

ARTICLES OF AMENDMENT TO THE
ARTICLES OF INCORPORATION OF
KENDALL MOUNTAIN CONDOMINIUMS ASSOCIATION, INC.

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Pursuant to the provisions of the Colorado Corporation Act, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

FIRST: The name of the corporation is: **KENDALL MOUNTAIN CONDOMINIUMS ASSOCIATION, INC.**

SECOND: The following amendment of the Articles of Incorporation was adopted on the 26th day of June, 1993, in the manner prescribed by the Colorado Corporation Act, as described below:

All members were present at the meeting or represented by proxies, and the amendment received at least 100 percent of the votes which members present or represented by proxy were entitled to cast:

Article VI, Section 1.iii is amended to delete the provision for a Class C Director, and the following section is adopted:

A Class D director shall be elected from members of the Association (Class A or Class B), by a majority vote of members (Class A and Class B) entitled to vote at an annual meeting.

KENDALL MOUNTAIN CONDOMINIUM
ASSOCIATION, INC.

By Carlson T. Monk Its President By Mary Lou Murray Its Secretary

STATE OF COLORADO)
) SS.
COUNTY OF LA PLATA)

Subscribed and sworn to before me this 13 day of August, 1993, by Carlson T. Monk, President, and Mary Lou Murray, as Secretary, of, and for, **KENDALL MOUNTAIN CONDOMINIUMS ASSOCIATION, INC.** a Colorado non-profit corporation.

My commission expires: 8-9-95

Julie L. Hirmstad
Notary Public

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STATE OF COLORADO



DEPARTMENT OF
STATE

CERTIFICATE

I, NATALIE MEYER, Secretary of State of the State of Colorado hereby certify that the prerequisites for the issuance of this certificate have been fulfilled in compliance with law and are found to conform to law.

Accordingly, the undersigned, by virtue of the authority vested in me by law, hereby issues A CERTIFICATE OF INCORPORATION
TO KENDALL MOUNTAIN CONDOMINIUM ASSOCIATION, INC., A NONPROFIT CORPORATION



Natalie Meyer
SECRETARY OF STATE

DATED: DECEMBER 17, 1985

ARTICLES OF INCORPORATION
FOR
KENDALL MOUNTAIN
CONDOMINIUM ASSOCIATION, INC.

The undersigned, desiring to establish a nonprofit corporation pursuant to the Colorado Nonprofit Corporation Act, hereby certifies:

ARTICLE I

Name

The name of the corporation shall be: Kendall Mountain Condominium Association, Inc.

ARTICLE II

Existence

The corporation shall have perpetual existence.

ARTICLE III

Corporate Purposes and Powers

1. Purposes. The objects and purposes of the corporation shall be: (a) to provide for the care, upkeep and supervision of Kendall Mountain Condominiums in Purgatory Village, La Plata County, Colorado (the "Premises"), as further described in the Condominium Declaration for Kendall Mountain Condominiums to be recorded in the real property

records of La Plata County, Colorado, together with all amended and supplemental declarations filed from time to time (the "Declaration"), and the condominium map and all supplemental maps to be filed for record in the real property records of La Plata County, Colorado (the "Map"), including the general common elements, the limited common elements and all recreational facilities maintained thereon from time to time; (b) to regulate and control the relationships between the owners (the "Owners") of condominium units ("Units") on the premises in connection with their ownership of the Units; and (c) to promote the best interests of the Owners for the purpose of securing for them the fullest utilization and enjoyment of the premises.

2. Powers. In furtherance of the foregoing purposes, but not otherwise, the corporation (which is sometimes hereinafter called the "Association") shall have and may exercise all of the following powers:

(a) Real and Personal Property. To acquire by gift, purchase, trade or any other method, own, operate, build, manage, rent, sell, develop, encumber and otherwise deal in and with interests in real property in the Premises or in real property adjacent to the Premises and interests in personal property of every kind and character, tangible and intangible, used or useful in connection with the Premises.

(b) Borrowing. To borrow funds or raise moneys in any amount for any of the purposes of the Association and from time to time to execute, accept, endorse and deliver as evidences of such borrowing, all kinds of instruments and securities, but without limiting the generality of the foregoing promissory notes, drafts, bills of exchange, warrants, bonds, debentures, property certificates, trust certificates and other negotiable or non-negotiable instruments and evidences of indebtedness, and to secure the payment and performance of such securities by mortgage on, or pledge, conveyance, deed or assignment in trust of, the whole or any part of the assets of the Association, real, personal or mixed, including contract rights, whether at the time owned or thereafter acquired.

(c) Contracts. To enter into, make, amend, perform and carry out, or cancel and rescind, contracts, leases, permits, and concession agreements for any lawful purposes pertaining to its business. Without limiting the generality of the foregoing, the Association may enter into contracts or other leases with other parties allowing such other parties to use portions of the general common elements.

(d) Guaranties. To make any guaranty respecting securities, indebtedness, notes, interests, contracts or other obligations created by any individual, partnership, association, corporation or other entity, and to secure any such guaranty by encumbrance upon any and all

assets of the Association to the extent that such guaranty is made in pursuance of the purposes herein set forth.

(e) Loans. To lend money for any of the purposes above set forth; to invest its funds from time to time and to take and hold real and personal property as security for payment of funds so loaned or invested.

(f) Assessments. To levy monthly or other periodic assessments and special assessments against the Owners for common expenses (including but not limited to the costs of repairing and maintaining general common elements and utility charges which are not charged directly to the owners by the utility company), to charge interest on unpaid assessments and to collect dues, fees and interest in accordance with its bylaws and enforce liens given as security for such assessments, dues, fees and interest.

(g) General Powers. To do everything necessary, suitable or proper for the accomplishment of any of the purposes, the attainment of any of the subjects, or the furtherance of any of the powers, above set forth, either alone or in connection with other corporations, firms, individuals, and either as principal or agent, and to do every act or thing incidental or appurtenant to, or growing out of, or connected with any of the aforesaid objects, purposes or powers.

(h) Rule Making. To make and enforce rules and regulations rich regard to the management and operation

of the Premises; provided, however, that no rules and regulations shall unreasonably limit the hours of operation of any commercial establishment on the Premises or unreasonably interfere with the business operations of such commercial establishment. This subparagraph may not be amended unless such amendment is approved by the Owners of 100% of the Commercial Units (as such term is defined in the Declaration).

(i) Management, Maintenance, and Repair.

To provide for the management, maintenance and repair of the Premises and in connection therewith, to purchase or lease one or more residential Units to be used as a residence for one or more managers of the Premises, to enter into transactions with any entity or Owner to accomplish such purpose, and thereafter to sell, lease, or retain for use as a manager's residence such Units.

(j) Powers Conferred by Law. The foregoing enumeration of specific powers shall not limit or restrict in any manner the general powers of the Association and the enjoyment and exercise thereof as now or hereafter conferred by the laws of Colorado.

3. Restrictions Upon Purposes and Powers. The foregoing purposes and powers of the Association are subject to the following limitations:

(a) Nonprofit Organization. That the Association shall be organized and operated exclusively for

nonprofitable purposes as set forth in Section 528 of the Internal Revenue Code of 1954, as amended, or in any corresponding provision of any future law of the United States of America providing for exemption of similar organizations from income taxation.

(b) Earning of the Association. That no part of the net earnings of the association shall inure to the benefit of any private holder of membership certificates in the association; and

(c) Association Participation in Litigation. The Association shall not participate in any litigation which is, or purports to be, a "class action" without first obtaining the approval of at least 80% of its members. This subparagraph may not be amended unless such amendment is approved by the vote of 80% of the members.

4. Dividends Distributions, etc. The Association shall not pay any dividends. No distribution of the corporate assets to members (as such) shall be made until all corporate debts are paid, and then only upon final dissolution of the Association by the votes of all of the members at any regular or special meeting called for that purpose at which a quorum shall be represented. Upon such dissolution and distribution, the assets remaining after payment of all debts shall be distributed among the members of the association in

proportion to their respective interests in the general common elements of the Premises as set forth in the declaration.

ARTICLE IV

Address of the Association

The operations of the Association shall be conducted at such places within or outside of the United States as may from time to time be determined by its board of directors (the "Board"). The address of the initial registered and principal office of the corporation is 124 East 9th Street, Durango, Colorado 81302. The name of its initial registered agent at such address is J. Douglas Shard.

ARTICLE V

Association Members

1. Members. Any individual, corporation, partnership, association, trust or other legal entity or combination of entities owning an undivided fee simple interest in a Unit shall automatically be a member of the Association. Such membership shall be continuous throughout the period that such ownership continues. A membership shall terminate automatically without any association action whenever such individual, organization, or group ceases to own a Unit.

Except as set forth above, termination of membership shall not relieve or release any former member from any liability or obligation incurred by virtue of or in any way connected with ownership of a Unit, or impair any rights or remedies which the Association or others may have against such former Owner and member arising out of or in any way connected with such ownership or membership.

2. Classes of Membership. The Association shall have the following classes of membership:

(a) Class A. Any individual, corporation, partnership, association, trust or other legal entity acquiring a fee simple interest in a Residential Unit (such term is defined in the Declaration) shall automatically become a Class A member of the Association.

(b) Class B. Any individual, corporation, partnership, association, trust or other legal entity acquiring a fee simple interest in a Commercial Unit shall automatically become a Class B member of the Association.

(c) Class C. The Declarant (as such term is defined in the Declaration) shall be a Class C member of the Association until either (i) it resigns as a Class C member of the Association or (ii) 80% of the Commercial Units are owned by parties other than Declarant.

Any corporation, partnership, association, trust or other legal entity which becomes a Class A or Class B member

of the Association (an Organization Member) shall from time to time designate by written notice to the Association one or more individuals who may represent it at meetings and vote on behalf of such Organizational Member. The secretary of the Association shall maintain a list of the persons entitle to vote on behalf of such Organization Member and, until the Association is notified to the contrary, any action taken by such person purporting to act on behalf o an Organization Member shall be binding on such Organizational Member.

3. Number of Votes. The total number of votes of all members shall be 57. Each owner of a Unit shall be entitle to cast on vote per Unit owned al all meeting of members. However, each member who is a co-owner of a Unit (including a joint tenant or tenant-in-common_ shall have the right to vote only that percentage of the number of votes to which his Unit is entitled equal to his undivided interest in the Until. For purposes of this paragraph, each co-owner of a Unit shall be deemed to won an undivided interest in his Unit equal to 100% divided by the total number of co-owners.

4. Amendment of Article V. This Article V may be amended only by the unanimous vote of all the members.

ARTICLE VI

The Board of Directors

1. Control and Management. The control and management of the affairs of the Association and the disposition of its funds and property shall be vested in the Board. The initial Board shall consist of three directors who shall hold office until the election of their successors at the first annual meeting. At such first annual meeting and all subsequent annual meetings, the members of the Association shall elect directors as set forth below; however, if there are no members entitled to vote in a particular class, the members entitled to vote in the remain classes shall elect a member (or members) of the Association to complete the Board.

(i) Class A members shall elect one director to be known as the Class A director.

(ii) Class B members shall elect one director to be known as the Class B director.

(iii) Class C members shall appoint one director to be known as the Class C director.

The terms of office and the manner of selection or election shall be determined according to the article of incorporation and the bylaws from time to time in effect. Cumulative voting shall not be allowed in the election of directors or for any other purpose. The names and addresses

of those comprising the first Board to serve until their successors shall be duly elected are as follows.

Name	Address
John E. Ogier	c/o Durango Ski Corporation P.O. Box 666 Durango, Colorado 81301
Robert O. Hill	c/o Durango Ski Corporation P.O. Box 666 Durango, Colorado 81301
Tom Cole	c/o Durango Ski Corporation P.O. Box 666 Durango, Colorado 81301

2. Executive Committee. The Board may by resolution designate two or more of their number to constitute an executive committee which shall have and exercise all of the power of the Board in the management of the business and affairs of the Association or such lesser authority as may be set forth in such resolution. No such delegation of authority shall relieve the Board of any member of the Board from any responsibility imposed by law.

ARTICLE VII

Officers

The Association shall have such officers as may from time to time be prescribed by the bylaws. Their terms of office and the manner of their designation or selection also shall be determined according to the bylaws from time to time in effect.

ARTICLE VIII

Managers

The Board shall have power to appoint a manager or managers, which may be a corporation, partnership, or other entity, to carry on day-to-day maintenance, repair, rental, service, and other functions for the Association upon such terms and conditions as the Board may approve.

ARTICLE IX

Authority to Convey or Encumber Property

Authority to convey or encumber the property of the 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 member is vested in the president or any vice president. All instruments conveying or encumbering such property (whether or not executed as such attorney-in-fact) shall be executed by the president or a vice president and attested by the secretary or an assistant secretary of the Association.

ARTICLE X

Management

The following provisions are inserted for the management of the business and for the conduct of the affairs of the Association and the same are in furtherance

of, and not in limitation or exclusion of, the powers conferred by law:

1. Contracts with Directors, Officers, or Members.

No contract or other transaction of the Association with any other person, firm or corporation shall be affected or invalidated by (a) the fact that any one or more of the directors, officers or members of the Association is interested in, or is a director, trustee or officer of such person, firm, or corporation, or (b) the fact that any director, officer or member, individually or jointly with others, may be a party to or may be interested in, any such contract or transaction. Each person who may become a director, officer, or member of the Association is hereby relieved from any liability that might otherwise arise by reason of his contracting with the Association for the benefit of himself or any firm or corporation in which he may be in any way interested.

2. Board of Directors to Exercise General Power.

All corporate powers except those which by law or by those articles of incorporation expressly require the consent of the member shall be exercised by the board or the executive committee.

3. Removal of Directors. A Class A director may

be removed with or without cause by the vote of 66-2/3% or more of the votes of Class A members then entitled to vote

at an election of a Class A director. A Class B director also may be removed with or without cause by the vote of 66-2/3% or more of the votes of Class B members then entitled to vote at an election of a Class B director. Any such vacancy in the Board shall be filled only by the vote of the members of such class so represented, as if such meeting were a regular annual meeting for the election of directors. The person or persons having the highest number of votes from members of the particular class, in which the vacancy has occurred, in consecutive order, shall be declared elected to the Board.

4. Compensation of Directors and Members. The Board is hereby authorized to make provision for reasonable compensation to its members and to members of the Association for their services, and to reimburse such members for expenses incurred in connection with furthering the purposes of the Association. The Board shall fix the basis and condition upon which such compensation and reimbursement shall be paid. Any director of the Association also may serve in any other capacity and received compensation and reimbursement for such other work.

5. Indemnity. Each director or officer, whether or not then in office, and each person who may have served at the request of the Association as a director or officer of another corporation in which the Association own capital

stock or of which it is a creditor, and his executors, administrators and assigns, shall be indemnified by the Association against all costs and expenses reasonably incurred by or imposed upon him in connection with or arising out of any action, suit or proceeding in which he may be involved, or to which he may be made a party by reason of his being or having been such a director or officer (such expenses to include the cost of reasonable settlement made with a view toward curtailment of the cost of litigation) except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to have been liable for negligence or misconduct in the performed of his duty to the Association, and the foregoing right of indemnification shall not be exclusive of other rights to which he may be entitled as a matter of law.

ARTICLE XI

Bylaws

The initial bylaws of the Association shall be as adopted by its Board. The Board shall have power to alter, amend, or repeal the bylaws. The bylaws may contain any provisions for the regulation or management of the affairs of the Association which are not inconsistent with law or these articles of incorporation, as the same may from time to time be amended.

ARTICLE XI

Right to Amend Articles

The Association reserves the right to amend, alter, change or repeal any provision contained in these articles of incorporation by, unless a higher voting requirement is set forth herein with respect to any particular provision, the vote of the holders of at least 50% of the votes of the members entitled to vote at any regular or special meeting called for that purpose at which a quorum of members shall be represented.

ARTICLE XIII

Incorporator

The name and address of the incorporator is:

G. Kevin Conwick, Esq.
Holmes Roberts & Owens
8400 E. Prentice Avenue, Suite 900
Englewood, Colorado 80111


Dated: December 17, 1985

G. Kevin Conwick

VERIFICATION

STATE OF COLORADO)
) ss.
COUNTY Of ARAPAHOE)

I, Kathy G. Stevens, a notary public, hereby certify that on the 17th day of December, 1985, personally appeared before me G. Kevin Conwick, who being by me first duly sworn, declared that he was the person who signed the foregoing document as incorporator and that the statements herein contained are true.



Notary Public



(Notary Seal)

Commission Expires: April 30, 1988.

ARTICLES OF INCORPORATION
FOR
KENDALL CONDOMINIUMS,
CONDOMINIUM ASSOCIATION, INC.

The undersigned, desiring to establish a nonprofit corporation pursuant to the Colorado Nonprofit Corporation Act, hereby certifies:

ARTICLE I

Name

The name of the corporation shall be: Kendall Condominiums, Condominium Association, Inc.

ARTICLE II

Existence

The corporation shall have perpetual existence.

ARTICLE III

Corporate Purposes and Powers

1. Purposes. The objects and purposes of the corporation shall be: (a) to provide for the care, upkeep, and supervision of Kendall Condominiums in Purgatory Village, La Plata County, Colorado (the "Premises"), as further described in the condominium declaration for Kendall Condominiums to be recorded in the real

property records of La Plata County, Colorado together with all amended and supplemental declarations filed from time to time (the "Declaration"), and the condominium map and all supplemental maps to be filed for record in the real property records of La Plata County, Colorado (the "Map"), including the general common elements, any limited common elements and all recreational facilities maintained thereon from time to time (if any); (b) to regulate and control the relationships between the owners (the "Owners") of condominium units ("Units") on the Premises in connection with their ownership of the Units; and (c) to promote the best interests of the Owners for the purpose of securing for them the fullest utilization and enjoyment of the Premises.

2. Powers. In furtherance of the foregoing purposes, but not otherwise, the corporation (which is sometimes hereinafter called the "Association") shall have and may exercise all of the following powers:

(a) Real and Personal Property. To acquire by gift, purchase, trade or any other method, own, operate, build, manage, rent, sell, develop, encumber and otherwise deal in and with interests in real property in the Premises or in real property adjacent to the Premises and interests in personal property of every kind and character, tangible and intangible, used or useful in connection with the Premises.

(b) Borrowing. To borrow funds or raise moneys in any amount for any of the purposes of the Association and from time to time to execute, accept, endorse and deliver as evidences of such borrowing, all kinds of instruments and securities, including, but without limiting the generality of the foregoing, promissory notes, drafts, bills of exchange, warrants, bonds, debentures, property certificates, trust certificates and other negotiable or nonnegotiable instruments and evidences of indebtedness, and to secure the payment and performance of such securities by mortgage on, or pledge, conveyance, deed or assignment in trust of, the whole or any part of the assets of the Association, real, personal or mixed, including contract rights, whether at the time owned or thereafter acquired.

(c) Contracts. To enter into, make, amend, perform and carry out, or cancel and rescind, contracts, leases, permits, and concession agreements for any lawful purposes pertaining to its business.

(d) Guaranties. To make any guaranty respecting securities, indebtedness, notes, interests, contracts or other obligations created by any individual, partnership, association, corporation or other entity, and to secure any such guaranty by encumbrance upon any and all assets of the Association to the extent that such guaranty is made in pursuance of the purposes herein set forth.

(e) Loans. To lend money for any of the purposes above set forth; to invest its funds from time to time and to take and hold real and personal property as security for payment of funds so loaned or invested.

(f) Assessments. To levy monthly or other periodic assessments and special assessments against the owners for common expenses (including but not limited to the costs of repairing and maintaining general common elements, and utility charges which are not charged directly to the owners by the utility company), to charge interest on unpaid assessments and to collect dues, fees and interest in accordance with its bylaws and enforce liens given as security for such assessments, dues, fees and interest.

(g) General Powers. To do everything necessary, suitable or proper for the accomplishment of any of the purposes, the attainment of any of the objects, or the furtherance of any of the powers, above set forth, either alone or in connection with other corporations, firms or individuals, and either as principal or agent, and to do every act or thing incidental or appurtenant to, or growing out of, or connected with any of the aforesaid objects, purposes or powers.

(h) Rule Making. To make and enforce rules and regulations with regard to the management and operation of the Premises; provided, however, that no rules and regulations shall unreasonably limit the hours of operation of

any commercial establishment in the Premises or unreasonably interfere with the business operations of such commercial establishment. This subparagraph may not be amended unless such amendment is approved by the Owners of 100% of the Commercial Units (as such term is defined in the Declaration)

(i) Management, Maintenance, and Repair.

To provide for the management, maintenance and repair of the Premises and in connection therewith, to purchase or lease one or more residential Units to be used as a residence for one or more managers of the Premises, to enter into transactions with any entity or owner to accomplish such purpose, and thereafter to sell, lease or retain for use as a manager's residence such Units.

(j) Powers Conferred by Law. The foregoing enumeration of specific powers shall not limit or restrict in any manner the general powers of the Association and the enjoyment and exercise thereof as now or hereafter conferred by the laws of Colorado.

3. Restrictions Upon Purposes and Powers. The foregoing purposes and powers of the Association are subject to the following limitations:

(a) Nonprofit organization. That the Association shall be organized and operated exclusively for non-profitable purposes as set forth in section 501(c)(7) of the Internal Revenue Code of 1954, as amended, or in any

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ARTICLE IV

Address of the Association

The operations of the Association shall be conducted at such places within or outside of the United States as may from time to time be determined by its board of directors (the "board"). The address of the initial registered and principal office of the corporation is 124 East 9th Street, Durango, Colorado 80231. The name of its initial registered agent at such address is J. Douglas Shand.

ARTICLE V

Association Membership

1. Members. Any individual, corporation, partnership, association, trust or other legal entity or combination of entities owning an undivided fee simple interest in a Unit shall automatically be a member of the Association. Such membership shall be continuous throughout the period that such ownership continues. A membership shall terminate automatically without any Association action whenever such individual, organization, or group ceases to own a Unit. Except as set forth above, termination of membership shall not relieve or release any former member from any liability or obligation incurred by virtue of or in any way connected with ownership of a Unit, or impair any rights or remedies

which the Association or others may have against such former Owner and member arising out of or in any way connected with such ownership or membership.

2. Classes of Membership. The Association shall have the following classes of membership:

(a) Class A. Any individual, corporation, partnership, association, trust or other legal entity acquiring a fee simple interest in a Residential Unit (as such term is defined in the Declaration) shall automatically become a Class A member of the Association.

(b) Class B. Any individual, corporation, partnership, association, trust or other legal entity acquiring a fee simple interest in a Commercial Unit shall automatically become a Class B member of the Association.

Any corporation, partnership, association, trust or other legal entity which becomes a Class A or Class B member of the Association (an "Organizational Member") shall from time to time designate by written notice to the Association one or more individuals who may represent it at meetings and vote on behalf of such Organizational Member. The secretary of the Association shall maintain a list of the persons entitled to vote on behalf of such Organizational Member, and until the Association is notified to the contrary, any action taken by such persons purporting to act on behalf of an Organizational Member shall be binding on such Organizational Member.

3. Number of votes. The total number of votes of all members shall be 80. Each owner of a Unit shall be entitled to cast one vote per Unit owned at all meetings of members. However, each member who is a co-owner of a Unit (including a joint tenant) shall have the right to vote only that percentage of the number of votes to which his Unit is entitled equal to his undivided interest in a Unit. For purposes of this paragraph, each joint tenant of a Unit shall be deemed to own an undivided interest in his Unit equal to 100% divided by the total number of joint tenants.

4. Amendment of Article V. This Article V may be amended only by the unanimous vote of all the members.

ARTICLE VI

The Board of Directors

1. Control and Management. The control and management of the affairs of the Association and the disposition of its funds and property shall be vested in the board. The initial board shall consist of three directors who shall hold office until the election of their successors at the first annual meeting. At such first annual meeting and all subsequent annual meetings, the members of the Association shall elect directors as set forth below; however, if there are no members entitled to vote in a particular class, the directors elected by the remaining class

shall appoint a member (or members) of the Association to complete the board.

(i) Class A members shall elect one director to be known as the Class A director.

(ii) Class B members shall elect one director to be known as the Class B director.

The terms of office and the manner of selection or election shall be determined according to the articles of incorporation and the bylaws from time to time in effect. Cumulative voting shall not be allowed in the election of directors or for any other purpose. The names and addresses of those comprising the first board, to serve until their successors shall be duly elected, are as follows:

Name	Address
Timothy Buzzard	c/o Durango Ski Corporation P.O. Box 666 Durango, Colorado 81301
Robert O. Hill	c/o Durango Ski Corporation P.O. Box 666 Durango, Colorado 81301
Richard L. Peterson	c/o Durango Ski Corporation P.O. Box 666 Durango, Colorado 81301

2. Executive Committee. The board may by resolution designate two or more of their number to constitute an executive committee which shall have and exercise all of the power of the board in the management of the business and affairs of the Association or such lesser authority as may

be set forth in such resolution. No such delegation of authority shall relieve the board or any member of the board from any responsibility imposed by law.

ARTICLE VII

Officers

The Association shall have such officers as may from time to time be prescribed by the bylaws. Their terms of office and the manner of their designation or selection also shall be determined according to the bylaws from time to time in effect.

ARTICLE VIII

Managers

The board shall have power to appoint a manager or managers, which may be a corporation, partnership or other entity, to carry on day-to-day maintenance, repair, rental, service, and other functions for the Association upon such terms and conditions as the board may approve.

ARTICLE IX

Authority to Convey or Encumber Property

Authority to convey or encumber the property of the 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 (whether or not executed as such attorney-in-fact) shall be executed by the president or a vice president and attested by the secretary or an assistant secretary of the Association.

ARTICLE X

Management

The following provisions are inserted for the management of the business and for the conduct of the affairs of the Association, and the same are in furtherance of, and not in limitation or exclusion of, the powers conferred by law:

1. Contracts with Directors, Officers, or Members.

No contract or other transaction of the Association with any other person, firm or corporation shall be affected or invalidated by (a) the fact that any one or more of the directors, officers or members of the Association is interested in, or is a director, trustee or officer of, such person, firm or corporation, or (b) the fact that any director, officer or member, individually or jointly with others, may be a party to or may be interested in, any such contract or transaction. Each person who may become a director, officer, or member of the Association is hereby relieved from

any liability that might otherwise arise by reason of his contracting with the Association for the benefit of himself or any firm or corporation in which he may be in any way interested.

2. Board of Directors to Exercise General Power.

All corporate powers except those which by law or by these articles of incorporation expressly require the consent of the members shall be exercised by the board or the executive committee.

3. Removal of Directors. A Class A director may be removed with or without cause by the vote of 66-2/3% or more of the votes of Class A members then entitled to vote at an election of a Class A director. A Class B director also may be removed with or without cause by the vote of 66-2/3% or more of the votes of Class B members then entitled to vote at an election of a Class B director. Any such vacancy in the board shall be filled only by the vote of the members of such class so represented, as if such meeting were a regular annual meeting for the election of directors. The person or persons having the highest number of votes from members of the particular class in which the vacancy has occurred, in consecutive order, shall be declared elected to the board.

4. Compensation of Directors and Members. The board is hereby authorized to make provision for reasonable

compensation to its members and to members of the Association for their services, and to reimburse such members for expenses incurred in connection with furthering the purposes of the Association. The board shall fix the basis and conditions upon which such compensation and reimbursement shall be paid. Any director of the Association also may serve in any other capacity and receive compensation and reimbursement for such other work.

5. Indemnity. Each director or officer, whether or not then in office, and each person who may have served at the request of the Association as a director or officer of another corporation in which the Association owns capital stock or of which it is a creditor, and his executors, administrators and assigns, shall be indemnified by the Association against all costs and expenses reasonably incurred by or imposed upon him in connection with or arising out of any action, suit or proceeding in which he may be involved, or to which he may be made a party by reason of his being or having been such a director or officer (such expenses to include the cost of reasonable settlement made with a view toward curtailment of the costs of litigation), except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to have been liable for negligence or misconduct in the performance of his duty to the Association, and the foregoing right of

indemnification shall not be exclusive of other rights to which he may be entitled as a matter of law.

ARTICLE XI

Bylaws

The initial bylaws of the Association shall be as adopted by its board. The board shall have power to alter, amend, or repeal the bylaws. The bylaws may contain any provisions for the regulation or management of the affairs of the Association, which are not inconsistent with law, or these articles of incorporation, as the same may from time to time be amended.

ARTICLE XII

Right to Amend Articles

The Association reserves the right to amend, alter, change or repeal any provision contained in these articles of incorporation by, unless a higher voting requirement is set forth herein with respect to any particular provision, the vote of the holders of at least 50% of the votes of Class A members and the vote of the holders of at least 50% of the votes of Class B members, at any regular or special meeting called for that purpose at which a quorum of members shall be represented.

ARTICLE XIII

Incorporator

The name and address of the incorporator is:

G. Kevin Conwick, Esq.
Holme Roberts & Owen
1700 Broadway, Suite 1800
Denver, Colorado 80290

Dated: _____, 1984

G. Kevin Conwick

VERIFICATION

STATE OF COLORADO)
) ss.
COUNTY OF ARAPAHOE)

I, Kathy G. Stevens, a notary public, hereby certify that on the ___ day of _____, 1984, personally appeared before me G. Kevin Conwick, who being by me first duly sworn, declared that he was the person who signed the foregoing document as incorporator and that the statements therein contained are true.

Notary Public

(notarial seal)

Address: 8400 E. Prentice Ave.
Suite 900
Englewood, CO 80111

Commission Expires: April 30, 1984.