

SECRETARY OF STATE

STATE OF MONTANA




CERTIFICATE OF INCORPORATION

I, **MIKE COONEY**, Secretary of State of the State of Montana, do hereby certify that the Articles of Incorporation for the incorporation of **BIG MOUNTAIN RESORT ASSOCIATION**, a Montana public benefit corporation, duly executed pursuant to the provisions of Section 35-2-213, Montana Code Annotated, has been received in my office and conforms to law.

NOW, THEREFORE, I, **MIKE COONEY**, as such Secretary of State, by virtue of the authority vested in me by law, hereby issue this Certificate of Incorporation to **BIG MOUNTAIN RESORT ASSOCIATION**, a Montana public benefit corporation, and attach hereto a copy of the Articles of Incorporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of Montana, at Helena, the Capital, this October 15, A.D. 1992.


MIKE COONEY
Secretary of State

(GREAT SEAL)

ARTICLES OF INCORPORATION
OF
BIG MOUNTAIN RESORT ASSOCIATION

320670
STATE OF MONTANA
FILED
OCT 15 1992
SECRETARY OF STATE

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Pd. \$20.00

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The undersigned, desiring to establish a non-profit corporation pursuant to the Montana Non-Profit Corporation Act, Section 35-2-101, et seq., hereby certifies:

ARTICLE I

Name

The name of the corporation shall be:

BIG MOUNTAIN RESORT ASSOCIATION

(hereinafter called the "Resort Association").

ARTICLE II

Term of Existence

The corporation shall have perpetual existence.

ARTICLE III

Definitions

1. Big Mountain Resort: Big Mountain Resort (hereinafter called "Big Mountain") shall mean all of the real property in Flathead County, Montana, within the boundaries set forth in the legal description attached hereto as Exhibit "A", as well as all real property which becomes part of Big Mountain as provided in Article VIII herein. Any property removed from Big Mountain as provided in Article VIII herein shall no longer be part of Big Mountain.

2. The Declaration: The Declaration shall mean the General Declaration for Big Mountain Resort filed by Declarant

at Reception No. 9228712410 of the real property records of the Clerk and Recorder of Flathead County, Montana, and all amendments and supplements thereto recorded in the real property records of Flathead County, Montana; the Declaration, among other things, defines certain rights and obligations of owners and lessees within Big Mountain with respect to the Resort Association, and with respect to Functions undertaken and Facilities held by the Resort Association.

3. Declarant: Declarant shall mean Winter Sports, Inc., a Montana corporation, and any party which (a) acquires from Declarant all or substantially all real property then owned by Declarant at Big Mountain, and (b) immediately prior to such acquisition is designated by a written instrument as the successor or assignee of Declarant under the Declaration. Such instrument may specify the extent and the particular rights or interest as a Declarant which are being assigned, in which case Winter Sports, Inc. shall retain all other rights as Declarant.

4. Site: Site shall mean each parcel of real property within Big Mountain, the fee simple interest of which may be conveyed in its entirety to a third party without violating the subdivision regulations of Flathead County, Montana, as in effect from time to time, including a condominium unit (as that term is defined under the Unit Ownership Act of the State of Montana) and including any such parcel or condominium unit owned by Declarant. If at any time Flathead County, Montana has no subdivision regulations in effect or modifies its

subdivision regulations as in effect on the date hereof in a manner which, in the reasonable judgment of Declarant, would materially affect the rights of owners hereunder to be represented on the Board of Directors, Declarant may, by written instrument recorded in the real property records of Flathead County, Montana, designate each parcel in Big Mountain which from time to time constitutes a Site. Notwithstanding the foregoing, a parcel of property owned, held or used in its entirety by the Big Mountain Resort Association (hereinafter called "Resort Association"), or by any governmental entity (which term shall include but is not limited to special improvement districts formed pursuant to Montana law), or for or in connection with the distribution of electricity, gas, water, sewer, telephone, television or other utility service, or for access to any property within or without Big Mountain, or for the Mountain Facility (as hereinafter defined), shall not be considered a Site. Moreover, a parcel of land containing forty acres or more shall be considered as only one Site, even though various parts thereof might be conveyed without violating the subdivision regulations of Flathead County, Montana.

5. Residential Site: A Residential Site is defined as any Site upon which there is located or intended to be located one or more dwelling units.

6. Lodge: A Lodge shall mean a building designed, intended, or used for the accommodation of tourists, transients, or permanent guests for compensation, but shall not include dwelling units.

7. Mountain Facility: Mountain Facility shall mean the Big Mountain Ski Area (by whatever name it may from time to time be known) located in part on real property owned by Declarant included in or adjacent to Big Mountain, National Forest lands, and private lease lands, including, but not limited to, all ski tows or lifts, including towers, cables and structures or facilities used in direct connection with 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 skis which are available for use by the public; ski school meeting areas; ski patrol facilities and first-aid facilities for skiers; areas or facilities occupied or used for sale or 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; horseback riding facilities; food service facilities; and sport shops.

8. Owner: Owner shall mean the person or persons, entity or entities, who own of record, according to the real property records of Flathead County, Montana, fee simple title to a Site. Each Owner shall also be the holder or holders of a particular Regular Membership in the Resort Association, 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.

9. Lessee: The term Lessee shall mean the person or persons, entity or entities, who are the Lessees under a ground lease of any part or all of a Site or the Lessees of any space within a building, on any Site (such leased property shall hereinafter be referred to as the "Leased Premises"). Each Lessee shall also be the holder or holders of a particular class of regular membership in the Resort Association, as set forth below, which is appurtenant to ownership of its interest in the Leased Premises. The term "Lessee" shall include Declarant to the extent it is a Lessee as defined above, and shall include a sublessee to the extent it becomes a Lessee pursuant to the Declaration, but it shall not include the Resort Association or any governmental entity (which term shall include but is not limited to special improvement districts formed pursuant to Montana law).

10. Guest: Guest shall mean any customer, agent, employee, guest or invitee of an Owner or Lessee; and any person or persons, entity or entities who have any right, title or interest in a Site which is not the fee simple title to the Site, including a Lessee (other than a Lessee as defined hereinabove), licensee, concessionaire, mortgagee or beneficiary under a mortgage or deed of trust, respectively; and any customer, agent, employee, guest or invitee of such person or persons, entity or entities.

11. 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 of which Declarant grants, assigns, or conveys to the Resort Association title, interest in, or rights of use, or with respect of which Declarant permits use by the Resort Association or some or all Owners, Lessees or Guests, and any replacement of or for any of the foregoing. Property furnished by the Declarant shall remain privately owned, and such title, interest in, or rights of use may include, but are not limited to, the access road or roads serving Big Mountain, open space or unimproved areas within Big Mountain; 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 for snow removal, maintenance or other equipment; and office space and office furnishings, furniture or fixtures.

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

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

14. Affirmative Vote of a Majority of the Classes: (a) The Affirmative Vote of a Majority of the Classes shall be achieved on any particular matter (and only if) both Class E and Class F members 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 this subsection 14, 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 matters 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 14.

ARTICLE IV

Purposes and Powers

1. Purposes: The corporation shall be a public benefit corporation whose purposes are to promote the health, safety and welfare of all members of the Resort Association, and to establish, provide and maintain a desirable community and environment for all Owners, Lessees and Guests.

2. Powers: In furtherance of the foregoing Purposes, but not otherwise, the Resort Association shall have and may exercise all of the following powers:

a. 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.

b. Supplementary Services. To (i) 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; (ii) provide solid waste collection; (iii) provide fire and police-type protection; (iv) maintain undeveloped lands; (v) provide parking within and any transportation to, from, within and regarding Big Mountain; (vi) provide control over vehicular access to Big Mountain; (vii) provide reception, information and reservation centers for guests visiting Big mountain; (viii) provide

pet control; (ix) provide environmental monitoring and protection; (x) provide promotional services for Big Mountain; (xi) provide exterior maintenance for any Site or improvement thereon; (xii) provide a central reservation system; (xiii) insofar as permitted by law to supplement all municipal or utility services; (xiv) provide any other service and perform all actions contemplated or permitted by the Declaration; and (xv) exercise all powers authorized by the Montana Non-Profit Corporation Act, as amended from time to time, excluding the power to provide a cable television system.

c. Taxes. To pay taxes, if any, on Facilities.

d. Covenant Enforcement. To enforce any and all covenants, restrictions, agreements, or rules and regulations applicable to Big Mountain in any manner provided by the laws of Montana, the Declaration, or these Articles of Incorporation or the Bylaws as, from time to time, in force and effect.

e. Borrowing. To borrow funds or raise monies for any of the purposes of the Resort Association and from time to time execute, accept, endorse and deliver as evidence 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 Association, real, personal or mixed, including contract rights, whether at the time owned or hereafter acquired; provided that the power of the Resort Association to mortgage its property shall be limited as set forth in the Declaration as from time to time in force and effect. Without limiting the generality of the foregoing, the Resort Association may from time to time borrow funds from Declarant or any affiliate thereof.

f. 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 purpose pertaining to its business.

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

h. Loans. To lend or borrow 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.

i. Assessments. To levy Civic, Common, and Special Assessments against the members of the Resort Association as specifically set forth in its Bylaws as from time to time in force and effect, to charge interest and late payment fees on unpaid assessments and to collect charges, fees, fines, penalties and interest in accordance with the Declaration and the Resort Association'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.

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

k. Rulemaking. To make and enforce rules and regulations applicable within Big Mountain for the accomplishment of any of the purposes, or to further any of the powers set forth above, and amend such rules and regulations.

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

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

4. Dividends, Distributions, Etc. The Resort Association shall not pay any dividends. No distribution of the corporate assets to members (as such) shall be made. Upon dissolution of the Resort Association, the assets shall be distributed as provided in Article XII herein.

ARTICLE V

Registered Office and Agent

The operation of the Resort Association 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 agent and the principal office of the Resort Association is 3808 Big Mountain Road, Whitefish, Montana 59937, and the name of its initial registered agent at such address is Michael Collins.

ARTICLE VI

Membership and Voting

1. Membership.

a. There shall be one Regular Membership in the Resort Association 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 of 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.

b. There shall be at least one Regular Membership in the Resort Association attributable to each leased premises within Big Mountain 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 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.

c. Regular Membership in the Resort Association shall be limited to Owners and Lessees within Big Mountain. A party may hold more than one Regular Membership and may also hold other forms of membership.

d. Declarant at all times shall have and be deemed to hold a Special Membership in the Resort Association, whether or not Declarant is an owner of or a Lessee. As the holder of this Declarant's 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 holder of this special membership, shall be subject to no other obligations by reason of such Declarant Special Membership.

e. 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 a Mountain Special Membership in the Resort Association. 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 Association shall require execution of an agreement by the holder of such Mountain Special Membership obligating such holder to collect and pay to the Resort Association 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.

2. Voting.

a. The Resort Association shall have 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, other than those who become Class B or Class C members, upon which at least one dwelling unit has been constructed for which a certificate of occupancy has been granted. A Class A member shall be entitled to one vote for each dwelling unit which has been constructed on such Owner's Residential Site.

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. 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 Association shall recognize any such assignment or delegation of voting rights, provided that, to be effective with respect to the Resort Association, the assignment or delegation of rights shall be in writing, shall be in terms deemed satisfactorily specific by the Resort Association, and a copy thereof shall be filed and approved by the Resort Association. 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 service or retail business, except a Lodge, upon their

Sites, and all those Lessees who own and operate or lease and operate any type of service or retail business, except a Lodge, upon their leased premises. A service business shall include, but not be limited to, the offering of professional services such as medical, legal, accounting and engineering, and for non-professional services including, but not limited to, real estate sales and management, repair, restaurants and other services like or unlike the foregoing. A Class C member shall be entitled to one vote for every 250 square feet of 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.

Class D: Class D members shall be all Owners or Lessees of Sites not Class A, Class B, or Class C members. A Class D member shall be entitled to one vote for each Site owned or 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 Association 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.

b. 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 Association; otherwise, they shall vote a fractional vote in accordance with their percentage ownership of the fee simple interest in the Site or of their interest in a lease of a Site.

c. 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.

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

ARTICLE VII

Board of Directors

1. The control and management of the affairs of the Resort Association and the disposition of its funds and property shall be vested in a board of directors consisting of not less than three (3) or more than nine (9) directors who need not be members of the Resort Association. The initial board of directors shall consist of five (5) directors who shall hold office until their election or their successors at the first annual meeting. At such first annual meeting and all subsequent annual meetings, the members of the Resort Association shall elect up to nine (9) directors each for a term of one year in the manner set forth below; however, if there are no members entitled to vote in a particular class, no director shall be elected by that class.

(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 elect one director to be known as the Class C director.

(iv) Class D members shall elect one director to be known as the Class D director.

(v) Class E members shall appoint three directors, each to be known as a Class E director. The Class E member may at any time give the Resort Association written notice that it wishes to relinquish its rights to appoint all or any Class E directors, which notice shall be accompanied by written resignations of that number of Class E directors, in which case the board of directors shall be reduced by the number of Class E directors who resigned, and the Class E members shall continue to have all other rights and obligations hereunder.

(vi) Class F members shall appoint two directors, each to be known as a Class F director. The Class F member may at any time give the Resort Association written notice that it wishes to reduce its director representation on the Board of Directors, which notice shall be accompanied by the written resignation of all or any Class F directors, in which case the board of directors shall automatically be reduced by the number of Class F directors who resigned; however, the Class F member shall continue to be liable for the Mountain special assessment from time

to time in force and effect.

2. 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. A person or entity who is a member of two or more of the above classes may vote in the election of a director for each class of which it is a member, but for a particular class election, it may vote only the number of votes to which it is entitled pursuant to being a member of such class.

3. The names and addresses of those comprising the first board of directors, to serve until their successors shall be duly elected, are as follows:

Michael Collins
Brian T. Grattan
Dennis Green
Darrel R. Martin
Russell C. Street

4. One or more of all Class A, B, C, or D directors may be removed with or without cause by the vote of a majority of the votes of a class of members entitled to vote at an election of such director or directors being removed. A Class A, B, C, and D director 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 the 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.

5. 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, other than those caused by removal, 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.

6. The board of directors may, by resolution, designate no less than three (3) of their number to constitute an executive committee which shall have and exercise all of the power of the board of directors in the management of the business and affairs of the Resort Association or such lesser authority as may be set forth in such resolution. No such delegation of authority shall relieve the board of directors or any member of the board from any responsibility imposed by law.

ARTICLE VIII

Additions to and Deletions from 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 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 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 Association and to execute any deed, contract or other instrument on behalf of the Resort 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 by 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 Resort Association.

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 Association, and are in addition to and not a limitation or exclusion of the powers granted by law:

1. Contracts with Directors, Officers or Members. No contract or other transaction of the Resort Association 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 Association 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 Association is hereby relieved from any liability that might otherwise arise by reason of his contracting with the Resort Association for the benefit of himself or any firm or corporation in which he may be an interested party.

2. 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.

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

4. Indemnity. Each director or officer, whether or not then in office, and each person who may have served at the request of the Resort Association 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 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 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 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.

5. Liability Insurance. The Resort Association shall 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.

6. Limitation of Liability. No member of the Resort Association shall be personally liable for any debt or other obligation of the Resort Association, and no property within Big Mountain shall be subject to any lien to enforce the collection of any debt or other obligation of the Resort Association, except liens for unpaid assessments made in accordance with these Articles of Incorporation, the Bylaws of the Resort Association, and the Declaration.

ARTICLE XII

Dissolution

The Resort Association 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 therefor and the disposition to be made of the assets, as set forth below, shall be mailed to every member at least ninety (90) days in advance of any action taken. Upon dissolution of the Resort Association, 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 Association. In the event that such dedication is not accepted, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to the purposes as nearly as practicable, the same as those to which they were required to be devoted by the Resort Association. No such

disposition of Resort Association property 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 Big Mountain unless made in accordance with the provisions of such covenants and deeds.

ARTICLE XIII

Bylaws

The initial Bylaws of the Resort Association shall be as adopted by its board of directors. The board shall have the power to alter, amend, or repeal the Bylaws, except that Members shall have the right to vote on amendments as provided in Section 35-2-231, MCA. The Bylaws may contain any provisions for the regulation or management of the affairs of the Resort Association which are not inconsistent with the law, the Declaration or these Articles of Incorporation, as the same may from time to time be in force and effect.

ARTICLE XIV

Amendment

The Resort Association reserves the right to amend, alter, change or repeal any provision contained in these Articles of Incorporation, by the Affirmative Vote of a Majority of the Classes at any regular or special meeting called for that purpose, provided that any such amendment shall not be inconsistent with the Declaration as from time to time in force and effect.

ARTICLE XV

Incorporator

The name and address of the incorporator is Michael Collins
P.O. Box 1400 Whitefish MT 59937

IN WITNESS WHEREOF, the undersigned incorporator and the
initial Board of Directors have subscribed their names to these
Articles of Incorporation this 5 day of OCTOBER, 1992.

INCORPORATOR:

Michael Collins

BOARD OF DIRECTORS:

Michael Collins

Michael Collins

Brian T. Grattan

Brian T. Grattan

Dennis Green

Dennis Green

Daniel R. Martin

Daniel R. Martin

Russell C. Street

Russell C. Street

EXHIBIT "A"

Tract 1:

Government Lots 1, 2 and 3; the SE $\frac{1}{4}$ NE $\frac{1}{4}$; the SW $\frac{1}{4}$ NE $\frac{1}{4}$ and the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 2, Township 31 North, Range 22 West, M.P.M., Flathead County, Montana.

EXCEPTING THEREFROM:

All of the Big Mountain View Subdivision; all of Big Mountain View Subdivision No. 2; all of First Addition to Big Mountain Subdivision #2, according to the recorded plats thereof on file and of record in the office of the Clerk and Recorder of Flathead County, Montana.

ALSO EXCEPTING THEREFROM:

All that property included in the Amendment and Addendum to Declaration of Unit Ownership of Alpinglow Inn, recorded in Book 509 page 53, records of Flathead County, Montana.

ALSO EXCEPTING THEREFROM:

All that portion of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 2, Township 31 North, Range 22 West, M.P.M., Flathead County, Montana, described as follows:

Commencing at a point at the Southeast corner of Lot 9 of the Big Mountain View Subdivision, according to the map or plat thereof on file and of record in the office of the Clerk and Recorder of Flathead County, Montana; thence North 48°29' West a distance of 40 feet to a point; thence North 41°31' East a distance of 40 feet to the True Point of Beginning of the tract of land to be herein described; thence continuing North 41°31' East a distance of 120 feet to a point; thence North 48°29' West a distance of 245 feet to a point; thence South 50°50' West a distance of 121.48 feet to a point; thence South 48°29' East a distance of 265 feet to the Point of Beginning.

ALSO EXCEPTING THEREFROM:

A tract of land situated, lying and being in Government Lot 1 of Section 2, Township 31 North, Range 22 West, M.P.M., Flathead County, Montana, and more particularly described as follows:

Commencing at the Northeast corner of Section 2, Township 31 North, Range 22 West, M.P.M., Flathead County, Montana; thence South 42°20'43" West a distance of 1400.05 feet to a point and the true point of beginning of the tract of land herein described; thence South 44°30'00" West a distance of 96.00 feet to a point; thence

North 45°30'00" West a distance of 63.00 feet to a point; thence
South 44°30'00" West a distance of 195.00 feet to a point; thence
North 45°30'00" West a distance of 87.00 feet to a point; thence
North 44°30'00" East a distance of 245.45 feet to a point; thence
North 89°30'00" East a distance of 64.42 feet to a point; thence
South 45°30'00" East a distance of 104.45 feet to the point of
beginning.

ALSO EXCEPTING THEREFROM:

A tract of land, situated, lying and being the Northeast Quarter of Section 2, Township 31 North, Range 22 West, M.P.M., Flathead County, Montana, and more particularly described as follows to-wit:

Commencing at the Northwest corner of Lot 18 of the Big Mountain View Subdivision (records of Flathead County, Montana); thence South 40°33'07" West a distance of 29.01 feet to the true point of beginning of the tract of land herein described; thence South 13°12'09" West a distance of 76.00 feet to a point; thence North 76°47'51" West a distance of 195.50 feet to a point; thence North 13°12'09" East a distance of 76.00 feet to a point; thence South 76°47'51" East a distance of 195.50 feet to the point of beginning.

Tract 2:

The $W\frac{1}{2}SW\frac{1}{4}$ of Section 1 and the $NW\frac{1}{4}NW\frac{1}{4}$ of Section 12, all in Township 31 North, Range 22 West, M.P.M., Flathead County, Montana.

EXCEPTING THEREFROM that certain tract of land described in Deed to Big Mountain Sewer District, recorded October 30, 1974 under Recorder's Fee No. 10592 in Book 574, page 509, records of Flathead County, Montana, described as follows:

Beginning at the Southwest corner of Section 1, Township 31 North, Range 22 West, M.P.M., Flathead County, Montana; thence North 00°41'14" East and along the westerly line of said Section 1, a distance of 50.00 feet to a point; thence North 55°41'14" East a distance of 400.00 feet to a point; thence South 28°06'35" East a distance of 534.82 feet to a point; thence South 62°04'39" West a distance of 450.00 feet to a point; thence North 87°55'21" West a distance of 200.00 feet to a point on the westerly boundary line of said Section 12; thence North 02°04'39" East a distance of 400.00 feet to the Point of Beginning.

ALSO EXCEPTING THEREFROM: any portion of First Addition to Big Mountain Subdivision #2, or Re-subdivision of Block 5 of First Addition to Big Mountain Subdivision #2, lying within the $NE\frac{1}{4}SE\frac{1}{4}$ of Section 2.

Tract 3:

Government Lot 4 of Section 1, Township 31 North, Range 22 West, M.P.M., Flathead County, Montana.

Tract 4:

A tract of land in the N $\frac{1}{2}$ of Section 1, Township 31 North, Range 22 West, M.P.M., Flathead County, Montana, and more particularly described as follows to-wit:

Beginning at the North Quarter corner of said Section 1; thence South 88°10'05" East and along the North line of the NE $\frac{1}{4}$ of said Section 1, a distance of 1816.07 feet to a point; thence leaving the said North line South 35°59'15" West a distance of 395.76 feet to a point; thence South 61°02'35" West a distance of 757.00 feet to a point; thence South 77°41'54" West a distance of 2043.03 feet to a point; thence South 00°40'06" West a distance of 502.68 feet to a point; thence North 88°19'05" West a distance of 1600.00 feet to a point on the West line of the NW $\frac{1}{4}$ of said Section 1; thence North 00°40'06" East and along the West line of said NW $\frac{1}{4}$ a distance of 400.00 feet to a point which is the Southwest corner of the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 1; thence, leaving the West line South 88°19'05" East a distance of 1331.07 feet to a point; thence North 00°40'06" East a distance of 1309.26 feet to a point which is the Northeast corner of the said NW $\frac{1}{4}$ NW $\frac{1}{4}$; thence South 88°19'05" East and along the North line of the NE $\frac{1}{4}$ of said Section 1, a distance of 1331.06 feet to the Place of Beginning.

Tract 5:

A tract of land in the Northeast Quarter of the Southwest Quarter and the North Half of Section 1, Township 31 North, Range 22 West, M.P.M., Flathead County, Montana, described as follows:

Beginning at the West Quarter corner of Section 1; thence North 00°40'06" East and along the West boundary of the said Section 1 a distance of 939.39 feet to a point; thence South 88°19'05" East a distance of 1600.00 feet to a point; thence North 00°40'06" East a distance of 502.68 feet to a point; thence North 77°41'54" East a distance of 2043.03 feet to a point; thence North 61°02'35" East a distance of 757.00 feet to a point; thence North 35°59'15" East a distance of 395.76 feet to a point on the North boundary of the NE $\frac{1}{4}$ of said Section 1; thence South 88°19'05" East and along the said North boundary of the Northeast Quarter a distance of 121.06 feet to a point; thence South 35°59'15" West a distance of 486.21 feet to a point; thence South 61°02'35" West a distance of 793.86 feet to a point; thence South 77°41'54" West a distance of 951.48 feet to a point; thence South 26°40'10" West a distance of 1760.92 feet to a point; thence South 00°40'23" West a distance of 751.47 feet to a point; thence North 89°19'37" West a distance of 600.00 feet to a point on the West boundary of the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 1; thence North 00°40'23" East a distance of 751.46 feet to a point which is the Northwest corner of the NE $\frac{1}{4}$ SW $\frac{1}{4}$; thence North 88°33'12" West a distance of 1328.31 feet to the place of beginning.

Tract 6:

The Northwest Quarter of the Southeast Quarter (NW $\frac{1}{4}$ SE $\frac{1}{4}$), the Northeast Quarter of the Southeast Quarter (NE $\frac{1}{4}$ SE $\frac{1}{4}$) and the Southeast Quarter of the Southeast Quarter (SE $\frac{1}{4}$ SE $\frac{1}{4}$) of Section 2, Township 31 North, Range 22 West, M.P.M., Flathead County, Montana.

Tract 7:

Lots 5 and 6 of Block 5 of First Addition to Big Mountain Subdivision #2, according to the map or plat thereof on file and of record in the office of the Clerk and Recorder of Flathead County, Montana.

EXCEPTING FROM Lot 5, that portion included in the Re-subdivision of Block 5 of First Addition to Big Mountain Subdivision #2.

AND

That portion lying between Block 4 of First Addition to Big Mountain Subdivision #2 and Lot 1 of Re-subdivision of Block 5 of First Addition to Big Mountain Subdivision #2, according to the map or plat thereof on file and of record in the office of the Clerk and Recorder of Flathead County, Montana, shown as a private road on the recorded plats.

AND

That portion lying between Lot 3 and Lot 4 of Re-subdivision of Block 5 of First Addition to Big Mountain Subdivision #2, according to the map or plat thereof on file and of record in the office of the Clerk and Recorder of Flathead County, Montana, shown as a private road on the recorded plat.

Tract 8:

A tract of land situated, lying and being in the Northeast Quarter of Section 2, Township 31 North, Range 22 West, M.P.M., Flathead County, Montana, and more particularly described as follows to-wit:

Commencing at the Northwest corner of Lot 18 of the Big Mountain View Subdivision (records of Flathead County, Montana); thence South 40°33'07" West a distance of 29.01 feet to the true point of beginning of the tract of land herein described; thence South 13°12'09" West a distance of 76.00 feet to a point; thence North 76°47'51" West a distance of 195.50 feet to a point; thence North 13°12'09" East a distance of 76.00 feet to a point; thence South 76°47'51" East a distance of 195.50 feet to the point of beginning.