

ARTICLES OF INCORPORATION OF
TELLURIDE LODGE ASSOCIATION

The undersigned hereby establishes a corporation not for profit pursuant to the provisions of Chapter 31, Article 24, Colorado Revised Statutes (1963), 1967 Permanent Cumulative Supplement, and adopts the following:

ARTICLE I
NAME

The name of the corporation shall be TELLURIDE LODGE ASSOCIATION.

ARTICLE II
DURATION

The period of duration of this corporation shall be perpetual.

ARTICLE III
PURPOSES

The business, objects and purposes for which the corporation is formed are as follows:

(a) To be and constitute the association to which reference is made in the Declaration--The Telluride Lodge executed by The Telluride Company, a Colorado corporation, and to be recorded in the records of the County Clerk and Recorder of San Miguel County, Colorado, pursuant to Colorado Revised Statutes (1963), as amended, 118-15-5, relating to a condominium ownership project, hereinafter sometimes called "The Telluride Lodge" located in San Miguel County, Colorado, and to perform all obligations and duties of the association and to exercise all rights and powers of the association, as specified therein.

(b) To provide an entity for the furtherance of the interests of the owners of Condominium Units in The Telluride Lodge.

ARTICLE IV
POWERS

In furtherance of its purposes, but not otherwise, the corporation shall have all of the powers conferred upon corporations not for profit by the statutes and common law of the State of Colorado in effect from time to time including all of the powers necessary or desirable to perform the obligations and duties and exercise the rights and powers of the association under the Declaration--The Telluride Lodge which include, but are not limited to, the following:

(a) To make and collect assessments against members of the Association for the purposes of defraying the costs, expenses (including the expenses incurred in exercising its powers or of performing its functions), maid, special management services, taxes and special assessments upon and any losses of the corporation.

(b) To manage, control, operate, maintain, improve, repair and replace the Project as defined in the Declaration - The Telluride Lodge.

(c) To enforce covenants, restrictions or conditions to the extent so authorized under the Declaration--The Telluride Lodge and to make and enforce rules and regulations as provided therein.

(d) To engage in activities which will actively foster, promote and advance the interests of the owners of Condominium Units in The Telluride Lodge.

ARTICLE V
MEMBERSHIPS

(a) This corporation 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 for each Condominium Unit, as defined in the Declaration--The Telluride Lodge. The owner or owners of a Condominium Unit shall hold and share the membership related to that Condominium Unit in the same proportionate interest and by the same type of tenancy in which the title to the Condominium Unit is held, provided always that there shall be only one membership per Condominium Unit. No person or entity other than owner of a Condominium Unit may be a member of the corporation.

(b) Each membership shall have the percentage vote as is set forth in the Declaration--The Telluride Lodge on all matters in which members are entitled to vote.

(c) A membership in the corporation and the share of a member in the assets of the corporation shall not be assigned, encumbered or transferred in any manner except as an appurtenance to transfer of title to the Condominium Unit to which the membership pertains; provided, however, that the rights of membership may be assigned to the holder of a mortgage, deed of trust, or other security instrument on a Condominium Unit as further security for a loan secured by a lien on such Condominium Unit.

(d) A transfer of membership shall occur automatically upon the transfer of title to the Condominium Unit to which the membership pertains; provided, however, that the By-laws of the corporation may contain reasonable provisions and requirements with respect to recording such transfers on the books and records of the corporation.

(e) The corporation may suspend the voting rights of a member for failure to comply with the rules or regulations of the corporation or with any other obligations of the owners of any Condominium Unit under the Declaration - The Telluride Lodge. Upon any such suspension, such Owner may request, in writing, a hearing requesting revocation of any such suspension before the Board of Directors of the Association, which hearing shall be held within 45 days after receipt by the Association of such request. Such request shall state the reasons of such Owner as to why such suspension should be revoked.

(f) The By-laws may contain provisions, not inconsistent with the foregoing, setting forth the rights, privileges, duties and responsibilities of the members.

ARTICLE VI BOARD OF DIRECTORS

(a) The business and affairs of the corporation shall be conducted, managed and controlled by a Board of Directors. The Board of Directors shall consist of not less than three nor more than seven members, the specific number to be set forth from time to time in the By-laws of the corporation. In the absence of any provision in the By-laws, the Board shall consist of five members. Members of the Board of Directors need not be members of the corporation or residents of the State of Colorado.

(b) Members of the Board of Directors shall be elected at the annual meeting of the members in the manner determined by the By-laws. The Declarant under the Declaration--The Telluride Lodge shall be entitled to elect a majority of the members of the Board of Directors until such time as 51% of the Condominium Units built on the Initial Real Property of The Telluride Lodge (containing 86 Condominium Units) have been sold, or until one year after delivery of the first deed to the buyer of a Condominium Unit, whichever shall first occur. After the occurrence of the first of such two events, in all elections for directors, cumulative voting shall be required.

(c) Directors may be removed and vacancies of the Board of Directors shall be filled in the manner to be provided by the By-laws.

(d) The Board of Directors may, by resolution, create an Executive Committee of the Board. The number of members of the Executive Committee and the persons who shall be members thereof shall be determined by the Board of Directors consistent with applicable law. Unless limited by resolution of the Board or by applicable law, the Executive Committee shall have all of the powers of the Board to arrange and direct all of the business affairs of the corporation and, whenever action is required to be taken or may be taken by the Board, such action may be taken by the Executive Committee and shall be deemed to have been taken by the Board of Directors.

(e) The names and addresses of the members of the first Board of Directors who shall serve until the first election of directors and until their successors are duly elected and qualified, are as follows:

<u>Name</u>	<u>Address</u>
William McClintock	235 N. Oak St. Telluride, Colorado 81435
Carmel Shore	624 N. Canon Dr. Beverly Hills, California 91210
William H. Nelson	Suite 500, First National Bank Bldg. Grand Junction, Colorado 81501
Carter Norris	6835 Pepper Tree Dr. Scottsdale, Arizona 85253
William Dudley	13947 Peachgrove Sherman Oaks, California 91403

Any vacancies in the Board of Directors accruing before the first election of directors shall be filled by the remaining directors.

ARTICLE VII
OFFICERS

The Board of Directors may appoint a President, one or more Vice-Presidents, a Secretary, a Treasurer and such other officers as the Board believes will be in the best interest of the corporation. The officers shall have such duties as may be prescribed in the By-laws of the corporation and shall serve at the pleasure of the Board of Directors.

ARTICLE VIII
CONVEYANCES AND ENCUMBRANCES

Corporate property may be conveyed or encumbered by authority of the Board of Directors or the Executive Committee of the Board or such other person or persons to whom such authority may be delegated by resolution of the Board or the Executive Committee of the Board. Conveyances or encumbrances shall be by an instrument executed by a President or a Vice-President and by a Secretary or an Assistant Secretary, or executed by such other person or persons to whom such authority may be delegated by the Board or Executive Committee of the Board.

ARTICLE IX
INITIAL REGISTERED OFFICE AND AGENT

The initial registered office of the corporation shall be Suite 500, First National Bank Building, Grand Junction, Colorado, 81501. The initial registered agent at such office shall be William H. Nelson.

ARTICLE X
INCORPORATION

The incorporators of this corporation and their addresses are as follows:

<u>Name</u>	<u>Address</u>
William H. Nelson	Suite 500, First National Bank Bldg. Grand Junction, Colorado 81501
Gregory K. Hoskin	Suite 500, First National Bank Bldg. Grand Junction, Colorado 81501

ARTICLE XI
AMENDMENTS

Amendments to these Articles of Incorporation shall be adopted, if at all, in the manner set forth in the By-laws; provided, however, that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with the provisions of the Declaration--The Telluride Lodge.

