

PLAN AND AGREEMENT OF MERGER  
OF  
BULWARK RIDGE OWNERS ASSOCIATION, INC.  
(a Colorado corporation)  
WITH AND INTO  
RETREAT LANDOWNERS ASSOCIATION, INC.  
(a Colorado Corporation)

This Plan and Agreement of Merger ("this Agreement") is dated as of August 1, 2002, between Bulwark Ridge Owners Association, Inc., a Colorado corporation ("Bulwark Ridge"), and the Retreat landowners Association, Inc., a Colorado corporation (the "Retreat") (together, the "Constituent Corporations"), in consideration of the mutual benefits and burdens contained herein.

1. Recitals.

(a) Bulwark Ridge is a Colorado non-profit corporation;

(b) The Retreat is a Colorado non-profit corporation;

(c) The boards of directors of the Constituent Corporations deem it advisable and in the respective best interests of the Constituent Corporations that Bulwark Ridge be merged into the Retreat as provided herein.

2. Merger of Bulwark Ridge and the Retreat. On the Effective Date (as hereinafter defined) and pursuant to the Colorado Corporation Act, the following shall occur:

(a) Bulwark Ridge shall be merged into and with the Retreat. The Retreat shall survive the merger and shall continue its corporate existence under the laws of the State of Colorado under the name the Retreat Landowners Association, Inc.

(b) The separate existence and corporate organization of Bulwark Ridge shall cease.

(c) The Retreat shall have the purposes and shall possess all of the rights, privileges, immunities, powers, franchises and authority, both public and private, and be subject to all of the restrictions, disabilities and duties of the Constituent Corporations; shall be vested with all assets and property, real, personal and mixed, tangible and intangible, and every interest therein, wherever located, belonging or due to each of the Constituent Corporations; and shall be liable for all of the obligations of, liabilities of, and claims against each of the Constituent Corporations; all without further act or deed, and all with the effect set forth in the Colorado Corporation Act.

(d) The business address of the Retreat after the merger shall be P.O. Box 160, Glen Haven, Colorado 80532.

3. Articles of Incorporation and Bylaws of Surviving Corporation.

(a) The Articles of Incorporation of the Retreat, as in effect immediately prior to the Effective Date, shall continue in effect as the Articles of Incorporation of the Retreat as the surviving corporation unless and until thereafter amended as provided by law.

(b) The Bylaws of the Retreat, as in effect immediately prior to the Effective Date, shall continue in effect as the Bylaws of the Retreat as the surviving corporation unless and until thereafter amended as provided by law.

4. Effective Date. The merger of the Retreat and Bulwark Ridge shall be effective at 11:59 p.m. on August 1, 2002. Such time and date are herein referred to as the "Effective Date."

5. Statuses and Conversion of Membership.

(a) On the Effective Date, each of the members of Bulwark Ridge immediately prior to the Effective Date shall, by virtue of the merger and without any action on the part of the holder thereof, be converted and exchanged into membership in the Retreat. The membership in the name of Bulwark Ridge shall be cancelled.

6. Board of Directors and Officers of Surviving Corporation.  
The directors and officers of the Retreat prior to the Effective Date.

(a) The Retreat is a non-profit corporation duly organized, validly existing and in good standing under the laws of the State of Colorado and has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted. The Retreat has the corporate power and authority to execute and deliver this Agreement and, subject to the requisite approval hereof by the members of the Retreat, to consummate the transactions and perform its obligations contemplated hereby on or before the Effective Date.

(b) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by the board of directors of the Retreat. This Agreement constitutes the valid and binding obligation of the Retreat enforceable against the Retreat in accordance with its terms, except for the requirement of member approval and except to the extent that enforceability hereof may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors' rights generally and by principles of equity regarding the availability of remedies. All persons who have executed this Agreement on behalf of the Retreat have been duly authorized to do so by all necessary corporate action of the Retreat. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (i) violate any provision of the Articles of Incorporation, the Bylaws or the Declarations of the Retreat, or (ii) violate any judgment, order, injunction, decree or award against, or binding upon, the Retreat, or upon the securities, property or business of the Retreat.

7. Closing Conditions.

(a) The respective obligations of each of the Constituent Corporations to effect the merger shall be subject to the fulfillment on or prior to the Effective Date of the following conditions:

(i) this Agreement shall have been adopted by the affirmative vote of such number of the members of Bulwark Ridge as is required by the Colorado Act, the Bulwark Ridge Declarations, the Articles of Incorporation and Bylaws of Bulwark Ridge.

(ii) this Agreement shall have been adopted by the affirmative vote of such number of the members of the Retreat as is required by the Colorado Act, the Retreat Declarations, the Articles of Incorporation and Bylaws of the Retreat; and

(iii) no order, statute, rule, regulation, stay, decree, judgment or injunction shall have been enacted, entered, promulgated or enforced by any court or governmental authority, whether domestic or foreign, which prohibits or restricts the consummation of the merger.

(b) The obligation of Bulwark Ridge to effect the merger is subject to the representations and warranties of the Retreat contained in this Agreement being true and correct in all material respects on and as of the Effective Date as if made on and as of such date.

(c) The obligation of the Retreat to effect the merger is subject to the representations and warranties of Bulwark Ridge contained in this Agreement being true and correct in all material respects on and as of the Effective Date as if made on and as of such date.

8. Termination and Abandonment. This Agreement may be terminated and the merger contemplated hereby may be abandoned at any time up to the Effective Date in accordance with the provisions of the Colorado Act, whether before or after approval by the members of either Constituent Corporation:

(a) By mutual consent of the boards of directors of both of the Constituent Corporations; or

(b) by either the board of directors of Bulwark Ridge or the board of directors of the Retreat if any court of competent jurisdiction in the United States or other United States governmental body shall have issued an order, decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the merger, and such other, decree, ruling or other action shall have become final and nonappealable.

Termination of this Agreement and abandonment of the merger by either Bulwark Ridge or the Retreat shall be effected by written notice thereof given to the other.

9. Amendment and Modification. Subject to applicable law, this Agreement may be amended, modified or supplemented only by a written agreement of Bulwark Ridge and the Retreat at any time prior to the Effective Date with respect to any of the terms contained herein; provided that

(a) any such amendment, modification or supplement made subsequent to the adoption of this Agreement by the shareholders of Bulwark Ridge shall not (i) alter or change any term of the Articles of Incorporation or Bylaws of the Retreat, or (ii) alter or change any of the terms or conditions of this Agreement if such alteration or change would adversely affect the members of Bulwark Ridge, or any of them; and

(b) any such amendment, modification or supplement made subsequent to the adoption of this Agreement by the shareholders of the Retreat shall not alter or change any term of the Articles of Incorporation, Declarations or Bylaws of the Retreat.

10. Waiver of Compliance: Consents. Any condition to the performance of either of the parties hereto which may legally be waived on or prior to the Effective Date may be waived at any time by the party entitled to the benefit thereof by action taken or authorized by the board of directors of the waiving party.

11. Survival of Warranties. Each and every representation and warranty contained herein shall survive, and shall not be terminated and extinguished by the merger.

12. Assignment. This Agreement shall be binding on the assigns of the parties hereto; provided that this Agreement shall not be assignable or transferable by any of the parties hereto without the prior written consent of the other party.

13. Governing Law. This Agreement shall be governed by the laws of the State of Colorado (regardless of the laws that might otherwise govern under applicable Colorado principles of conflicts of law) as to all matters, including, but not limited to, matters of validity, construction, effect, performance and remedies.

14. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

15. Entire Agreement. This Agreement, including the documents and instruments referred to herein, embodies the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

IN WITNESS WHEREOF, the Retreat and Bulwark Ridge have caused this Agreement to be signed by their respective duly authorized officers as of the date first above written.

RETREAT LANDOWNERS  
ASSOCIATION, INC.

BULWARK RIDGE OWNERS  
ASSOCIATION, INC.

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Attest: \_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Attest: \_\_\_\_\_

\_\_\_\_\_  
Title: Secretary

\_\_\_\_\_  
Title: Secretary