

**ARTICLES OF INCORPORATION OF
BEAVER CREEK RESORT COMPANY OF COLORADO
(as amended 11/14/02)**

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: Beaver Creek Resort Company of Colorado (hereinafter called the Resort Company).

**ARTICLE II
Term of Existence**

The corporation shall have perpetual existence.

**ARTICLE III
Definitions**

1. **Beaver Creek:** Beaver Creek shall have the meaning set forth for such term in the Declaration.
2. **The Declaration:** The Declaration shall mean the General Declaration for Beaver Creek filed by Declarant at Book 282 at Page 361 of the real property records of the Clerk and Recorder of Eagle County, Colorado, and all Amendments and Supplements thereto recorded in the real property records of Eagle County, Colorado; the Declaration, among other things, defines certain rights and obligations of Owners and Lessees within Beaver Creek with respect to the Resort Company and with respect to Functions undertaken and Facilities held by the Resort Company.
3. **Declarant:** Declarant shall mean Vail Associates, Inc., a Colorado corporation, and any party which (a) acquires from Declarant all or substantially all real property then owned by Declarant at Beaver Creek, and (b) immediately prior to such acquisition is designated by a written instrument as a successor or assignee of Declarant under the Declaration. Such instrument may specify the extent and the particular rights or interests as a Declarant which are being assigned, in which case Vail Associates, Inc., shall retain all other rights as Declarant.
4. **Master Plan:** Master Plan shall have the meaning set forth for such term in the Declaration.
5. **Site:** Site shall have the meaning set forth for such term in the Declaration.
6. **Residential Site:** A Residential Site is defined as a Dwelling Unit that constitutes a Site (e.g., a condominium that is a Dwelling Unit) or a Site in which a Dwelling Unit has been constructed (e.g., a Site on which a "single family structure" or a "primary/secondary structure", as such terms are used in the Master Plan, has been constructed), provided that a final certificate of occupancy has been granted for the Dwelling Unit. For the purposes of this paragraph, "Dwelling Unit" shall have the meaning set forth for such term in the Master Plan, except that a Dwelling Unit which does not constitute a Site within a Lodge or a Dwelling Unit in which a service or retail business is operated shall not be a Dwelling Unit for the purposes of this paragraph.
7. **Lodge:** Lodge shall have the meaning set forth for such term in the Declaration.
8. **Mountain Facility:** Mountain Facility shall mean the Beaver Creek ski area (by whatever name it may be known from time to time) located in part on property owned by Declarant within Beaver Creek and in part on United States Forest Service lands adjacent to Beaver Creek, including, but not limited

to, all ski tows or lifts, including towers, cables and structures or facilities used in direct connection with the operation of such tows or lifts; ski trails or runs; roads used in connection with maintenance or operation of tows, lifts, trails or runs; areas occupied or used for tow or lift lines; areas which are occupied by open racks for equipment which are available for use by the public; ski school meeting areas; and ski patrol facilities and first aid facilities for skiers; areas or facilities occupied or used for sale of ski tow or lift tickets, for sale of ski school lessons or for sale of skiing instruction, or for maintenance shops or for offices of the owner or operator of the Mountain Facility; to the extent such areas or facilities are not located in parcels otherwise constituting Sites.

9. **Owner:** Owner shall mean the person or persons, entity or entities who own of record, according to the real property records of Eagle County, Colorado, fee simple title to a Site. Each Owner shall also be the holder or holders of a particular Regular Membership in the Resort Company, as set forth below, which is appurtenant to ownership of such Site. The term Owner shall include Declarant to the extent it is the owner of a fee simple title to a Site.

10. **Lessee:** Lessee shall have the meaning set forth for such term in the Declaration.

11. **Guest:** Guest shall have the meaning set forth for such term in the Declaration.

12. **Property Furnished by Declarant:** Property Furnished by Declarant shall mean any real property, any improvement or portion of any improvement on real property and any personal property or equipment with respect to which Declarant grants, assigns or conveys to the Resort Company title, interests in, or rights of use, or with respect to which Declarant permits use by the Resort Company or some or all Owners, Lessees or Guests, and any replacement of or for any of the foregoing. Such title, interests in or rights of use may include, but are not limited to, the access road or roads serving Beaver Creek; open space or unimproved areas within Beaver Creek; walks, drives, malls, commons, bike paths, stairs, landscaping, trees, shrubs, ponds, seating benches, aesthetic structures, lighting, walk coverings and other open space improvements; parking areas or structures or facilities; swimming pools, golf courses, ice rinks, sauna or steam baths, horseback riding stables, tennis courts, game courts, game areas or other recreational facilities; conference facilities; cars and trucks or snow removal, maintenance or other equipment; and office space and office furnishings, furniture or fixtures.

13. **Facilities:** Facilities shall mean and include Property Furnished by Declarant as well as real property or interest therein, improvements on real property, and personal property and equipment otherwise owned, leased, held or used by the Resort Company or under the Resort Company's management or control by, through or under contractual arrangements, licenses, or other arrangements.

14. **Function:** Function shall mean any activity, function or service required under the Declaration to be undertaken or performed by the Resort Company as well as any activity, function or service otherwise undertaken or performed by the Resort Company.

15. **Affirmative Vote of a Majority of the Classes:** The Affirmative Vote of a Majority of the Classes shall be achieved on any particular matter if (and only if) (a) both the Class E member and the Class F member vote in favor of such matter, and (b) at least one-half of the classes of members which have members entitled to vote on such matters (other than Class E and Class F) voting as classes vote in favor of such matter. For the purpose of determining the vote of a class under subsection 15(b), the votes of a majority of the members of such class present at such meeting in person or by proxy and entitled to vote on such matter shall be deemed the vote of such class. Notwithstanding the foregoing, upon the effective resignation of the Class E member or the class F member, the favorable vote of such resigned member shall no longer be required under subsection 15(a).

ARTICLE IV **Purposes and Powers**

(a) **Purposes.** To promote the health, safety, and welfare of all members of the Resort Company and to establish, provide and maintain a desirable community and environment for all Owners, Lessees and Guests.

(b) **Powers.** In furtherance of the foregoing purposes, but not otherwise, the Resort Company shall have an may exercise all of the following powers:

(i) **Real and Personal Property.** To acquire, by gift, purchase, lease, trade or any other method, own, operate, build, manage, maintain, rent, sell, develop, encumber, and otherwise deal in and with real and personal property of every kind and character, tangible and intangible, wherever located, and interests of every sort therein.

(ii) **Supplementary Services.** To (a) own, lease, acquire, build, operate, and maintain any Facilities including but not limited to recreation parks, playgrounds, swimming pools, golf courses, commons, access roads, streets, foot and bike paths, including buildings, structures, personal properties incident thereto, and any other property owned and maintained for the common benefit and enjoyment of Owners, Lessees and Guests; (b) provide solid waste collections; (c) provide fire and police type protection; (d) maintain undeveloped lands; (e) provide a cable television system; (f) provide parking within and transportation to, from, within and regarding Beaver Creek; (g) provide control over vehicular access to Beaver Creek; (h) provide reception, information and reservation centers for guests visiting Beaver Creek; (i) provide pet control; (j) provide environmental monitoring and protection; (k) provide promotional services for Beaver Creek; (l) provide exterior maintenance for any Site or improvement thereon; (m) provide a central reservation system; (n) insofar as permitted by law to supplement all municipal services, and (o) provide any other service and perform all actions contemplated or permitted by the Declaration.

(iii) **Taxes.** To pay taxes, if any, on Facilities.

(iv) **Covenant Enforcement.** To enforce any and all covenants, restrictions, agreements, or rules and regulations applicable to Beaver Creek in any manner provided by the laws of Colorado, the Declaration or these articles of incorporation or the bylaws as from time to time in force and effect.

(v) **Borrowing.** To borrow funds or raise moneys for any of the purposes of the Resort Company 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 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 Resort Company, real, personal or mixed, including contract rights, whether at the time owned or hereafter acquired; provided that the power of the Resort Company to mortgage its properties shall be limited as set forth in the Declaration as form time to time in force and effect. Without limiting the generality of the foregoing, the Resort Company may from time to time borrow funds from Declarant or any affiliate thereof.

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

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

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

(ix) **Assessments.** To levy Civic, Common and Special Assessments against the members of the Resort Company as specifically set forth in its bylaws as from time to time in force and effect, to charge interest on unpaid assessments and to collect charges, fees, fines, penalties and interest in

accordance with the Declaration and the Resort Company's bylaws as from time to time in force and effect, and to create and enforce liens given as security for such assessments, charges, fees, fines, penalties and interest.

(x) **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.

(xi) **Rule Making.** To make and enforce rules and regulations applicable within Beaver Creek for the accomplishment of any of the purposes or to further any of the powers set forth above, and to amend such rules and regulations.

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

(c) **Restrictions upon Purposes and Powers.** The foregoing purposes and powers of the Resort Company are subject to the limitation that no part of the net earnings of the Resort Company (if any) shall inure to the benefit of any member in the Resort Company; however this restriction shall not limit or impair the Resort Company's right to compensate members for services rendered or for goods sold or leased to the Resort Company.

(d) **Dividends, Distribution, etc.** The Resort Company shall not pay any dividends. No distribution of the corporate assets to members (as such) shall be made. Upon dissolution of the Resort Company, the assets shall be distributed as provided in Article XII herein.

ARTICLE V **Registered Office and Agent**

The operations of the Resort Company shall be conducted at such places within or outside of the United States as may from time to time be determined by the board of directors. The address of the initial registered and principal office of the Resort Company is Lionshead Terminal Building, P.O. Box 7, Vail, Colorado 81657. The name of its initial registered agent at such address is John P. Acuff.

ARTICLE VI **Membership and Voting**

(a) **Membership.** (i) There shall be one Regular Membership in the Resort Company attributable to fee simple title ownership of each Site. Each such Regular Membership shall be appurtenant to the fee simple title to such Site. The Owner of a Site shall automatically be the holder of the Regular Membership appurtenant to that Site and title to and ownership of the Regular Membership for that Site shall automatically pass with fee simple title to the Site. Each Owner of a Site shall automatically be entitled to the benefits and subject to the burdens relating to the Regular Membership for its Site. If fee simple title to a Site is held by more than one person or entity, the Regular Membership appurtenant to that Site shall be shared by all such persons or entities in the same proportionate interest and by the same type of ownership as fee simple title to the Site is held.

(ii) There shall be at least one Regular Membership in the Resort Company attributable to each Leased Premises within Beaver Creek which Regular Membership shall be appurtenant to the Lessee's interest in such Leased Premises. If a Lessee subleases all or any portion of his Leased Premises, the provisions of Section 6.8 of the Declaration shall determine the regular membership(s) pertaining to the Leased Premises. Subject to said Section 6.8, the Lessee of the Leased Premises shall automatically be the holder of the Regular Membership appurtenant to the Leased Premises and title to and ownership of the Regular Membership for such Leased Premises shall automatically pass with the Lessee's interest in the Leased Premises and shall terminate upon the termination of Lessee's interest in such

Leased Premises. Each Lessee shall automatically be entitled to the benefits and subject to the burdens relating to the Regular Membership for its Leased Premises. If a Lessee's interest to a Leased Premises is held by more than one person or entity, the Regular Membership appurtenant to such Leased Premises shall be shared by all such persons or entities in the same proportionate interest and by the same type of ownership as the leasehold interest to such Leased Premises is held.

(iii) Regular Memberships in the Resort Company shall be limited to Owners and Lessees within Beaver Creek. A party may hold more than one Regular Membership and may also hold other forms of Membership.

(iv) Declarant at all times shall have and be deemed to hold a Special Membership in the Resort Company whether or not Declarant is an Owner or a Lessee. As the holder of this Declarant Special Membership, Declarant shall, in addition to all other rights granted to it hereunder including but not limited to the right to elect certain directors and to vote, be entitled to notice of all meetings of any class or combined classes of members and shall be entitled to speak and be heard at any such meetings. Except as otherwise herein stated in these articles, Declarant, as the holder of this Special Membership, shall be subject to no other obligations by reason of such Declarant Special Membership.

(v) Subject to the conditions set forth in these articles, Declarant as owner and operator of the Mountain Facility shall have and be deemed to hold Mountain Special Membership in the Resort Company; Declarant may assign its Mountain Special Membership with the assignment of substantially all rights to own, develop and operate such Mountain Facility. In the event of such assignment, Declarant's assignee shall assume all of the obligations of such membership and Declarant shall thereafter be released from all obligations by reason of the Mountain Special Membership. The holder of the Mountain Special Membership shall have, in addition to all other rights granted to it hereunder including but not limited to the right to elect certain directors, and to vote, and it may grant its customers, agents, employees, guests, and invitees, the same easements for access, ingress and egress to and from the Mountain Facility, over, upon and across Facilities, as an Owner would have. As a condition to the granting of such Mountain Special Membership, the Board of Directors of the Resort Company shall require execution of an agreement by the holder of such Mountain Special Membership obligating such holder to collect and pay to the Resort Company the Mountain Special Assessment, as defined in the bylaws as from time to time in force and effect, on all lift ticket sales generated in connection with the Mountain Special Member's operation of the Mountain Facility. Except as otherwise stated in these articles, the holder of the Mountain Special Membership under this section shall be subject to no other obligations by reason of such Mountain Special Membership.

(b) **Voting:** (i) The Resort Company shall have the six classes of voting membership set forth below; a member may belong to more than one class:

Class A. Class A members shall be all of the Owners of Residential Sites. A Class A member who owns fee simple title to a Residential Site shall be entitled to one vote for each Residential Site owned by such Class A member.

Class B. Class B Members shall be all Owners who own and operate a Lodge on a Site and all Lessees who own and operate or lease and operate a Lodge upon their Leased Premises. Each Class B member shall be entitled to one vote for each dwelling unit in such member's Lodge. "Dwelling Unit" shall have the meaning set forth in the Master Plan. A Class B member may assign or delegate to the manager of such Lodge all (but not less than all) of his voting rights as a Class B member with respect to such Lodge. The Resort Company shall recognize any such assignment or delegation of voting rights provided that, to be effective with respect to the Resort Company, the assignment or delegation of rights shall be in writing, shall be in terms deemed satisfactorily specific by the Resort Company, and a copy thereof shall be filed with and approved by the Resort Company. Except as otherwise stated in these articles, a Class B member shall not be permitted to assign or delegate any other rights or obligations hereunder.

Class C. Class C members shall be all those Owners who own and operate any type of "Business" (as defined below), except a Lodge, upon their Sites and all those Lessees who own and operate or lease and operate any type of Business, except a Lodge, upon their Leased

Premises. A Class C member shall be entitled to one vote for every 250 square feet of enclosed space that is owned or leased by such member and used in furtherance of the operation of such Business. Each Class C member shall receive a minimum of one vote but shall receive no fractional vote for any retail or service area less than a 250 square foot unit. As used herein, "Business" shall mean any retail or service enterprise, including, without limitation, restaurants, shops, offices offering medical, legal, accounting, engineering, real estate, property management or repair services and facilities providing the point of sale for recreational services such as horseback riding, skiing and snowboarding, ski school instruction, guiding, golfing or other seasonal recreational activities. Business shall exclude Sites which contain or are comprised of only meeting facilities, performing arts facilities operated not for profit, restrooms, lobbies, foyers or facilities which Guests do not directly use such as closets and employee locker rooms.

Class D. Class D members shall be all Owners or Lessees of Sites not Class A, Class B or Class C members and the Owner and Lessee of a Site on which a performing arts facility is operated not for profit; provided, however, that the Owner of a parking space that constitutes a condominium unit shall not be a Class D member. A Class D member shall be entitled to one vote for each site owned or Leased Premises leased by such member.

Class E. The Declarant Special member shall constitute the entire Class E membership. The Class E member shall be entitled to one vote. The Class E member may at any time give the Resort Company notice that it wishes to resign as a member, which notice shall be accompanied by the written resignations of all Class E directors, in which case the Board of Directors shall be reduced by the number of directors the Class E member was then entitled to elect and the Class E member shall have no further rights or obligations hereunder.

Class F. The Mountain Special Member shall constitute the entire Class F membership. The Class F member shall be entitled to one vote.

(ii) If a membership in any class is held by more than one person or entity, the holders thereof may vote in any manner in which they all agree as set forth in a written instrument delivered to the Resort Company; otherwise they shall vote a fractional vote in accordance with their percentage ownership of the fee simple interest in a Site or of their interest in a lease of a Site.

(iii) At any meeting of a single class of members, such members shall be entitled to vote only the votes to which they are entitled pursuant to being members of such class. At any meeting of the combined classes of membership where a vote of combined classes of members is to be taken, each member shall be entitled to vote the number of votes for each class of which it is a member which is in the combined classes.

(iv) This Article VI may be amended only by the Affirmative Vote of a Majority of the Classes.

ARTICLE VII **Board of Directors**

(a) The control and management of the Resort Company and the disposition of its funds and property shall be vested in a board of directors consisting of not less than three nor more than nine directors who need not be members of the Resort Company. Directors shall be elected or appointed for terms as set forth below; provided, however, that if there are no members entitled to vote in a particular class, no director shall be elected or appointed by that class.

(i) Initially, Class A members shall elect one director, to be known as the Class A director. At the 1998 annual meeting, the Class A members shall elect two directors who shall hold office for a term of two years, to be known as the Class A directors. At the 2002 annual meeting, the Class A members shall elect (a) one director for a two-year term, to be known as the Class A even-year director; and (b) one director for a three-year term, to be known as the Class A odd-year director. Beginning with the 2004 annual meeting and at each annual meeting thereafter held in a year ending in an even number, the Class A members shall elect a Class A even-year director for a term of two years. Beginning with the 2005 annual

meeting and at each annual meeting thereafter held in a year ending in an odd number, the Class A members shall elect a Class A odd-year director for a term of two years.

(ii) Class B members shall elect one director, to be known as the Class B director. The Class B director shall hold office for a term of two years. Class B members shall elect the Class B director at the annual meetings held in years ending in an odd number.

(iii) Class C members shall elect one director, to be known as the Class C director. The Class C director elected at the 1993 annual meeting shall hold such office for a term of one year until the election and qualification of his or her successor at the 1994 annual meeting. Thereafter, the Class C director shall hold office for a term of two years and the Class C members shall elect the Class C director at the annual meetings held in the years ending in an even number.

(iv) Class D members shall elect one director, to be known as the Class D director. The Class D director shall hold office for a term of two years. Class D members shall elect the Class D director at the annual meetings held in years ending in an odd number.

(v) Initially, the Class E member shall appoint three directors, each to be known as a Class E director. At the 1998 annual meeting, the Class E member shall relinquish its right to appoint one Class E director, and thereafter there shall be only two Class E directors. Each Class E director shall hold office for a term of two years, and the Class E member shall appoint the Class E directors at the annual meeting held in the years ending in an even number. Notwithstanding the foregoing, at such time as certificates of occupancy have been issued for 90 percent of the dwelling units authorized to be constructed in Beaver Creek under the Master Plan, the Class E member shall appoint only one director and the Class A, B, C and D members shall then elect one director at large in addition to the directors they are entitled to elect as set forth above. Director elected at large, pursuant to the preceding sentence, shall first be elected at the first special or annual meeting of the members after the Class A, B, C and D members become entitled to elect the director at large. Thereafter, the Class A, B, C and D members shall elect the director at large at the annual meetings held in years ending in an even number. The Class E member may at any time give the Resort Company written notice that it wishes to relinquish its right to appoint all or any Class E directors, which notice shall be accompanied by the written resignations of that number of Class E directors, in which case (except as otherwise provided in these Articles with respect to the 1998 annual meeting of the members) the Board of Directors shall be reduced by the number of Class E directors which resigned and the Class E member shall continue to have all other rights or obligations hereunder.

(vi) The Class F member shall appoint two directors, each to be known as a Class F director. The Class F directors shall hold office for a term of two years. The Class F member shall appoint Class F directors at the annual meetings held in years ending in an odd number. The Class F member may at any time give the Resort Company written notice that it wishes to reduce its representation on the Board of Directors, which notice shall be accompanied by the written resignations of all or any Class F directors which resigned; however, the Class F member shall continue to be liable for the Mountain Special Assessment from time to time in force and effect.

(b) In the election of Class A, B, C and D directors, each member of a particular class shall have the right to vote the number of votes to which it is entitled as a member of such class for one person for the position of director of such class. In the election of the two Class A directors at the 2002 annual meeting pursuant to paragraph (a)(i), Article VII, the person receiving the largest number of votes shall be the Class A odd-year director and the person receiving the second largest number of votes shall be the Class A even-year director. In the election of director at large, Class A, B, C and D members shall vote as a combined class of members and each member shall be entitled to add the votes for each class (A, B, C or D) of which it is a member and vote such number of votes for one person for the position of director at large. Cumulative voting shall not be allowed.

(c) One or more or all of the Class A, B, C, or D directors or the directors at large may be removed with or without cause by the vote of a majority of votes of the class of members entitled to vote at an election of such director or directors being removed. Class A, B, C, and D director and the director at large vacancies shall be filled only by the vote of the members so represented, as if such meeting were a regular annual meeting for the election of directors, and the person or persons having the highest number of

votes in consecutive order being declared elected to the Board of Directors. A Class E or F director may be removed by the Class E or F member respectively, with or without cause. Class E and F vacancies shall be filled by Class E and F member appointment respectively.

(d) The manner of selection or election of the Board of Directors at the annual meeting and the manner in which Class A, B, C and D directors or directors at large vacancies, other than those caused by removal, shall be filled, shall be determined according to the bylaws from time to time in force and effect. Cumulative voting shall not be allowed in the election of directors or for any other purpose.

(e) This Article VII may be amended only by the Affirmative Vote of a Majority of the Classes.

(f) No person who is an officer, director or employee of Declarant or any of its affiliates may serve as Class A, B, C or D director of the Resort Company.

ARTICLE VIII **Additions to and Deletions from the Property**

Additions to and deletions from the property described in Article III, Section 1, may be made only in accordance with the provisions of the Declaration pertaining to the real property covered by the Declaration as from time to time in force and effect.

ARTICLE IX **Officers**

The Resort Company 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 shall also be determined by the bylaws from time to time in effect.

ARTICLE X **Execution of Instruments**

Authority to convey or encumber the property of the Resort Company and to execute any deed, contract or other instrument on behalf of the Resort Company 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 vice president and attested by the secretary or an assistant secretary of the Resort Company.

ARTICLE XI **Management of Business**

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

(a) **Contracts with Directors, Officers or Members.** No contract or other transaction of the Resort Company with any other person, firm or corporation shall be affected or invalidated by (i) the fact that any one or more of the directors, officers or members of the Resort Company is interested in, or is a director, trustee or officer of another corporation, or (ii) 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 Resort Company is hereby relieved from any liability that might otherwise arise by reason of his contracting with the Resort Company for the benefit of himself or any firm or corporation in which he may be in anywise interested.

(b) **Board of Directors to Exercise General Power.** All corporate powers except those which by law or by these articles expressly require the consent of the members shall be exercised by the Board of Directors or the executive committee.

(c) **Compensation of Directors and Members.** The board of directors is hereby authorized to make provision for reasonable compensation to its members and to members of the Resort Company for their services, and to reimburse such members for expenses incurred in connection with furthering the purposes of the Resort Company. The board of directors shall fix the basis and conditions upon which such compensation and reimbursement shall be paid. Any director of the Resort Company may also serve in any other capacity and receive compensation and reimbursement for such other work.

(d) **Indemnity.** Each director or officer, whether or not then in office, and each person who may have served at the request of the Resort Company as a director or officer of another corporation in which it owns capital stock or of which it is a creditor, and his personal representatives and assigns, shall be indemnified by the Resort Company 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 a reasonable settlement made with a view to 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 duty to the Resort Company, and the foregoing right of indemnification shall not be exclusive of other rights to which he may be entitled as a matter of law.

(e) **Liability Insurance.** The Resort Company may insure its officers and directors against certain losses which such persons may incur because of their acts or omissions as officers or directors, including, but not limited to, losses resulting from judgments, settlements and costs of litigation. Such insurance shall be limited to reasonable amounts of coverage for such officers and directors.

(f) **Limitation of Liability.** No member of the Resort Company shall be personally liable for any debt or other obligation of the Resort Company, and no property within Beaver Creek shall be subject to any lien to enforce the collection of any debt or other obligation of the Resort Company, except liens for unpaid assessments made in accordance with these Articles of Incorporation, the bylaws of the Resort Company and the Declaration.

ARTICLE XII

Dissolution

The Resort Company may be dissolved only by the Affirmative Vote of a Majority of the Classes. Written notice of a proposal to dissolve, setting forth the reasons therefore and the disposition to be made of the assets, as set forth below, shall be mailed to every member at least 90 days in advance of any action taken. Upon dissolution of the Resort Company, the assets, both real and personal of the corporation, shall be dedicated to an appropriate public agency or agencies or utility or utilities to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Resort Company. In the event that such dedication is not accepted, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Resort Company. No such disposition of Resort Company properties shall be effective to divest or diminish any right or title of any member vested in him under the recorded covenants and deeds applicable to Beaver Creek unless made in accordance with the provisions of such covenants and deeds.

ARTICLE XIII

Merger and Consolidation

The Resort Company may not participate in mergers and consolidations.

ARTICLE XIV

Bylaws

The initial bylaws of the Resort Company shall be as adopted by its board of directors. The board shall have power to alter, amend or repeal the bylaws except where such power is reserved in the bylaws for the members acting pursuant to the Affirmative Vote of a Majority of the Classes. The bylaws may contain any provisions for the regulation or management of the affairs of the Resort Company which are not

