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ARTICLES OF INCORPORATION

FOR

BLUE MESA LODGE CONDOMINIUM 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. The incorporator is acting as incorporator of the Blue Mesa Lodge Condominium Association, Inc. pursuant to vote, resolution and authorization of the members and Board of Directors of the Blue Mesa Condominium Association, a Colorado nonprofit corporation.

RECITALS

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3/27/97 SECRETARY OF STATE

A. The Blue Mesa Condominiums were originally created by a Declaration recorded in Book 461, at Page 26 under reception No. 262839 of the real estate records of San Miguel County (the "Declaration"), and by a Condominium Map recorded December 22, 1989 in Plat Book 1 at Page 972 of the San Miguel County real estate records (the "Original Condominium Map"). The building subject to the foregoing documents has been referred to and is commonly known as the Blue Mesa Condominiums.

B. The Declaration was amended by an instrument titled First Amendment to the Condominium Declaration for Blue Mesa Condominium recorded September 14, 1994, in Book 534, Page 954 of the records of the San Miguel County Clerk and Recorder. The Declaration, as amended, is defined as the "Original Declaration."

C. The Original Declaration was amended and supplemented by an instrument titled Supplement to Condominium Declaration for Blue Mesa condominium recorded September 15, 1994, in Book 535, at Page 29, in the records of the Clerk and Recorder of San Miguel County, Colorado (the "Supplemental Declaration"). The Original Condominium Map was amended and supplemented by an instrument titled First Supplement to Condominium Map for Blue Mesa Condominium, recorded September 15, 1994, in Plat Book 1 at Page 1740 of the San Miguel County real estate records, (the "Supplemental Condominium Map"). The building subject to just the foregoing documents has been referred to and is commonly known as the Blue Mesa Lodge Condominiums.

D. The Blue Mesa Condominium Association, a Colorado nonprofit corporation, was originally the association of unit owners authorized to administer the entire Blue Mesa Condominium Community (as established by the Original Declaration, the Original Condominium Map, the Supplemental Declaration and the Supplemental Condominium Map) for the purposes of managing common expenses and assessments and managing and operating the entire Blue Mesa Condominium Community.

E. The Owners of Units in the entire Blue Mesa Condominium Community and the Blue Mesa Condominium Association have divided or are dividing the entire Blue Mesa Condominium Community into two separate Condominium Communities, one of which consists solely of the property subject to the Original Declaration and the Original Condominium Map, and which Condominium Community is now known as and has been referred to as the Blue Mesa Condominiums (amended). The other of which consists solely of the property subject to the Supplemental Declaration and the Supplemental Condominium Map, and which Condominium Community is now known as and has been referred to as the Blue Mesa Lodge Condominiums.

F. The Owners of Units in the entire Blue Mesa Condominium Community and the Blue Mesa Condominium Association, as a part of amendments to the Original Declaration, the Original Condominium Map, the Supplemental Declaration and the Supplemental Condominium Map, wish to allocate management of the separate Condominium Communities to separate owner associations, with the owners association for the amended Blue Mesa Condominium Community being the Blue Mesa Condominium Association and the owners association for the Blue Mesa Lodge Condominium Community being the Blue Mesa Lodge Condominium Association, Inc. Further, the Owners of units in the entire Blue Mesa Condominium Community and the Blue Mesa Condominium Association, as a part of those amendments, wish to exclude the Owners of the Blue Mesa Lodge Condominiums from the Blue Mesa Condominium Association and wish to adopt these Articles of Incorporation, all as set forth below.

G. The undersigned, being an authorized officer and agent of the Blue Mesa Condominium Association, hereby certifies and verifies that the approval to organize the Blue Mesa Lodge Condominium Association, Inc. as set forth below, has been obtained from (i) all Owners of those Condominium Units constituting a total of one hundred percent (100%) of the percentage interests in the Common Elements of the entire Blue Mesa Condominium Community, as established in the Original Declaration and the Supplemental Declaration; (ii) from the Blue Mesa Condominium Association; and (iii) that the following have been adopted by the Blue Mesa Lodge Condominium Association Board of Directors and the Owners of Units at the Blue Mesa Lodge Condominiums.

ARTICLE 1--Name

The name of this corporation is Blue Mesa Lodge Condominium Association, Inc. ("Blue Mesa Lodge Condominium Association" or "Association").

ARTICLE 2--Duration

The duration of the Blue Mesa Lodge Condominium Association shall be perpetual.

ARTICLE 3--Nonprofit

The Blue Mesa Lodge Condominium Association shall be a nonprofit corporation, without shares of stock.

ARTICLE 4--Purposes and Powers of Blue Mesa Lodge Condominium Association

The purposes for which the Blue Mesa Lodge Condominium Association is formed are as follows:

- (a) To operate the Blue Mesa Lodge Condominium Community and the "Blue Mesa Lodge Condominiums" (as created by the Supplemental Declaration and the Supplemental Map, as those instruments have been or are in the process of being amended by an Amended Declaration of the Blue Mesa Lodge Condominiums, as that Amended Declaration and the Supplemental Map may be further amended from time to time) located in San Miguel County, Colorado, for the purposes of enhancing and preserving the value of the properties of the members.
- (b) To perform acts and services, in accordance with the requirements for an association of owners charged with the administration of property under applicable portions of the Colorado Common Interest Ownership Act, as amended.
- (c) To manage, supervise, care for and operate the Blue Mesa Lodge Condominium Community.
- (d) To maintain the Common Elements within the Blue Mesa Lodge Condominium Community.
- (e) To enforce any and all covenants, restrictions, rules and regulations and agreements applicable to the Blue Mesa Lodge Condominium Community.
- (f) To prepare estimates and budgets of the costs and expenses of rendering these services, any other services as deemed appropriate by the Board; and to perform, or contract, or enter into agreements for that performance, as provided for or contemplated in this Article.
- (g) To apportion the estimated costs and expenses among the Owners and collect those costs and expenses from the Owners obligated to assume or bear the same.
- (h) To borrow money for the purposes of the Blue Mesa Lodge Condominium Association.
- (i) To adopt, on behalf of the Unit Owners, rules and regulations made or promulgated by the Board with respect to the safe occupancy, reasonable use and enjoyment of the Units, building, structures, grounds and facilities of the Blue Mesa

Lodge Condominium Community, and to enforce compliance with these rules, including the levy of reasonable fines.

(j) 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.

(k) To promote the health, safety, well being and common benefit of the residents and occupants of the properties subject to the Amended Declaration of the Blue Mesa Lodge Condominiums.

(l) To engage a manager or management company, engage or retain counsel, auditors, accountants, appraisers and other persons or services that may be necessary for or incidental to any of the activities of the Blue Mesa Lodge Condominium Association, and to acquire, sell, mortgage, lease or encumber any real or personal property for any purpose of the Blue Mesa Lodge Condominium Community.

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

(n) 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 Unit Owners of the Blue Mesa Lodge Condominium Community, and to have and to exercise any and all powers, rights and privileges which are granted under applicable portions of the Colorado Common Interest Ownership Act, the Amended 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 Blue Mesa Lodge Condominium 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 Blue Mesa Lodge Condominium Association.

ARTICLE 5--Membership Rights and Qualifications

Any person who holds title to a Unit in the Blue Mesa Lodge Condominium Community shall be a member of the Blue Mesa Lodge Condominium Association. There shall be one membership for each Unit owned within the Blue Mesa Lodge Condominium Community. This

membership shall be automatically transferred upon the conveyance of that Unit. The vote to which each membership is entitled is the number of votes assigned to the Unit in the Amended Declaration of the Blue Mesa Lodge Condominium Community. If a Unit is owned by more than one person, those persons shall agree among themselves how a vote for that Unit's membership is to be cast. Individual co-owners may not cast fractional votes. A vote by a co-owner for the entire Unit's membership interest shall be deemed to be pursuant to a valid proxy, unless another co-owner of the same Unit objects at the time the vote is cast, in which case such membership's vote shall not be counted.

ARTICLE 6--Agent for Service

The initial registered agent of the Blue Mesa Lodge Condominium Association shall be Telluride Resort Accommodations, Inc., at the registered address of 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:

<u>DIRECTOR</u>	<u>ADDRESS</u>
Jack Brady	1711 Connecticut Avenue, Suite 200, Washington, D.C. 20009
Sam Dunn	1711 Connecticut Avenue, Suite 200, Washington, D.C. 20009
Leonard Conway	P.O. Box 744, 66 Seafield Lane, Westhampton Beach, NY 11978

ARTICLE 8--Amendment

Amendment of these Articles shall require the assent of at least two-thirds of the votes in the Blue Mesa Lodge Condominium Association at a meeting of the members at which a quorum is present.

ARTICLE 9--Dissolution

In the event of the dissolution of the Blue Mesa Lodge Condominium Association as a corporation, either voluntarily or involuntarily by the members hereof, by operation of law or otherwise, then the assets of the Blue Mesa Lodge Condominium Association shall be deemed to be owned by the members at the date of dissolution, as a part of their Unit, 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 Amended 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 Amended Declaration shall control over these Articles of Incorporation.

ARTICLE 11--Incorporator

The name and address of the incorporator is as follows: Jack Brady, 1711 Connecticut Avenue, Suite 200, Washington, D.C. 20009. The incorporator is acting as incorporator of the Blue Mesa Lodge Condominium Association pursuant to vote, resolution and authorization of the members and Board of Directors of the Blue Mesa Condominium Association, a Colorado nonprofit corporation.

IN WITNESS WHEREOF, the undersigned has signed these Articles in duplicate this 25th day of AUGUST, 1997, to be effective September 1, 1997.

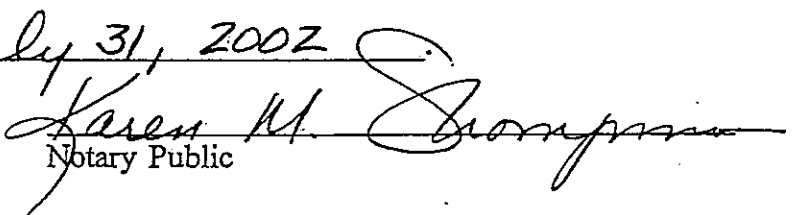


Jack Brady

STATE OF _____)
DISTRICT OF COLUMBIA) ss.
COUNTY OF _____)

Subscribed and sworn to before me this 25th day of AUGUST, 1997, by Jack Brady.

Witness my hand and official seal.

My commission expires: July 31, 2002


Notary Public