

~~NONPROFIT~~ ARTICLES OF INCORPORATION

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OF

THE PROSPECT PLAZA CONDOMINIUM ASSOCIATION, INC.

For the purpose of forming a non-profit corporation pursuant to the provisions of Title 7, Article 20, Colorado Revised Statutes, the undersigned has made, signed and acknowledged the following articles:

ARTICLE I

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Name

The name of the corporation ("Association") shall be: THE PROSPECT PLAZA CONDOMINIUM ASSOCIATION, INC.

ARTICLE II

Duration

The period of duration of the Association shall be perpetual.

ARTICLE III

Purposes and Powers

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

A. The Association shall operate the Common Interest Community known as The Prospect Plaza Condominiums, located in San Miguel County, Colorado, in accordance with the Colorado Common Interest Ownership Act of the Colorado Revised Statutes, as amended, and the Colorado Nonprofit Corporation Act, as amended.

B. The Association shall promote the health, safety, welfare and common benefit of the residents of the Common Interest Community.

C. The Association shall do any and all permitted acts, and shall have and exercise any and all powers, and privileges which are granted to a Common Interest Community Association and a Non-Profit Corporation under the laws of the State of Colorado and the Declaration, Bylaws, Rules and Regulations and other governing documents of the Association.

D. The foregoing statement 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 to restricted by reference to or inference from the terms of provisions of any other

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clause, but shall be broadly construed as independent purposes and powers.

ARTICLE IV

Nonprofit

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

ARTICLE V

Memberships

This Association shall be a membership corporation without certificates or shares of stock. Subject to the limitations set forth in the Declaration, there shall be one class of membership, and there shall be one membership in the Association for each owner of a condominium unit as defined in the Condominium Declaration as the individual, individuals, firm, corporation, partnership, association or other legal entity, or any combination thereof, who owns one or more condominium units or an undivided interest therein.

All members shall be entitled to vote on all matters, each vote weighted in accordance with the percentage of ownership of the common elements of the condominium attributable to each respective condominium unit, as set forth in the Condominium Declaration. Cumulative voting is prohibited. No person or entity other than an owner of a condominium unit may be a member of the Association.

A membership in the Association and the share of a member in the assets of the Association 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 for a loan secured by a lien on such condominium unit.

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 Bylaws of the Association may contain reasonable provisions and requirements with respect to recording such transfers on the books and records of the Association.

The Association may suspend the voting rights of a member for failure to comply with rules and regulations or the Bylaws of the Association or with any other obligations of the owners of a condominium unit under the Condominium Declaration or agreement created thereunder.

The Bylaws may contain provisions, not inconsistent with the foregoing, setting forth the rights, privileges, duties and responsibilities of the members.

Notwithstanding the foregoing, the Declarant of the Common Interest Community shall have additional rights and qualifications as may be provided under the Colorado Common Interest Ownership Act and the Declaration, including the right to appoint members of the Board of Directors specifically defined and regulated in the Declaration and the Bylaws.

ARTICLE VI

Board of Directors

The business and affairs of the Association shall be conducted, managed and controlled by the Board of Directors (the "Board").

The Board initially shall consist of four members. In the absence of any provision to the contrary in the Bylaws, the Board shall consist of four members.

The method of election and the term of office of members of the Board shall be determined by the Bylaws.

Board Members may be removed and vacancies on the Board shall be filled in the manner provided in the Bylaws.

The names and addresses of the first Board Members who shall serve until the first election of Board Members by the unit owners and until their successors are duly elected and qualified are as follows:

Daniel L. Roberts	P.O. Box 3090 Telluride, CO 81435
William A. Hanley, III	P.O. Box 3090 Telluride, CO 81435
John R. Foote	P.O. Box 3090 Telluride, CO 81435
Rudy Nicholas	Rocky Mountain Natural Gas P.O. Box 1800 Telluride, CO 81435

Any vacancies in the Board occurring before the first election of the Board by unit owners shall be filled by the remaining members of the Board.

ARTICLE VII

Incorporation

The incorporator of the Association and his address are as follows:

Michael J. Lynch	Lynch & Lynch P.O. Box 2636 135 West Colorado Ave. Second Floor Telluride, CO 81435
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ARTICLE VIII

Officers

The Board 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 Association. The officers shall have such duties as may be prescribed in the Bylaws of the corporation and shall serve at the pleasure of the Board.

ARTICLE IX

Conveyances and Encumbrances

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

ARTICLE X

Initial Registered Office and Agent

The initial registered office of the Association shall be 624 Mountain Village Boulevard, Suite 1, P.O. Box 1031, Telluride, CO 81435. The initial registered agent at such office shall be Daniel L. Roberts.

ARTICLE XI

Dissolution

In the event of the dissolution of the Association, either voluntarily by the members hereof, by operation of law, or otherwise, then the assets of the Association shall be deemed to

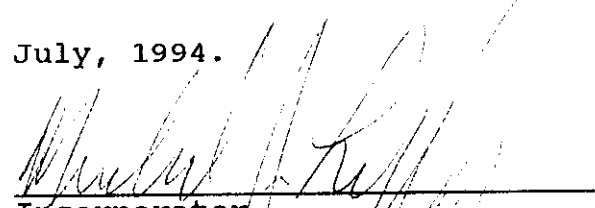
be owned by the unit owners in proportion to each unit owner's ownership of the common elements of the Condominium.

ARTICLE XII

Amendments

Amendments to these Articles of Incorporation shall be adopted, if at all, in the manner as set forth in the Colorado Revised Statutes; provided, however, that no amendment to the Articles of Incorporation shall be contrary to or inconsistent with any provision of the Condominium Declaration.

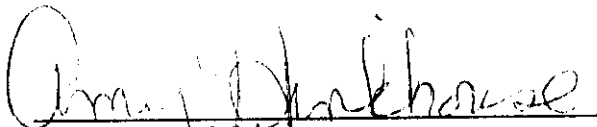
Executed this 28 day of July, 1994.



Incorporator

STATE OF COLORADO)
)ss.
COUNTY OF SAN MIGUEL)

The foregoing instrument was acknowledged before me this 28 day of July, 1994, by Michael J. Lynch.



Notary Public

Commission expires: 9/27/97

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DONETTA DAVIDSON
COLORADO SECRETARY OF STATE

ARTICLES OF INCORPORATION Form 7.102.102.1 revised 11/13/00

Filing fee: \$50.00 This document must be typed or machine printed.
If more space is required, continue on attached 8 1/2" x 11" sheet(s).
Deliver 2 copies to: Colorado Secretary of State, Business Division,
1560 Broadway, Suite 200, Denver, CO 80202-5169
Please include a typed or machine printed, self-addressed, envelope.
For filing requirements, see §§ 7-90-301 and 7-102-102, Colorado Revised Statutes
For more information, see the *Citizen's Guide to the Business Division* on our
Web site, <http://www.sos.state.co.us> Questions? Contact the Business Division:
voice 303 894 2251, fax 303 894 2242 or e-mail sos.business@state.co.us

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ABOVE SPACE FOR OFFICE USE ONLY

The undersigned, acting as the incorporator of a corporation for profit pursuant to § 7-102-102, Colorado Revised Statutes (C.R.S.), delivers these Articles of Incorporation to the Colorado Secretary of State for filing, and states as follows:

1. The entity name of the corporation is: PROSPECT PLAZA CONDOMINIUM ASSOCIATION INC.

The entity name of a corporation must contain the term "corporation", "incorporated", "company", or "limited", or an abbreviation of any of these terms §7-90-601(3)(a), C.R.S.

2. The total number of shares that the corporation is authorized to issue is 1,000 shares of common stock.

3. The street address of the corporation's initial registered office and the name of its initial registered agent at that office are: Street Address *(must be a street or other physical address in Colorado)* 135 WEST COLORADO AVE, TELLURIDE CO 81435

If mail is undeliverable to this address, ALSO include a post office box address: P.O. BOX 2636 TELLURIDE CO 81435; Name MICHAEL LYNCH

4. The address of the corporation's initial principal office is: 315 ADAMS RANCH ROAD SUITE 2-2A TELLURIDE, CO 81435

5. The name and address of the incorporator is:
Name DANIEL DENHAM & SEARCH CO INTERNATIONAL
Address 1535 GRANT STREET SUITE 140, DENVER CO 80203

6. The undersigned consents to appointment as the corporation's initial registered agent:
Registered Agent MICHAEL LYNCH
(Signature) Signer's Name-printed MICHAEL LYNCH
(individual's signature)

7. The address to which the Secretary of State may send a copy of this document upon completion of filing (or to which the Secretary of State may return this document if filing is refused) is: SEARCH COMPANY INTERNATIONAL 1535 GRANT STREET DENVER CO 80203

Incorporator DANIEL DENHAM
(Signature) Signer's Name-printed DANIEL DENHAM
(individual's signature)

OPTIONAL. The electronic mail and/or Internet address for this entity is/are: e-mail _____
Web site _____

The Colorado Secretary of State may contact the following authorized person regarding this document: name MICHAEL LYNCH
address 135 W. COLORADO AVENUE TELLURIDE CO 81435
voice 970-728-3029 fax 970-728-3991 e-mail _____

Document: This form and its related instructions are not intended to provide legal, business or tax advice and are offered as a public service without representation or warranty. While this form is designed to assist in business legal requirements and to be consistent with applicable law, at the same time it cannot be held responsible for the user's use of this form. Questions should be addressed to the state's attorney.