

401

ARTICLES OF INCORPORATION

OF

SPRUCE VALLEY RANCH FOUNDATION

STATE OF COLORADO  
DEPT. OF STATE

FILED

24 OCT '77

The undersigned natural person hereby establishes a nonprofit corporation pursuant to the Colorado Nonprofit Corporation Act and adopts the following Articles of Incorporation.

ARTICLE I

NAME

The name of the corporation is: SPRUCE VALLEY RANCH FOUNDATION.

ARTICLE II

DURATION

The corporation shall have perpetual existence.

ARTICLE III

PURPOSES AND POWERS

3.1. Purposes. The corporation is formed exclusively to provide for the acquisition, construction, management, maintenance and care of corporation property within the meaning of Section 528 of the Internal Revenue Code. The corporation is not formed for pecuniary profit or financial gain and no part of the corporation's net earnings, profit or income is distributable to, or shall inure to the benefit of, its members, directors or officers or any other private

individual except to the extent permitted under the Colorado Nonprofit Corporation Act and Section 528 of the Internal Revenue Code.

3.2. Powers. In furtherance of the foregoing purposes the corporation shall have and may exercise all of the powers now or hereafter conferred upon nonprofit corporations organized under the laws of Colorado, including but not limited to those powers expressly set forth in the Declaration of Covenants, Conditions and Restrictions for the Spruce Valley Ranch (the Declaration) and powers necessary or incidental thereto.

ARTICLE IV

INITIAL BOARD OF DIRECTORS

Three directors shall constitute the initial board, their names and addresses being as follows:

Winthrop C. Lockwood, Jr.

P.O. Box 715  
Breckenridge, Colorado

Susan W. Lockwood

P.O. Box 715  
Breckenridge, Colorado

Lucinda M. Daly

P.O. Box 715  
Breckenridge, Colorado

ARTICLE V

REGISTERED OFFICE AND REGISTERED AGENT

The address of the initial registered office of the corporation is 325 S. Main Street, Breckenridge, Colorado. 80424  
The name of its initial registered agent at such address is Winthrop C. Lockwood, Jr.

ARTICLE VI

RIGHTS OF DIRECTORS AND OFFICERS  
TO CONTRACT WITH CORPORATION

Any of the directors or officers of this corporation shall not, in the absence of fraud, be disqualified by his office from dealing or contracting with this corporation either as vendor, purchaser or otherwise, nor shall any firm, association, or corporation of which he shall be a member, or in which he may be pecuniarily interested in any manner be so disqualified. No director or officer, nor any firm, association, or corporation with which he is connected as aforesaid shall be liable to account to this corporation or its shareholders for any profit realized by him from or through any such transaction or contract, it being the express purpose and intent of this article to permit this corporation to buy from, sell to, or otherwise deal with partnerships, firms or corporations of which the directors and officers of this corporation, or any one or more of them, may be members, directors or officers, or in which they or any of them may have pecuniary interests; and the contracts of this corporation, in the absence of fraud, shall not be void or voidable or affected in any manner by reason of any such position. Fur-

thermore, directors of this corporation may be counted for a quorum of the Board of Directors of this corporation at a meeting even though they may be pecuniarily interested in matters considered at such meeting, and any action taken at such meeting with reference to such matter by a majority of the disinterested directors shall not be void or voidable by this corporation in the absence of fraud.

#### ARTICLE VII

##### INDEMNIFICATION OF DIRECTORS AND OFFICERS

The corporation shall indemnify every director or officer or former director or officer or any person who may have served at its request as a director or officer of another corporation in which it owns shares of capital stock or of which it is a creditor, and his heirs, executors and administrators, against expenses actually and reasonably incurred by him in connection with the defense of any action, suit or proceeding, civil or criminal, to which he may be made a party by reason of his being or having been such a director or officer of the corporation, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty to the corporation. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the corporation is advised by counsel that the person to be indemnified did not commit such a breach of duty. The foregoing right of indemnification shall not be exclusive of other rights to which he may be entitled.

ARTICLE VIII

INCORPORATION

The name and address of the incorporator is:  
Brian Pendleton, 1660 Lincoln, Suite 1710, Denver,  
Colorado 80264.

ARTICLE IX

VOTING

Each member shall be entitled to one vote for each Site owned. When more than one person holds an interest in any Site, all such persons shall be members of the corporation. The vote for each Site shall be exercised as the persons having an interest in such Site among themselves determine, but in no event shall a fractional vote or more than one vote be cast with respect to any Site.

ARTICLE X

DISTRIBUTION UPON DISSOLUTION

Upon the dissolution of the corporation, the balance of all assets after payment of all liabilities and obligations of the corporation shall be distributed to the members according to a plan of distribution adopted pursuant to the Colorado Nonprofit Corporation Act.

ARTICLE XI

DEFINITIONS

Definitions of terms used in these Articles shall be as follows:

11.1. Owner. "Owner" means the record owner,

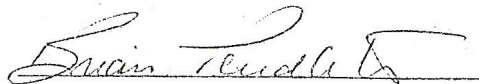
whether one or more persons or entities, of the fee simple title to any Site which is a part of the Property, but shall not mean or refer to any person or entity who holds such interest merely as security for the performance of a debt or other obligation, including a mortgagee or beneficiary under a deed of trust, unless and until such person has acquired fee simple title pursuant to foreclosure or other proceedings.

11.2. Site. "Site" means any plot of land shown on any recorded subdivision map of the Property, but shall not include the Common Areas.

11.3. Property. "Property" means that certain real property described in Exhibit A attached to the Declaration and such additions thereto as may hereafter be brought within the terms of said Declaration.

11.4. Common Areas. "Common Areas" means that real property and improvements thereon in Summit County, Colorado, owned by the corporation for the common use and enjoyment of the Owners on a nonexclusive basis, except as otherwise provided in the Declaration of Covenants, Conditions and Restrictions for the Spruce Valley Ranch.

Dated: September 27, 1977.

  
BRIAN PENDLETON

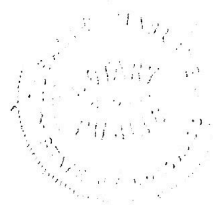
VERIFICATION

STATE OF COLORADO )  
 ) ss.  
CITY AND COUNTY OF DENVER )

I, Eselie Mulrow a notary public,  
heroby certify that on the 3rd day of September,  
1979, personally appeared before me Richard,  
Phillips, who being by me first duly sworn de-  
clared that he was the person who signed the foregoing docu-  
ment as the incorporator and that the statements contained  
therein are true.

My commission expires: May 31, 1981

Eselie Mulrow  
Notary Public



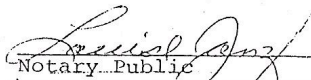






The foregoing Articles of Amendment to the Articles of Incorporation of Spruce Valley Ranch Foundation were acknowledged before me this 13th day of October, 1988, by Wortham C. Lockwood, Jr. as President and David C. Lockwood as Secretary of Spruce Valley Ranch Foundation, a Colorado nonprofit corporation.

WITNESS my hand and official seal.

  
Notary Public  
150 SKI HILL RD, SUITE 200 BRECKENRIDGE, CO 80424  
My Commission Expires: 6-3-91