

ARTICLES OF INCORPORATION

OF THE  
LAKE CITY ARTS COUNCIL

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We, the undersigned natural persons of the age of twenty-one years or more, acting as incorporators of a Corporation under the Colorado Nonprofit Corporation Act, execute the following Articles of Incorporation for such Corporation.

ARTICLE I

The name of this Corporation is the Lake City Arts Council (hereinafter "the Corporation").

ARTICLE II

The period of duration of the Corporation shall be perpetual.

ARTICLE III

The Corporation is organized for the following purposes:

1. Through charitable means, to educate the residents of Lake City, Hinsdale County, and the State of Colorado about the the presence of an active arts community in Lake City, to sponsor and promote arts performances and exhibitions in Lake City and Hinsdale County, to assist and advise the Lake City community of artists, and to educate individual members of the Lake City Community in the art or arts of interest to them.
2. To perform all other acts necessary or incidental to these purposes and to do whatever is deemed necessary, useful, advisable or conducive, directly or indirectly, to carry out any of the purposes of the Corporation, as set forth in these Articles of Incorporation, including the exercise of all other power and authority enjoyed by nonprofit corporations by virtue of the provisions of the Colorado Nonprofit Corporation Act, subject to the limitations of Section 501(c)(3) of the Internal Revenue Code.

ARTICLE IV

A. The Corporation is organized and shall be operated exclusively for charitable, literary and educational purposes. In furtherance of such purposes, it may promote, establish, conduct, and maintain activities on its own behalf or it may contribute to or otherwise assist other corporations, organizations, and institutions carrying on such activities; and for such purposes, it may solicit and receive funds and other property, real, personal, and mixed, and interests therein, by gift, transfer, devise, or bequest, and invest, re-invest, hold, manage, administer, expend, and apply such funds and property, subject to such conditions and limitations, if any, as may be expressed in any instrument evidencing such gift, transfer devise or bequest.

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B. No part of the income or principal of the Corporation shall inure to the benefit of or be distributed to any member, director, or officer of the Corporation or any other private individual, but reimbursement for expenditures by any member, director, or officer of the Corporation or any other private individual on the Corporation's behalf or the payment of reasonable compensation for services rendered by any member, director, or officer of the Corporation or any other private individual to the Corporation shall not be deemed to be a distribution of the Corporation's income or principal.

#### ARTICLE V

If, for any reason, it becomes necessary to dissolve this Corporation: (a) the assets held by the Corporation in trust for specified purposes shall be applied so far as is feasible in accordance with the terms of the trust; (b) the remaining assets not held in trust shall be applied, so far as feasible, towards carrying out the purposes stated in these Articles of Incorporation, including payment or provision for payment of the Corporation's existing liabilities; (c) in the event and to the extent that, in judgment of the Directors, it is not feasible to apply the assets as provided in the foregoing clauses (a) and (b), the assets shall be applied to and for the use of a Corporation or foundation organized and operated exclusively for charitable or educational purposes and qualified for tax exemption from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.

#### ARTICLE VI

The Corporation shall have no capital stock.

#### ARTICLE VII

The Corporation will have members, the designation of such class or classes, the manner of election or appointment, the qualification and rights of which shall be set forth in the Bylaws. However, no member of any class designated in the bylaws shall have voting rights whatsoever.

#### ARTICLE VIII

The name of the Corporation's initial registered agent is Carolyn Virden, 2332 Eagle Dr., Lake City, Colorado, 81235.

#### ARTICLE IX

The management of this Corporation shall be vested in the Board of Directors as now constituted or as hereafter elected or appointed. Said Board of Directors shall have the power to elect a president, one or more vice presidents, a secretary, and a treasurer of the Corporation together with any assistants thereto deemed advisable or convenient to the administration of the Corporation's affairs. All persons elected for such offices shall be members of the Board of Directors. Directors and officers shall hold their respective offices until their successors shall have been chosen and qualified in their stead.

#### ARTICLE X

The number of the Board of Directors shall consist of not less than nine (9) and not more than fifteen (15) members. The Board of Directors shall serve terms of three (3) years. The election of Directors shall be governed by the Bylaws of the organization. The names and addresses of the initial Board of Directors are:

Mary Stigall  
P.O. Box 608  
Lake City, CO 81235

Sandy Thompson  
P.O. Box 154  
Lake City, CO 81235

Lisa Gray  
518 Water St.  
Lake City, CO 81235

Richard Dunham  
P.O. Box 444  
Lake City, CO 81235

Betty Berry  
825 Gunnison Ave.  
Lake City, CO 81235

Joe Richard  
518 N. Silver  
Lake City, CO 81235

Lori Winblood  
2600 N. Hwy 149  
Lake City, CO 81235

Helen Thompson  
Box 638  
Lake City, CO 81235

Bob Paulmenn  
P.O. Box 457  
Lake City, CO 81235

Carolyn Virden  
Box 818  
Lake City, CO 81235

Helen Dewey  
625 Pine  
Lake City, CO 81235

Robert E. Hall  
400 N. Henson  
Lake City, CO 81235

Mary Nettleton  
509 Silver  
Lake City, CO 81235

Jacque Terhune  
1329 Hwy 149  
Powderhorn, CO 81243

Douglas Jones  
253 Wades Addition  
Lake City, CO 81235

#### ARTICLE XI

Except as otherwise provided in C.R.S. §7-22-101, a director shall not be liable to the Corporation or its members for monetary damages for breach of the director's fiduciary duty. The Corporation shall indemnify any director or officer or former director or officer of the Corporation, or any person who may have served at its request as a director or officer of another Corporation, as set forth in the bylaws. In no case, however, shall the Corporation indemnify or reimburse any person for any federal excise taxes imposed on such individual under Chapter 42 of the Internal Revenue Code. Further, if at any time or times the Corporation is a private foundation within the meaning of Section 509 of the Internal Revenue Code, then, during such time or times, no payment shall be made under this Article if such payment would constitute an act of self-dealing (as defined in Section 4941(d) of the Code), or a taxable expenditure (as defined in Section 4945(d) of the Code).

#### ARTICLE XII

At all times, and notwithstanding any merger, consolidation, reorganization, termination, dissolution, or winding up of the Corporation, voluntary or involuntary or by operation of law, or any other provisions hereof:

A. The Corporation shall not possess or exercise any power or authority, whether expressly, by interpretation, or by operation of law, that will or might prevent it at any time from qualifying and continuing to qualify as (1) a corporation described in Section 501(c)(3) of the Internal Revenue Code of 1954 ("the Code") or any successor statute, contributions to which are deductible for federal income tax purposes; or (2) a corporation, contributions to which are deductible under Section 170 (c) (2) of the Code or any successor statute. The Corporation shall not engage, directly or indirectly, in any activity that might cause the loss of qualification under Section 501(c)(3) of the Code.

B. No part of the assets or net earnings of the Corporation shall ever be used, nor shall the Corporation ever be organized or operated, for purposes that are not exclusively charitable or educational within the meaning of Section 501(c)(3) of the Code.

C. The Corporation shall never be operated for the primary purpose of carrying on a trade or business for profit.

E. (1) No substantial part of the activities of the Corporation shall consist of attempting to influence legislation (including action by Congress, any state legislature, any local council or similar governing body, or the public in referendum, initiative, constitutional amendment, or similar procedure) through propaganda or otherwise (including contacting, or urging the public to contact, members of a legislative body for the purpose of proposing, supporting, or opposing legislation, or advocating the adoption or rejection of legislation). Nor shall the Corporation, directly or indirectly, participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf or in opposition to any candidate for public office.

(2) During such time or times that the Corporation is a private foundation within the meaning of Section 509 of the Code, no part of the activities of the Corporation shall consist of attempting to influence legislation (including action by Congress, any state legislature, any local council or similar governing body, or the public in referendum, initiative, constitutional amendment, or similar procedure) through propaganda or otherwise (including contacting, or urging the public to contact, members of a legislative body for the purpose of proposing, supporting, or opposing legislation, or advocating the adoption or rejection of legislation). Nor shall the Corporation, directly or indirectly, participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf or in opposition to any candidate for public office.

F. At no time shall the Corporation engage in any activities that are unlawful under the laws of the United States, Colorado, or any other jurisdiction where its activities are carried on.

G. No solicitation of contributions to the Corporation shall be made if, in the opinion of the Board, such solicitation may cause the Corporation to lose its federal income tax exemption. No gift, bequest, or devise to the Corporation shall be accepted, under any condition or limitation that, in the opinion of the Board, may cause the Corporation to lose its federal income tax exemption.

H. Notwithstanding any other provision of these Articles, if at any time or times the Corporation is a private foundation within the meaning of Section 509(c)(3) of the Code, then during such time or times:

- (1) The Corporation shall distribute its income for each taxable year at such time and in such manner as not to subject the Corporation to tax under Section 4942 of the Code;
- (2) The Corporation shall not engage in any act of self-dealing, as defined in Section 4941(d) of the Code;
- (3) The Corporation shall not retain any excess business holdings, as defined in Section 4943(c) of the Code;
- (4) The Corporation shall not make any investments in such manner as to subject the Corporation to tax under Section 4944 of the Code; and
- (5) The Corporation shall not make any taxable expenditures as defined in Section 4045(d) of the Code.

The private property of the officers and Directors of the Corporation shall not be subject to payment of corporate debts to any extent whatever.

### ARTICLE XIII

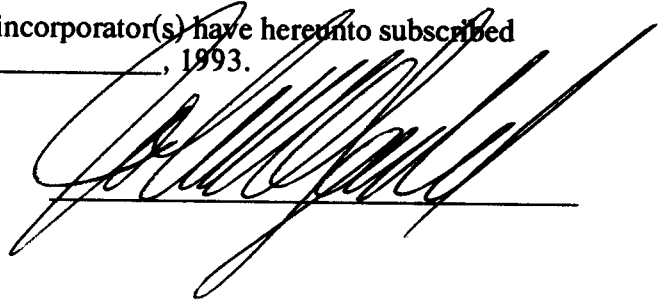
The Directors shall have the power to (1) adopt Bylaws not inconsistent with either these Articles or the laws of Colorado, and (2) to amend these Articles of Incorporation.

### INCORPORATORS

The names and addresses of the incorporator is:

<u>Name</u>	<u>Address</u>
John D. Seidel	4427 Bryant St., Denver, CO 80211

IN WITNESS WHEREOF, the undersigned incorporator(s) have hereunto subscribed his their hand(s) this 27th day of April, 1993.



STATE OF COLORADO )  
 ) ss.  
COUNTY OF DENVER )

I, Jacqueline L. Garland, a notary public, hereby certify that on the 27th day of April, 1993, personally appeared before me John D. Seidel, Only., who being by me first duly sworn, severally declared that he/she is the person who signed the foregoing document as incorporator, and that the statements therein contained are true.

WITNESS my hand and official seal. 4704 Harlan St.  
Denver, CO 80212  
My commission expires 12-12-96.

Jacqueline L. Garland  
Notary Public  
Address: \_\_\_\_\_  
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