

**ARTICLES OF INCORPORATION FOR THE  
San Juan Warehouse Commercial Condominium Association**

For the purpose of forming a nonprofit corporation pursuant to the provisions of the Colorado Nonprofit Corporation Act, as may be amended, the undersigned incorporator has signed and acknowledged the following Articles of Incorporation:

**ARTICLE I - NAME**

The name of this nonprofit corporation shall be: **The San Juan Warehouse Commercial Condominium Association, Inc.** (hereinafter the nonprofit corporation shall be referred to as "the Association").

**ARTICLE II - DURATION**

The period of duration of the Association shall be perpetual.

FILED - CUSTOMER COPY  
VICTORIA BUCKLEY  
COLORADO SECRETARY OF STATE

**ARTICLE III - PURPOSES**

The objectives and purposes for which this Association is formed, are as follows:

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1. To promote the health, safety, and welfare of all members of the San Juan Warehouse Commercial Condominium Association; To establish, provide and maintain a desirable environment for all Owners and guests and to protect and preserve the property, property values and property rights in The San Juan Warehouse Building.
2. To enforce any and all covenants, restrictions, agreements, or rules and regulations applicable to The San Juan Warehouse Building in any manner provided by the laws of Colorado; the Declaration for The San Juan Warehouse Building, a Condominium; or these Articles of Incorporation or the Bylaws as from time to time are in force and effect.
3. To provide any service and perform all actions contemplated by the Declaration for The San Juan Warehouse Building, a Condominium or permitted by law.

**ARTICLE IV - POWERS**

In furtherance of its purposes, but not otherwise, the Association shall have the following powers:

1. **All Common Law and Statutory Powers.** All of the powers conferred upon nonprofit corporations by common law and statutes of the State of Colorado, in effect now and from time to time, and those powers inherent to the Colorado Nonprofit Corporation Act, C.R.S. 7-20-101, et seq.
2. **Powers needed to Effectuate the Declaration, Articles, By-laws, Easement Agreements and any other Statutory Requirements.** All of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers of the San Juan Warehouse Commercial Condominium Association under the above-referenced Declarations, Articles, By-laws, Easement Agreements and Statutory Requirements, including, without limitation, the following powers:
  - (a) **Assessments.** To levy and collect assessments and special assessments against the Owners of each Unit for the purpose of defraying the costs, expenses and any losses of the San Juan Warehouse Commercial Condominium Association, or of exercising its powers or of performing its functions; to charge interest on unpaid assessments; and to create, enforce, and foreclose liens given as security for such assessment, charges, fees, fines, penalties, damages and interest.

(b) **Operation and Maintenance.** To manage, control, operate, maintain, repair and improve all common elements and utility systems serving the San Juan Warehouse Building.

(c) **Advance Lot Owners' Interests.** To engage in activities which will actively foster, promote and advance the common interests of the San Juan Warehouse Commercial Condominium Association, Inc., and its individual unit owner members.

(d) **Buy, Sell, Lease, or Encumber.** To buy or otherwise acquire, sell or otherwise dispose of, mortgage or otherwise encumber, exchange, lease, hold, use, operate and otherwise deal with and in, real, personal and mixed property of all kinds, and any right or interest therein, for any purpose of this Association.

(e) **Borrow.** To borrow money and secure the repayment of monies borrowed for any purpose of this homeowners association, limited in amount or in other respects as may be provided in the Bylaws of this Association.

(f) **Contract.** To enter into, make, perform or enforce contracts of every kind and description, including, without limitation, contracts for management services, and to do all other acts necessary, appropriate or advisable in carrying out any purpose of this Association with or in association with any person, firm, association, corporation or other entity or agency, public or private.

(g) **Bylaws.** To adopt, alter, amend or repeal such Bylaws as may be necessary or desirable for the proper management of the affairs of this Association, provided, however, that such Bylaws may not be inconsistent with or contrary to any provisions of these Articles of Incorporation.

(h) **Rule Making.** To make and enforce rules and regulations applicable to San Juan Warehouse Building for the accomplishment of any of the purposes or to further any of the powers set forth above, and to amend such rules and regulations.

(i) **Powers Not Limited or Restricted.** The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers which may now or hereafter be allowed or permitted by law; and the powers specified in each of the paragraphs of this Article IV are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provisions of this Article IV.

3. **Limitation on Powers.** Without the consent of all the ownership interests in the San Juan Warehouse Commercial Condominium Association, this Association shall have no power or authority to take any action which would cause it to be classified other than as a nonprofit corporation by either the Internal Revenue Service or the State of Colorado.

4. **Prohibition on Dividends.** The San Juan Warehouse Commercial Condominium Association shall not pay any dividends. No distribution of the corporate assets to members shall be made. Upon dissolution of the San Juan Warehouse Commercial Condominium Association, the assets shall be distributed as provided in Article XII herein.

## ARTICLE V - MEMBERSHIPS

1. **Shares-One Class.** This Association shall be a membership corporation without certificates or shares of stock. There shall be one class of membership and there shall be one membership in the corporation which shall be attributable to the fee simple title to each Unit.

2. **Voting.** All Members shall be entitled to vote with one vote per Unit. The voting right of any Members who are in default of any obligations to this Association may be suspended until such default is cured. Cumulative voting is prohibited. The vote for a given Unit shall be made by one person, who shall represent all individuals or entities holding title to the respective Unit. The percentage of voting interest in the San Juan Warehouse Commercial Condominium Association allocated to each Unit owner shall be determined in accordance with the provisions of the Condominium Declaration for San Juan Warehouse Building, a Condominium.

3. **Membership Appurtenant to Unit Ownership.** Each regular membership shall be appurtenant to the fee simple title of each Unit. The owner of a Unit shall automatically be the holder of the regular membership appurtenant to that Unit. Membership in the Association shall not be assigned, encumbered or transferred in any manner except as an appurtenance to transfer of title to the Unit to which the membership appertains. Membership in the Association is mandatory.

4. **Transfer.** A transfer of membership shall occur automatically upon the transfer of title to a Unit to which the membership appertains, provided, however, that the Bylaws of the Association may contain reasonable provisions and requirements with respect to recording such transfers on the book and records of the Association.

5. **Suspensions of Voting Rights.** The Association may suspend the voting rights of the Owners of a Unit for failure to comply with rules, regulations or Bylaws of the Association or for failure to comply with any other obligations under the Covenants and rules or agreements created pursuant thereto. The Association may also impose fines, as permitted by law, and take all other actions permitted by law, for failure of a member to comply with the rules, regulations and bylaws of the Association.

6. **Bylaws Applicable to Members' Rights.** The Bylaws may contain provisions, not inconsistent with the foregoing, setting forth the rights, privileges, duties and responsibilities of the Members.

## ARTICLE VI - BOARD OF DIRECTORS

The business and affairs of this Association shall be conducted, managed and controlled by its Board of Directors.

1. **Number, Terms.** The Board of Directors (hereinafter sometimes called "Board") shall consist of not less than three members, the specified number to be set forth from time to time in the Bylaws of the Association. In the absence of any provision to the contrary in the Bylaws, the Board shall consist of three Members. The terms of Directors shall expire annually.

2. **Elected Directors.** Members of the Board of Directors shall be elected in the manner determined by the Bylaws. Until such time that seventy-five percent (75%) of the Units in San Juan Warehouse Building have been sold, the members of the Board of Directors shall be appointed by the Developer, BCB, L.L.C., a Colorado Limited Liability Company. The persons comprising the Board of Directors shall be natural persons. A person does not have to be a Unit owner to serve on the Board of Directors. The Initial Directors shall be those individuals specified in the Articles of Incorporation. After seventy-five percent (75%) of the Units have been sold, all members of the Board of Directors shall be elected by the membership.

3. **Vacancies.** Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided in the Bylaws. Any vacancies on the Board of Directors occurring before the first election of Directors by Members shall be filled by vote of the remaining Directors.

4. **Director Liability.** The Corporation hereby elects to enact all of those projections provided by Colorado law which would limit or eliminate the personal liability of Directors to the Association or its members in any and all cases with the exception of those statutory exceptions which do not eliminate or limit

a Director's liability.

5. **Initial Board.** The names and addresses of the three natural persons over the age of twenty-one years who shall comprise the Initial Board of Directors and who shall serve until the first election of Directors by the Members and until their successors are duly elected and qualified are as follows:

<b>Name</b>	<b>Address</b>
Carlisle Connick	225 South Pine Street P.O. Box 835 Telluride, Colorado 81435
Ed Barlow	55 East 72 <sup>nd</sup> Street New York, New York 10021
John H. Steel, Esq.	126 West Colorado Avenue, Suite 202 P.O. Box 2784 Telluride, Colorado 81435

#### **ARTICLE VII - OFFICERS**

The Board of Directors shall, at each Annual Meeting of the Directors, elect a President of the Association, one or more Vice Presidents, a Secretary/Treasurer and such other officers as the Board, in accordance with the provisions of the Bylaws, believe will be in the best interests of the Association. The position of Treasurer may be combined with and held by the same person as the position of Secretary. The Officers shall have such duties as may be prescribed in the Bylaws of the Association and shall serve one year terms from the Annual Meeting of Directors at which they are appointed until a successor is named at the following Annual Meeting of Directors, at the pleasure of the Board of Directors.

#### **ARTICLE VIII - CONVEYANCES AND ENCUMBRANCES**

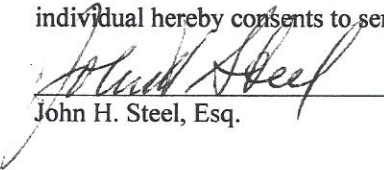
Association property may be conveyed or encumbered by authority of the Association and its Board of Directors. Conveyances or encumbrances shall be by instrument executed by the President or Vice President and by the Secretary Treasurer or an Assistant Secretary or Assistant Treasurer or executed by such other person or persons to whom such authority may be specifically delegated by the Board.

#### **ARTICLE IX - EXECUTION OF INSTRUMENTS**

Authority to convey or encumber the property of the San Juan Warehouse Commercial Condominium Association and to execute any deed, contract or other instrument on behalf of the Association for itself or as attorney-in-fact for one or more of the members is vested in the president or any vice president. All instruments conveying or encumbering such property shall be executed by the president or vice president or any other officer of the San Juan Warehouse Commercial Condominium Association.

#### **ARTICLE X - INITIAL REGISTERED OFFICE AND AGENT**

The initial registered office of the corporation shall be at 126 West Colorado Avenue, Suite 202, P.O. Box 2784, Telluride, Colorado 81435. The initial registered agent at such office shall be John H. Steel, Esq. The undersigned individual hereby consents to serve as the initial registered agent of the corporation.

  
John H. Steel, Esq.

**ARTICLE XI - INCORPORATOR**

The following is the name and address of a natural person over the age of twenty-one years and of full, unimpaired legal capacity who is the incorporator of this corporation.

Name	Address
John H. Steel, Esq.	P.O. Box 2784 Telluride, CO 81435

**ARTICLE XII - DISSOLUTION**

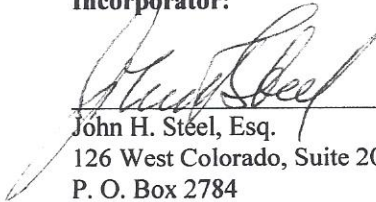
The San Juan Warehouse Commercial Condominium Association may be dissolved only by the affirmative vote of a majority of the members. Written notice of a proposal to dissolve, setting forth the reasons thereof and the disposition to be made of the assets, as set forth below, shall be mailed to every member at least 90 days in advance of any action taken. Upon dissolution of the San Juan Warehouse Commercial Condominium Association, the assets, both real and personal, of the corporation, shall be dedicated to an appropriate public agency, utility or organization to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. 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 as practicable the same as those to which they were required to be devoted by the Association. No such disposition of the San Juan Warehouse Commercial Condominium Association properties shall be effective to divest or diminish any right or title of any member vested in him under the recorded covenants and deeds applicable to San Juan Warehouse Building unless made in accordance with the provisions of such covenants and deeds.

**ARTICLE XII - AMENDMENTS**

Amendments to these Articles of Incorporation shall be adopted, if at all, in the manner as set forth in the Colorado Nonprofit Corporation Act, as from time to time amended, provided however, that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with any provisions of the Declaration for San Juan Warehouse Building, a Condominium.


Executed this 21<sup>st</sup> day of May, 1998.

**Incorporator:**

  
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 John H. Steel, Esq.  
 126 West Colorado, Suite 202  
 P. O. Box 2784  
 Telluride, CO 81435  
 (970) 728-1300

STATE OF COLORADO            )  
   ) ss  
 COUNTY OF SAN MIGUEL        )

Subscribed and sworn to before me this 21<sup>st</sup> day of May, 1998, by John H. Steel, Esq. My commission expires: 11/4/2000.

  
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 Notary Public