natasha Saypol

STATE OF COLORADO)
) ss
COUNTY OF PITKIN)

I, *Linda Christina* a Notary Public in and for said County, in the State aforesaid, do hereby certify that *Natasha Saypol*, whose name is subscribed and annexed to the foregoing Articles of Incorporation, appeared before me this day in person and acknowledged that he signed, sealed and delivered the same voluntarily, writing as his free and voluntary act, for the uses and purposes therein set forth.



Given under my hand and notarial seal this 20th day of *JANUARY*, 2004.

My Commission Expires: _____
Linda Christina
Notary Public

My Commission Expires 11/9/2005

CONSENT OF REGISTERED AGENT

With the execution of this document, the undersigned hereby assents to the undersigned's appointment as initial registered agent of Bavarian Condominium Association, as set forth in the Articles of Incorporation of Bavarian Condominium Association.

GARFIELD & HECHT, P.C.
By: *Natasha Saypol*
Natasha Saypol