

**ARTICLES OF INCORPORATION  
YARMOUTH WAY CONDOMINIUM ASSOCIATION, INC.**

The undersigned adult natural person, acting as incorporator, hereby establishes a nonprofit corporation pursuant to the Colorado Revised Nonprofit Corporation Act and adopts the following articles of incorporation:

**Article I  
Name of Corporation**

The name of the corporation is Yarmouth Way Condominium Association, Inc.

**Article II  
Period of Duration**

The corporation shall have perpetual existence.

**Article III  
Principal Office, Registered Office, Agent and Consent of Agent**

The address of the initial principal office and registered office of the corporation is c/o Thistle Communities, 1845 Folsom, Boulder, Colorado 80302. The name of its initial registered agent at such address is Mary Roosevelt, who accepts her appointment by execution of these articles as incorporator and registered agent. Mary Roosevelt causes these articles of incorporation to be delivered for filing, and the Secretary of State may deliver notice to Mary Roosevelt if filing of these articles of incorporation is refused.

**Article IV  
Definitions**

Unless otherwise defined herein, all capitalized terms used in these Articles shall have the meanings given to them in that certain Declaration of Protective Covenants, Conditions, and Restrictions for Yarmouth Way Condominiums recorded in the real property records of Boulder County, Colorado (the "Declaration").

**Article V  
Purposes and Powers**

**5.1** Purposes. The purposes for which the corporation is organized are to act as the designated Association for Yarmouth Way Condominiums and to exercise all rights and powers granted by the Declaration.

**5.2** Powers. The corporation shall have all of the rights, privileges and powers now or subsequently conferred on nonprofit corporations by the laws of the State of Colorado. The corporation shall have and may exercise all powers

necessary or convenient to affect any of the purposes for which the corporation was organized.

**5.3** Restrictions on Purposes and Powers. The purposes and powers of the corporation described in Sections 5.1 and 5.2 above are subject to the following limitations:

(a) The corporation shall be organized and operated exclusively for nonprofit purposes as set forth in Section 528 of the Internal Revenue Code of 1986, as 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.

(b) No part of the net earnings of the corporation shall inure to the benefit of any Owner, except as expressly permitted in Section 5.3(c) below with respect to the dissolution of the corporation.

(c) The corporation shall not pay any dividends. No distribution of the corporation's assets to Owners shall be made until all of the corporation's debts are paid, and then only upon the final dissolution of the corporation as permitted in the Declaration. Upon payment of all of the corporation's debts and final dissolution, any remaining assets of the corporation shall be distributed as provided in Article X.

## **Article VI Period of Duration**

**6.1** Membership Qualification. Every Owner shall be a Member of the corporation, and a Person who is not an Owner may not be a Member of the corporation. Other qualifications and rights of the Members shall be set forth in the Bylaws.

**6.2** Voting. Members shall have one equal vote for each Unit in which they hold the interest required for Membership under Section 6.1. Notwithstanding the foregoing, Declarant specifically reserves the right to adjust the number of votes applicable to Units by Supplemental Declaration. If there is more than one Owner of a Unit the vote or votes for such Unit shall be exercised as the co-Owners determine among themselves by majority vote in accordance with the Declaration, and advise the Secretary of the Association in writing prior to any meeting.

**6.3** No Cumulative Voting. Cumulative voting shall not be allowed in the election of members of the Board of Directors or for any other purpose.

## **Article VII Board of Directors**

**7.1** Powers of the Board of Directors. The Board of Directors shall

exercise the powers granted to the corporation except those expressly reserved to the Members in the Declaration, and the Board shall also administer the affairs of the corporation in accordance with the provisions of these Articles, the Bylaws, the Declaration and laws relating to and governing Colorado nonprofit corporations.

**7.2 Number of Directors.** The Board of Directors shall consist of an odd number of full voting members, but not less than three (3) nor more than seven (7) full voting members. The initial Board shall consist of three (3) full voting members. The number of members of the Board of Directors and the term during which any such member shall hold office may be changed as provided in the Bylaws. The names and addresses of the three (3) initial full voting directors that shall constitute the initial Board of Directors of the corporation are as follows:

Mary Roosevelt  
1845 Folsom St.  
Boulder, CO 80302

Joseph Rosenblum  
1845 Folsom St.  
Boulder, CO 80302

Ellen McCready  
1845 Folsom St.  
Boulder, CO 80302

**7.3 Declarant Control Period.**

(a) Subject to the terms and conditions of Sections 7.3(b) and (c) below, but notwithstanding anything else to the contrary contained in the Declaration, Declarant, shall have the exclusive right to appoint and remove all members of the Board of Directors and all officers of the corporation during the "Declarant Control Period" hereinafter described. The term "Declarant Control Period" means the period commencing on the date on which Declarant forms the corporation and ending on the earlier of (a) seven (7) years from the date of recording the Declaration; (b) sixty (60) days after Declarant conveys seventy-five percent (75%) of the Units that may be created to Owners other than Declarant; (c) two (2) years after the last conveyance of a Unit by Declarant in the ordinary course of business; or (d) two (2) years after the right to add new Units was last exercised.

(b) Declarant may voluntarily surrender its right to appoint and remove members of the Board of Directors and officers of the corporation prior to the expiration of the Declarant Control Period, but, in that event, Declarant may require, for the remainder of the Declarant Control Period, that specific actions of the corporation of the Board of Directors, as

described in a recorded instrument executed by Declarant, be approved by the Declarant before they become effective.

(c) Notwithstanding anything to the contrary contained in Section 7.3(a) above, not later than sixty days after the conveyance of twenty-five percent (25%) of the Units that may be created to Owners other than Declarant, at least one member and not less than twenty-five percent (25%) of the members of the Board of Directors must be elected by Owners other than Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units that may be created to Owners other than Declarant, not less than thirty-three and one-third (33 $\frac{1}{3}$ %) percent of the members of the Board of Directors must be elected by Owners other than Declarant.

(d) Following expiration of the Declarant Control Period, members of the Board of Directors shall be elected by a majority vote of the Members.

## **Article VIII Liability and Indemnification**

**8.1** Limits on Directors' Liability. To the fullest extent permitted by the Declaration and the Colorado Revised Nonprofit Corporation Act, as the same exist or may hereafter be amended, a member of the Board of Directors shall not be liable to the corporation or the owners for monetary damages for breach of fiduciary duty. Any repeal or modification of this Section 8.1 shall be prospective only and shall not adversely affect any right or protection of a member of the Board of Directors existing at the time of such repeal or modification.

**8.2** Indemnification. To the fullest extent permitted by the Declaration and the Colorado Revised Nonprofit Corporation Act, as the same exist or may hereafter be amended, the corporation shall indemnify each member of the Board of Directors and each officer, employee, fiduciary and agent of the corporation.

## **Article IX Bylaws**

The initial Bylaws of the corporation shall be as adopted by the Board of Directors. The Board of Directors shall have the power to alter, amend or repeal the Bylaws from time to time in force and adopt new Bylaws. The Bylaws of the corporation may contain any provisions for the regulation or management of the affairs of the corporation that are not inconsistent with law, the Declaration or these Articles. However, no Bylaw at any time in effect, and no amendment of these Articles, shall have the effect of giving any member of the Board of Directors or officer of the corporation any proprietary interest in the corporation's property or assets, whether during the term of the corporation's existence or as

an incident to its dissolution.

### **Article X Dissolution**

The corporation may be dissolved only by the affirmative vote of sixty seven percent (67%) of the Members. The corporation's right to dissolve is further subject to the limitations thereon set forth in the Declaration. Written notice of a proposal to dissolve, setting forth the reasons therefore and the disposition to be made of the assets, as set forth below, shall be mailed to every Member at least ninety (90) days in advance of any action taken. Upon dissolution of the corporation, the assets, both real and personal of the corporation, shall be dedicated to an appropriate public agency or agencies or utility or utilities to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the corporation. In the event that such dedication is not accepted, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to purposes as nearly practicable the same as those to which they were required to be devoted by the corporation. No such disposition of corporation properties shall be effective to divest or diminish any right or title of any Member vested in him under the Declaration unless made in accordance with the provisions of the Declaration.

### **Article XI Amendment of Articles**

The Board of Directors of the corporation shall have the power to amend these Articles on adoption of a resolution and submission to a meeting of the Members where it is approved by a vote of at least sixty-seven percent (67%) of the Members present at any regular or special meeting called for that purpose at which a quorum shall be represented, either in person or by proxy. The corporation's right to amend, alter, change or repeal these Articles is further subject to the limitations thereon set forth in the Declaration.

### **Article XII Effect**

**12.1 Effect.** These Articles correctly set forth the provisions of the corporation's Articles of Incorporation. They have been duly adopted as required by law.

### **Article XIII Incorporator/Registered Agent**

The name and address of the incorporator and the registered agent of the corporation is:

Mary Roosevelt

Thistle Communities  
1845 Folsom  
Boulder, Colorado 80302