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**COPY**

ARTICLES OF INCORPORATION

OF

CORDILLERA VALLEY CLUB PROPERTY OWNERS ASSOCIATION, INC.

The undersigned, acting as incorporator of a corporation under the Colorado Nonprofit Corporation Act hereby certifies the following Articles:

ARTICLE I  
NAME

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SECRETARY OF STATE  
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The name of the corporation is Cordillera Valley Club Property Owners Association, Inc.

ARTICLE II  
PERIOD OF EXISTENCE

Cordillera Valley Club Property Owners Association, Inc. (the "Association") shall have perpetual existence.

ARTICLE III  
PURPOSES AND POWERS

3.1 Purposes. The purposes and objectives for which the Association is formed are as follows:

A. To promote, undertake and advance any and all lawful activities and objectives for the general benefit, well-being, advancement, improvement and enjoyment of the Association and its members;

B. To provide for the care, upkeep and supervision of the subdivision known as Cordillera Valley Club (the "Property"), as more fully described in the Declaration and all supplements and amendments thereto filed of record from time to time in the Office of the Clerk and Recorder, Eagle County, Colorado (the "Declaration"), and the Plat to be filed for record in the real property records of Eagle County, Colorado and all supplements thereto (the "Plat"), including the Common Area as defined in the Declaration (each capitalized term not otherwise defined in these Articles of Incorporation shall have the meanings specified or used in the Declaration);

C. To provide an entity for the furtherance of the interests of the Owners of the Property.

3.2 Powers. Subject to any specific limitation imposed by these Articles of Incorporation, the Association shall have the following powers:

A. All of the powers conferred upon nonprofit corporations by the laws of the State of Colorado in effect from time to time.

B. All of the powers conferred upon unit owners' associations pursuant to the Colorado Common Interest Ownership Act, C.R.S. Section 38-33.3-101, et seq. (the "Act").

C. 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. Subject to the budgeting procedures contained in the Declaration, to make and collect Assessments against Members for the purpose of paying 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 the Common Area;

3. To enforce covenants, restrictions and conditions affecting the 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 Property;

4. To engage in activities which will actively foster, promote and advance the interests of the Owners;

5. Subject to restrictions set forth in the Act and the Declaration, 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. Currently the Act restricts the conveyance or encumbrance of the Common Area pursuant to Section 38-33.3-312 of the Act.

6. Subject to restrictions set forth in the Act and the Declaration, to borrow money and secure the repayment of monies borrowed for any purpose of the Association, limited in amount or in other respects as may be provided in the Bylaws or in the Declaration. Currently the Act restricts the conveyance or encumbrance of the Common Area pursuant to Section 38-33.3-312 of the Act.

7. To enter into, make, perform or enforce contracts of every kind and description, including, without limitation, a contract for management services, and to do all other acts necessary, appropriate or advisable in carrying out any

purpose of the Association, with or in association with any person, firm, association, corporation or other entity or agency, public or private;

8. 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 these Articles of Incorporation or the Declaration.

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 III are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provisions of this Article III, except for those limitations set forth in paragraph 3.3 below.

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

A. The Association shall be organized and operated exclusively for nonprofit purposes as set forth in the Internal Revenue Code of 1986, as it is now or may hereafter be 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. No part of the net earnings of the Association shall inure to the benefit of any Member (except that reasonable compensation may be paid for services rendered to or for the Association and affecting one (1) or more of its purposes and objectives, and reimbursement may be made for any expenses incurred for the Association by any officer, Director, Member, agent, or employee, or any person or corporation, pursuant to and upon authorization of the Executive Board).

C. The Association shall not pay any dividends. Subject to restrictions set forth in the Act and the Declaration, 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 affirmative vote of at least 80 percent of 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 pro rata among the Members of the Association.

ARTICLE IV  
INITIAL REGISTERED OFFICE AND AGENT

The initial registered office of the Association shall be at 2206 Cordillera Way, P.O. Box 988, Edwards, CO 81632. The initial registered agent at such office shall be Mark S. Avery. The principal office is located at 2206 Cordillera Way, P.O. Box 988, Edwards, CO 81632.

ARTICLE V  
MEMBERSHIP

5.1 Qualifications. The Association shall be a membership corporation without certificates or shares of stock and shall consist of one class of membership consisting of all Owners including Declarant so long as Declarant continues to own an interest in a Lot. The rights and obligations of membership are set forth in the Declaration and Bylaws of the Association. Membership shall terminate automatically without any Association action whenever such entity or individual ceases to own a Lot. 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 Lot, or impair any rights or remedies which the Association or others may have against such former Member arising out of, or in any way connected with, such membership.

5.2 Suspension of Voting Rights. The Association may suspend the voting rights of a Member for failure to pay any Assessments or for failure to otherwise comply with the rules and regulations, or the Bylaws, of the Association, or with any other obligations of the Members under the Declaration, or agreement(s) created pursuant thereto.

5.3 Bylaws. 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 Association shall be conducted, managed, and controlled by an Executive Board.

6.1 Number; Manner of Election. The Executive Board shall consist of not less than three (3) nor more than seven (7) members, the specified number to be set forth from time to time in the Bylaws. In the absence of any provision in the Bylaws, the Executive Board shall consist of three (3) members. The terms of office of Directors and the manner of their selection or election shall be determined according to the Bylaws from time to time in effect. Directors may be removed and vacancies on the Executive Board shall be filled in the manner provided in the Bylaws.

6.2 Initial Executive Board. The initial Executive Board shall consist of three (3) persons and the names and addresses of the members of the initial Executive Board who shall serve until their respective successors are duly elected and qualified, are as follows:

<u>Name</u>	<u>Address</u>
Gerald E. Engle	P.O. Box 988 Edwards, CO 81632
Mark S. Avery	P.O. Box 988 Edwards, CO 81632
Michael Mutter	P.O. Box 988 Edwards, CO 81632

Notwithstanding anything to the contrary provided for herein or in the Bylaws of the Association, Declarant shall be entitled to appoint the members of the Executive Board and officers of the Association to the fullest extent permitted under the Act.

#### 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 Board, in accordance with the provisions of the Bylaws, believes will be in the best interests of the Association. The officers shall have such duties as may be prescribed in the Bylaws.

#### ARTICLE VIII NON-LIABILITY AND INDEMNIFICATION

8.1 Limitation on Liability. To the fullest extent permitted by the Colorado Corporation Code, as the same exists or may hereafter be amended, a Director of the Association shall not be liable to the Association or its Members for monetary damages for breach of fiduciary duty as a Director.

8.2 Definitions. For purposes of this Article VIII, the following terms shall have the meanings set forth below:

(a) Proceeding. Any threatened, pending or completed action; suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal;

(b) Indemnified Party. Any person who is or was a party or is threatened to be made a party to any Proceeding by reason of the fact that he is or was a Director or officer of the Association or a member of a committee formed by the Association or, while a Director or officer of the Association or a member of a committee,

is or was serving at the request of the Association as a Director, officer, member, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, committee or other enterprise including, without limitation, any employee benefit plan of the Association for which any such person is or was serving as a trustee, plan administrator or other fiduciary.

8.3 Indemnification. The Association shall indemnify any Indemnified Party in any Proceeding to the fullest extent permitted by law, including, without limitation, the advancement of expenses incurred by an Indemnified Party.

8.4 Insurance. By action of the Executive Board, notwithstanding any interest of the Directors in such action, the Association may purchase and maintain insurance, in such amounts as the Executive Board may deem appropriate, on behalf of any Indemnified Party against any liability asserted against him and incurred by him in his capacity of or arising out of his status as an Indemnified Party, whether or not the Association would have the power to indemnify him against such liability under applicable provisions of laws.

8.5 Right to Impose Conditions to Indemnification. The Association shall have the right to impose, as conditions to any indemnification provided or permitted in this Article VIII, such reasonable requirements and conditions as to the Executive Board may appear appropriate in each specific case and circumstances including, without limitation, any one or more of the following; (a) that any counsel representing the Indemnified Party in connection with the defense or settlement of any Proceeding shall be counsel mutually agreeable to the Indemnified Party and to the Association; (b) that the Association shall have the right, at its option, to assume and control the defense or settlement of any claim or proceeding made, initiated or threatened against the Indemnified Party; and (c) that the Association shall be subrogated, to the extent of any payments made by way of indemnification, to all of the Indemnified Party's right of recovery, and that the person to be indemnified shall execute all writings and do everything necessary to assure such rights of subrogation to the Association.

#### ARTICLE IX AMENDMENTS

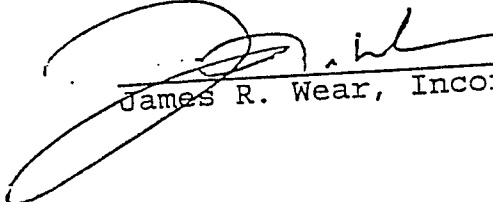
The Association reserves the right to amend, alter, or change any provision contained in these Articles of Incorporation by a vote of at least two-thirds (2/3) of the votes in the Association present at any regular or special meeting of the Members of the Association at which a quorum is present, provided, however, that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with any provision of the Declaration.

ARTICLE X  
INCORPORATOR

The name and address of the incorporator of the Association is as follows:

James R. Wear  
Wear & Travers, P.C.  
1000 S. Frontage Rd., West  
Suite 200  
Vail, CO 81657

Executed this 9 day of August, 1995.

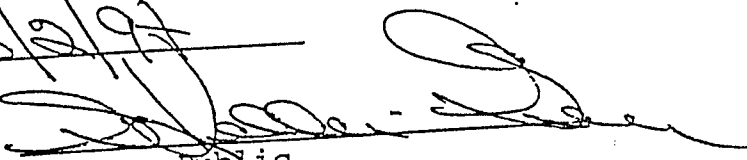
  
James R. Wear, Incorporator

STATE OF COLORADO )  
                                  )  
COUNTY OF EAGLE     )

The foregoing instrument was acknowledged before me in the County of Eagle, State of Colorado, this 9 day of August, 1995 by James R. Wear, Incorporator.

WITNESS MY HAND AND OFFICIAL SEAL.

MY COMMISSION EXPIRES: 10/21/97

  
Notary Public



# STATE OF COLORADO

DEPARTMENT OF  
STATE

## CERTIFICATE

I, VICTORIA BUCKLEY, Secretary of State of the State of  
Colorado hereby certify that ACCORDING TO THE RECORDS OF  
THIS OFFICE,

CORDILLERA VALLEY CLUB PROPERTY OWNERS ASSOCIATION, INC.  
(COLORADO NONPROFIT CORPORATION)

BECAME INCORPORATED UPON FILING ARTICLES OF INCORPORATION  
DATED 08/15/95.

Dated: AUGUST 15, 1995

*Victoria Buckley*

SECRETARY OF STATE