

NONPROFIT

**ARTICLES OF INCORPORATION
OF
GRANITA CONDOMINIUMS
OWNERS' ASSOCIATION, INC.**

For the purpose of forming a non-profit corporation pursuant to the provisions of the Colorado Nonprofit Corporation Act, Colorado Revised Statutes Title 7, Articles 20-29, as amended (the "Act"), the undersigned hereby associate themselves together and have made, signed and acknowledged the following articles:

**ARTICLE I
Name**

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The name of the corporation is "GRANITA CONDOMINIUMS OWNERS' ASSOCIATION, INC." (the "Corporation").

**ARTICLE II
Duration**

The period of duration of the Corporation shall be perpetual.

**ARTICLE III
Purposes**

The business, objectives 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 of Covenants, Conditions and Restrictions establishing a plan for condominium ownership of Granita Condominiums, a Colorado Condominium Common Interest Community (the "Declaration") to be recorded in the office of the County Clerk and Recorder of San Miguel County, Colorado, for purposes of creating a condominium common interest ownership project (the "Community") 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 interest of the owners of condominium unit in the Community (the "Units").

**ARTICLE IV
Powers**

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

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A. All of the powers conferred upon non-profit corporations by the common law and the statutes of the State of Colorado in effect from time to time.

B. 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 including, without limitation, the following powers:

1. To make and collect assessments against owners of Units (the "Members") for the purpose of defraying the costs, expenses and any losses of the Association, or of exercising its powers or of performing its functions.

2. To manage, control, operate, maintain, repair and improve Community common elements, as defined in the Act and the Declaration.

3. To enforce covenants, restrictions or conditions affecting any Community property, to the extent the Association may be authorized under any such covenants, restrictions or conditions, and to make and enforce rules and regulations for use of the Community.

4. To engage in activities which will actively foster, promote and advance the common ownership interests of the Members.

5. 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 the Association.

6. To borrow money for any purpose of the Association, limited in amount or in other respects as may be provided in the bylaws of the Association (the "Bylaws").

7. To enter into, make, perform or enforce contracts of every kind and description, and to do all other acts necessary, appropriate or advisable in carrying out any purpose of the Association or any Members, with or in association with any person, firm, association, corporation or other entity or agency, public or private.

8. To act as agent, trustee, or other representative of other corporations, firms, individuals, and as such to advance the business or ownership interests of such corporations, firms or individuals including, without limitation, any Members.

9. To adopt, alter, and amend or repeal such Bylaws as may be necessary or desirable for the proper management of the affairs of the Association, provided, however, that such Bylaws may not be inconsistent with or contrary to any provisions of the Declaration.

10. 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.

ARTICLE V Memberships

The Corporation 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 Corporation for each Member. The Declaration shall define "Owner's" and/or "Members" as the individual, individuals, firm, corporation, partnership, association or other legal entity, or any combination thereof, who own or owns one or more 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 Community attributable to each respective Unit, as set forth in the Declaration. Cumulative voting is prohibited. No person or entity other than an Owner of a Unit may be a Member of the Corporation.

If title to a Unit is held by more than one person or by a firm, corporation, partnership, association or other legal entity, or any combination thereof, such joint Owners of the Unit shall execute a proxy appointing and authorizing one person or alternate persons to attend all annual and special meetings of Members and, thereat, to cast the Membership vote or votes appurtenant to that Unit. Such proxy shall be effective and remain in force unless voluntarily revoked, amended or sooner terminated by operation of law; provided, however, that within 30 days after such revocation, amendment or termination, the Owners of the Unit shall reappoint and authorize one person or alternate persons to attend all subsequent annual and special meetings, as is provided above in this paragraph.

Rights to membership in the Corporation, and the share of a Member in the assets of the Corporation, and/or the voting rights associated therewith, 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 pertains; provided, however, that the foregoing shall not in any manner restrict or preclude the assignment of membership rights by the Owner of a Unit to the holder of the mortgage, deed of trust, or other security instrument on a Unit, as further security for a loan secured by a lien on such Unit.

A transfer of membership shall occur automatically upon the transfer of title to the Unit to which the membership pertains; provided, however, that the Bylaws may contain reasonable provisions and requirements with respect to recording such transfers on the books and records of the Corporation.

The Corporation may suspend the voting rights of a Member for failure to comply with rules and regulations or the Bylaws or with any other obligations of the Owners of a Unit under the 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.

ARTICLE VI Executive Board

The business and affairs of the Corporation shall be conducted, managed and controlled by an Executive Board (the "Executive Board"), the members of which are designated as "Directors." The Executive Board shall initially consist of three Directors, but may consist of as many as five Directors. The method of election and the term of office of Directors of the Executive Board shall be determined by the Bylaws. Directors may be removed and vacancies on the Executive Board shall be filled in the manner provided in the Bylaws.

The name and address of the initial three Directors of the first Executive Board, who shall serve until their successors are duly elected and qualified, are as follows:

1. Scott J. Borman P.O. Box 3298, Telluride, Colorado 81435
2. Julie L. Borman P.O. Box 3298, Telluride, Colorado 81435
3. Lee Ann Vallejos P.O. Box 2399, Telluride, Colorado 81435

ARTICLE VII Officers

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

ARTICLE VIII Conveyances and Encumbrances

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

ARTICLE IX Initial Registered Office and Agent

The initial registered office of the Corporation shall be 126 West Colorado Avenue, Suite 102-C, Telluride, Colorado 81435. The initial registered agent at such office shall be Douglas R. Tueller, P.O. Box 3153, Telluride, Colorado 81435.

**ARTICLE X
Incorporation**

The incorporator of the Corporation is Scott J. Borman, whose address is 220 E. Colorado Avenue, Suite 213, P.O. Box 3298, Telluride, Colorado 81435.


**ARTICLE XI
Dissolution**

In the event of the dissolution of the Corporation, either voluntarily by the members hereof, by operation of law, or otherwise, then the assets of the Corporation shall be deemed to be owned by the Members in proportion to each Member's ownership of the common elements of the Community.

**ARTICLE XII
Amendments**

Amendments to these Articles of Incorporation shall be adopted, if at all, in the manner as set forth in the Act.

IN WITNESS WHEREOF, the undersigned, being the incorporator designated in Article X of the foregoing Articles of Incorporation, has executed these Articles of Incorporation as of this 28th day of May, 1996.


Scott J. Borman, Incorporator

The appointment of the undersigned as the initial registered agent of the Corporation is hereby accepted.


Douglas R. Tueller, Registered Agent