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ARTICLES OF INCORPORATION

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SAN JUAN VILLAGE OWNERS ASSOCIATION, INC.

(A Nonprofit Corporation)

The undersigned 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 1--Name

The name of this corporation is the SAN JUAN VILLAGE OWNERS ASSOCIATION, INC. ("Association").

ARTICLE 2--Duration

The duration of the Association shall be perpetual.

ARTICLE 3--Nonprofit

The Association shall be a nonprofit corporation, without shares of stock.

ARTICLE 4--Purposes and Powers of Association

The purposes for which the Association is formed are as follows:

(a) To operate the Common Interest Community known as the "San Juan Village" created by the recorded Declaration of Covenants, Conditions and Restrictions of San Juan Village, located in San Miguel County, Colorado, for the purposes of enhancing and preserving the value of the properties of the members.

(b) To operate such other common interest communities as may be created within San Juan Village and as accepted by the Association or as designated by the Declarant.

(c) To perform acts and services, in accordance with the requirements for a master association of owners charged with the administration of property under the Colorado Common Interest Ownership Act, as amended.

(d) To manage, supervise, care for and operate the Common Interest Community.

(e) To maintain the Common Elements within the Common Interest Community.

(f) To enforce any and all covenants, restrictions and agreements applicable to the Common Interest Community or delegated to the Association.

(g) To prepare estimates and budgets of the costs and expenses of rendering services and to perform, or contract, or enter into agreements for that performance, as provided for or contemplated in this Article, the Declaration, the Act or any Supplemental Declaration.

(h) To apportion these estimated costs and expenses among the Owners and collect those costs and expenses from the Owners obligated to assume or bear the same.

(i) To borrow money for the Association's purposes.

(j) To enforce, on behalf of the Property Owners, rules and regulations made or promulgated by the Board with respect to the safe occupancy, reasonable use and enjoyment of the Properties, buildings, structures, grounds and facilities of the Common Interest Community, and to enforce compliance with these rules, including the levy of reasonable fines.

(k) To perform or cause 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 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.

(l) To promote the health, safety, welfare and common benefit of the residents and occupants of the Properties subject to the Declaration.

(m) 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, and to acquire, sell, mortgage, lease or encumber any real or personal property for these purposes.

(n) To eliminate or limit the personal liability of a Director to the Association or to the members for monetary damages for breach of fiduciary duty as a Director, as allowed by law.

(o) To do any and all permitted acts suitable or incidental to any of the foregoing purposes and objects to the fullest extent permitted by law, and do any and all acts that, in the opinion of the Board will promote the common benefit and enjoyment of the occupants, residents and Property Owners of the Common Interest Community, and

to have and to exercise any and all powers, rights and privileges which are granted under the Colorado Common Interest Ownership Act, the Declaration, any Supplemental 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 5--Membership Rights and Qualifications

Any person who holds title to a Property in the Common Interest Community shall be a member of the Association. There shall be one membership for each Property owned within the Common Interest Community. This membership shall be automatically transferred upon the conveyance of that Property. The vote to which each membership is entitled is the number of votes assigned to the Property in the Declaration of the Common Interest Community. If a Property is owned by more than one person, those persons shall agree among themselves how a vote for that Property's membership is to be cast. Individual co-owners may not cast fractional votes. A vote by a co-owner for the entire Property's membership interest shall be deemed to be pursuant to a valid proxy, unless another co-owner of the same Property objects at the time the vote is cast, in which case such membership's vote shall not be counted.

The members may be of such classes of membership as established by the Declarant, the Declaration or any Supplemental Declaration.

ARTICLE 6--Agent for Service

The initial registered agent of the Association shall be Telluride Resort Accommodations, Inc. at the registered address of P.O. Box 100, 666 West Colorado Avenue, Telluride, Colorado 81435.

ARTICLE 7--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 Directors be less than three and provided further that the number of Directors shall always be a number divisible by three. The names and addresses of the persons who shall serve as Directors until their successors shall be elected and qualified are as follows:

Director

Michael Gardner

P.O. Box 2639
619 W. Columbia Avenue
Building D
Telluride, CO 81435

Steve Kuehn

P.O. Box 2639
619 W. Columbia Avenue
Building D
Telluride, CO 81435

Steve Schein

P.O. Box 2639
619 W. Columbia Avenue
Building D
Telluride, CO 81435

The Declarant of the Common Interest Community 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 during the period of declarant control.

ARTICLE 8--Amendment

Amendment of these Articles shall require the assent of at least two-thirds of the votes present, in person or proxy, at a meeting of the members at which a quorum is present.

ARTICLE 9--Dissolution

In the event of the dissolution of the Association as a corporation, either voluntarily or involuntarily by the members hereof, by operation of law or otherwise, then the assets of the Association shall be deemed to be owned by the members at the date of dissolution, as a part of their Property, in proportion to their allocated interests, unless otherwise agreed or provided by law.

ARTICLE 10--Interpretation

Express reference is hereby made to the terms and provisions of the Declaration, which shall be referred to when necessary to interpret, construe or clarify the provisions of these Articles. In the event of conflict, the terms of the Declaration shall control over these Articles of Incorporation.

ARTICLE 11--Incorporator

The name and address of the incorporator is as follows:

Jerry C.M. Orten
Orten Hindman & Jordan, P.C.
1099 18th Street, Suite 2750
Denver, CO 80202-1927

IN WITNESS WHEREOF, the undersigned has signed these Articles in duplicate this 28th day of Feb, 1996

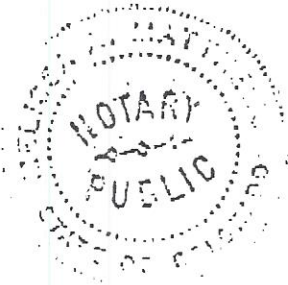
[Signature]
Jerry C.M. Orten

STATE OF COLORADO)
CITY AND) ss.
COUNTY OF DENVER)

The foregoing was acknowledged before me this 21st day of February, 1996 by Jerry C.M. Orten.

Witness my hand and official seal.

My commission expires: 1/30/98



[Signature]
Notary Public