

ARTICLES OF INCORPORATION
FOR THE
SPRING VALLEY HOMEOWNERS ASSOCIATION, INC.

(A Nonprofit Corporation)

The undersigned hereby signs and acknowledges, for delivery in duplicate to the Secretary of State of Colorado, these Articles of Incorporation for the purpose of forming a nonprofit corporation under the Colorado Nonprofit Corporation Act.

ARTICLE 1--Name

The name of this corporation is the SPRING VALLEY HOMEOWNERS OWNERS ASSOCIATION, INC. ("Association").

ARTICLE 2--Duration

The duration of the Association shall be perpetual.

ARTICLE 3--Nonprofit

The Association shall be a nonprofit corporation, without shares of stock.

ARTICLE 4--Purposes and Powers of Association

The purposes for which the Association is formed are as follows:

(a) To operate the Planned Community or Project known as "Spring Valley," which Planned Community was created by the Declaration and map recorded in the County of Boulder, State of Colorado, for the purposes of enhancing and preserving the value of the properties of the members.

(b) To perform acts and services, in accordance with the requirements for an association of owners charged with the administration of property under the Colorado Common Interest Ownership Act, as amended.

(c) To promote the health, safety, welfare and common benefit of the residents and occupants of the properties subject to the Declaration.

(d) In furtherance of those purposes, the Association shall have the following powers and supplemental purposes:

- (i) To manage, supervise, care for and operate the Planned Community.
- (ii) To maintain any Common Elements within the Planned Community.
- (iii) To enforce any and all covenants, restrictions, rules and regulations and agreements applicable to the Planned Community.
- (iv) To prepare estimates and budgets of the costs and expenses of rendering these services, any other services as deemed appropriate by the Board; and to perform, or contract, or enter into agreements for that performance, as provided for or contemplated in this Article.
- (v) To apportion the estimated costs and expenses among the Owners and collect those costs and expenses from the Owners obligated to assume or bear the same.
- (vi) To borrow money for the Association's purposes.
- (vii) To adopt, on behalf of the Unit Owners, rules and regulations as promulgated by the Board with respect to the safe occupancy, reasonable use and enjoyment of the Units, buildings, structures, grounds and facilities of the Planned Community, and to enforce compliance with these rules, including the levy of reasonable fines.
- (viii) To perform or cause to be performed, all other and additional services and acts as are usually performed by an association of owners, or as deemed appropriate by the Board, including, without limitation, keeping or causing to be kept, appropriate books and records, preparing and filing necessary reports and returns, and making or causing to be made audits of books and accounts.
- (ix) To engage or retain a manager or managing agent, counsel, auditors, accountants, appraisers and other persons or services that may be necessary for or incidental to any of the activities of the Association, and to acquire, sell, mortgage, lease or encumber any real or personal property for these purposes.
- (x) To eliminate or limit the personal liability of a Director to the Association or to the members for monetary damages for breach of fiduciary duty as a Director, as allowed by law.
- (xi) To do any and all permitted acts suitable or incidental to any of the foregoing purposes and objects to the fullest extent permitted by law, and do any and all acts that, in the opinion of the Board will promote the common benefit and enjoyment of the occupants, residents and Unit Owners of the Planned Community, and to have and to exercise any and all powers, rights and privileges which

John Hutchinson

9250 East Costilla Avenue, Suite 110
Englewood, Colorado 80112

The Declarant of the Planned Community shall have the rights and qualifications as provided under the Colorado Common Interest Ownership Act, the Declaration and Bylaws, including the right to appoint certain members of the Executive Board during the period of declarant control.

ARTICLE 8--Amendment

Amendment of these Articles shall require the assent of at least two-thirds (2/3) of the votes in the Association at a meeting of the members at which a quorum is present.

ARTICLE 9--Dissolution

In the event of the dissolution of the Association as a corporation, either voluntarily or involuntarily by the members hereof, by operation of law or otherwise, then the assets of the Association shall be deemed to be owned by the members at the date of dissolution, as a part of their Unit, in proportion to their allocated interests, unless otherwise agreed or provided by law.

ARTICLE 10--Interpretation

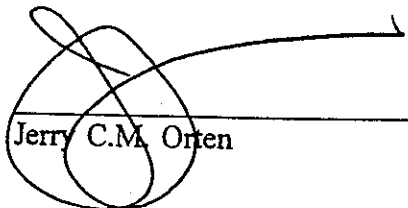
Express reference is hereby made to the terms and provisions of the Declaration, which shall be referred to when necessary to interpret, construe or clarify the provisions of these Articles. In the event of conflict, the terms of the Declaration shall control over these Articles of Incorporation.

ARTICLE 11--Incorporator

The name and address of the incorporator is as follows:

Jerry C.M. Orten
ORTEN HINDMAN & JORDAN, P.C.
1099 18th Street, Suite 2750
Denver, Colorado 80202-1927

IN WITNESS WHEREOF, the undersigned has signed these Articles of Incorporation in duplicate this 14th day of March, 1997.



Jerry C.M. Orten

are granted under the Colorado Common Interest Ownership Act, the Declaration, the Bylaws, and the laws applicable to a nonprofit corporation of the State of Colorado.

The foregoing statements of purposes and powers shall be construed as a statement of both purposes and powers. The purposes and powers stated in each clause shall not be limited or restricted by reference to or inference from the terms or provisions of any other clause, but shall be broadly construed as independent purposes and powers. The Association shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of the Association.

ARTICLE 5--Membership Rights and Qualifications

Any person who holds title to a Unit in the Planned Community shall be a member of the Association. There shall be one (1) membership for each Unit owned within the Planned Community. This membership shall be automatically transferred upon the conveyance of that Unit. The vote to which each membership is entitled is the number of votes assigned to the Unit in the Declaration of the Planned Community or, in the absence of an assignment of votes in the Association in the Declaration, each Unit shall be entitled to one (1) vote. If a Unit is owned by more than one (1) person, the persons shall agree among themselves how a vote for that Unit's membership is to be cast. Individual co-owners may not cast fractional votes. A vote by a co-owner for the entire Unit's membership interest shall be deemed to be pursuant to a valid proxy, unless another co-owner of the same Unit objects at the time the vote is cast, in which case such membership's vote shall not be counted.

ARTICLE 6--Agent for Service

The initial registered agent of the Association shall be Jeff Carlson at the registered address of 9250 East Costilla Avenue, Suite 110, Englewood, Colorado 80112.

ARTICLE 7--Executive Board

The initial Executive Board shall consist of three (3) persons. The names and addresses of the persons who shall serve as Directors until their successors shall be elected and qualified are as follows:

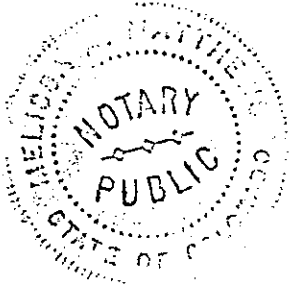
<u>DIRECTOR</u>	<u>ADDRESS</u>
Jeff Carlson	9250 East Costilla Avenue, Suite 110 Englewood, Colorado 80112
John Davis	9250 East Costilla Avenue, Suite 110 Englewood, Colorado 80112

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

Subscribed and sworn to before me this 14th day of March, 1997, by Jerry C.M. Orten.

Witness my hand and official seal.

My commission expires January 30, 1998.



Melissa A. Matthews
Melissa A. Matthews, Notary Public