

**ARTICLES OF INCORPORATION
OF
SPRING VALLEY GOLF ESTATES HOMEOWNERS ASSOCIATION, INC.**

In compliance with the requirements of the Colorado Revised Nonprofit Corporation Act, Section 7-121-101 through 7-134-501, C.R.S. 1997 as amended, the undersigned, acting as Incorporator, for the purpose of forming a nonprofit corporation hereby certifies:

**ARTICLE I
NAME**

The name of the nonprofit corporation is SPRING VALLEY GOLF ESTATES HOMEOWNERS ASSOCIATION, INC. (herein the "Association").

**ARTICLE II
PRINCIPAL OFFICE**

The initial principal office of the nonprofit corporation shall be 9250 E. Costilla Avenue, Suite 110, Greenwood Village, Colorado 80112.

**ARTICLE III
DURATION**

The nonprofit corporation shall have perpetual existence. —

**ARTICLE IV
REGISTERED AGENT AND ADDRESS**

Centex Real Estate Corporation, a foreign corporation authorized to transact business in this state is hereby appointed the initial registered agent of the nonprofit corporation, and the address of the initial registered office shall be 9250 E. Costilla Avenue, Suite 110, Greenwood Village, Colorado 80112.

**ARTICLE V
PURPOSES AND POWERS OF THE ASSOCIATION**

This nonprofit corporation does not contemplate pecuniary gain or profit to the members thereof. It is formed to:

1. Provide for maintenance, preservation and architectural control of that certain tract of property described in the Declaration of Covenants, Conditions and Restrictions for Spring Valley Golf Estates (herein "Declaration"), to be recorded in the Office of the Clerk and Recorder of Boulder County, Colorado, and all amendments thereto; said Declaration is incorporated herein as if set forth at length; terms which are defined in the Declaration shall have the same

meanings herein unless otherwise defined; and any additions thereto as may be brought within the jurisdiction of the Association (herein the "Common Interest Community");

2. Promote the health, safety and welfare and other interests of the residents within the Common Interest Community;
3. Exercise all of the powers and perform all of the duties of the Association as set forth in the Declaration and these Articles of Incorporation, the Documents of the Association and the Colorado Revised Nonprofit Corporation Act;
4. Adopt and amend budgets for revenues, expenditures, and reserves, and fix, levy, collect and enforce payment of, by any lawful means, all charges and assessments pursuant to the terms of the Declaration; and pay all expenses in connection therewith and all other expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property, in its own name, in connection with the affairs of the Association;
5. Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, encumber, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property or interests therein, in its own name, in connection with the affairs of the Association upon receipt of any approval of Members as may be required in the Declaration;
6. Borrow money and, with the approval of Members as required by the Declaration, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property or interests therein as security for money borrowed or debts incurred;
7. Engage in activities which will actively foster, promote and advance the common interests of all Members;
8. Hire and terminate Managers and other employees, agents, and independent contractors;
9. Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Owners on matters affecting the Common Interest Community;
10. Enforce covenants, restrictions, and conditions affecting any Property to the extent the Association may be authorized to do so under the Declaration;
11. Enter into, make, perform or enforce contracts, licenses, easements, leases and agreements of every kind and description, incur liabilities, and do all other acts necessary, appropriate or advisable in carrying out any purpose of the Association with any person, firm, corporation or other entity or agency, public or private; provided, however, that the following contracts and leases, if entered into before the Board of Directors elected by Owners takes office subsequent to termination of the Period of Declarant Control, may be terminated without penalty by the Association at any time after such date, upon not less than ninety (90) days' notice to the

other party:

- A. Any management contract, employment contract, or lease of recreational or parking areas or facilities;
- B. Any other contract or lease between the Association and Declarant or an affiliate of a Declarant; or
- C. Any contract or lease that is not bona fide or was unconscionable to the Owners at the time entered into under the circumstances then prevailing; and

12. Adopt, alter and amend or repeal such Bylaws, Architectural Guidelines, or Rules and Regulations, and promulgate and publish such rules as may be necessary or desirable for the proper management of the affairs of this nonprofit corporation; provided, however, that they shall not be inconsistent with or contrary to any provision of these Articles of Incorporation, the Declaration or the Colorado Revised Nonprofit Corporation Act.

ARTICLE VII MEMBERSHIP

Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot which is now or hereafter subject to assessment as provided in the Declaration, including contract sellers, shall be a Member of the nonprofit corporation. Acquisition by such Owner of an interest in a Lot shall be deemed such Owner's consent to admission as a Member, and such membership may not be terminated without divestiture of such interest in a Lot. Following termination of the Common Interest Community, the membership shall consist of all former Owners entitled to distribution of proceeds under the Act or their heirs, personal representatives, successors or assigns. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

A transfer of membership shall occur automatically upon the transfer of title to the Lot to which the membership pertains. The Association may suspend the rights of a Member in compliance with the provisions of C.R.S. 7-126-302.

ARTICLE VIII VOTING RIGHTS

The nonprofit corporation will have voting Members as follows: The nonprofit corporation shall have one class of voting membership. Each Owner shall be entitled to one (1) vote for each Lot owned. Cumulative Voting by Owners shall not be permitted. All Members shall be entitled to vote on all matters except any Members who are in default in any obligations to the Association. The total number of votes which may be cast in connection with any matter shall be equal to the total number of Lots then existing within the Association. During the Period

of Declarant Control, except as may otherwise be provided in the Declaration, the Declarant or persons appointed by the Declarant may appoint and remove all Officers and members of the Board of Directors. The Declarant may voluntarily surrender the right to appoint and remove Officers and members of the Board of Directors before termination of the Period of Declarant Control; but, in that event, the Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Association or Board of Directors, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

ARTICLE IX
BOARD OF DIRECTORS

The affairs of the nonprofit corporation shall be managed by a Board of not less than three (3) nor more than seven (7) Directors, as set forth in the Bylaws, except that until termination of the Period of Declarant Control the Board of Directors shall consist of three (3) Directors. Directors shall be Members which, in the case of Declarant, may include any director, officer, employee or authorized agent of Declarant and, in the case of other Members who are business entities, may include authorized appointees of each such Members. The number of Directors may be changed by amendment of the Bylaws of the nonprofit corporation. The names and addresses of the persons who are to act in the capacity of the initial Directors until the selection of their successors are:

<u>Name</u>	<u>Address</u>
Jeff P. Carlson	9250 E. Costilla Ave., Suite 110, Greenwood Village, CO 80112
Glen Tulk	9250 E. Costilla Ave., Suite 110, Greenwood Village, CO 80112
Todd Fairfax	9250 E. Costilla Ave., Suite 110, Greenwood Village, CO 80112

The successors to the initial and subsequent Board of Directors shall be appointed or elected in the manner set forth in the Bylaws.

The Association shall indemnify its Directors to the full extent permitted by Colorado law.

The personal liability of a Director, other than Declarant appointed Directors, to the nonprofit Association or its members for monetary damages for breach of fiduciary duty as a Director is eliminated; except that this shall not eliminate or limit the liability of a Director to the Association or its members for monetary damages for: any breach of the Director's duty of loyalty to the nonprofit corporation or its members; wanton or willful acts or omissions; acts specified in Section 7-128-403 C.R.S., as now in effect or hereafter amended; or any transaction from which the Director derived an improper personal benefit; or any act or omission occurring prior to the date when this provision becomes effective.

ARTICLE X
DISSOLUTION

The nonprofit corporation may be dissolved with the assent given in writing, and signed by not less than sixty-seven percent (67%) of the Members.

Upon dissolution of the nonprofit corporation other than merger or consolidation, the assets, both real and personal, of the nonprofit corporation, shall be dedicated to an appropriate public agency to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the nonprofit corporation. If such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, trust or other organization to be devoted to purposes and uses that would most nearly reflect the purposes and uses to which they were required to be devoted by the Association.

ARTICLE XI
OFFICERS

The Board of Directors may appoint a President, a Vice President, 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 nonprofit corporation. The officers shall have such duties as may be prescribed in the Bylaws and shall serve at the pleasure of the Board of Directors.

ARTICLE XII
AMENDMENTS

Amendment of these Articles shall require the assent given in writing, and signed by not less than sixty-seven percent (67%) of the Members present, in person or by proxy, at an annual meeting of the Members or at a special meeting called for this purpose; provided, however, that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with any provision of the Declaration.

ARTICLE XIII
INCORPORATOR

The Incorporator of this corporation and his address are as follows:

Mark K. Payne
1660 Lincoln St., Suite 1750
Denver, Colorado 80264

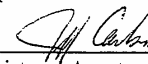
IN WITNESS WHEREOF, for the purpose of forming this nonprofit corporation under the laws of the State of Colorado, the undersigned, the Incorporator of this nonprofit corporation, has executed these Articles of Incorporation this 12 day of October, 2000.



Incorporator

The undersigned hereby consents to its appointment as initial registered agent of the nonprofit corporation in the foregoing Articles of Incorporation.

Centex Real Estate Corporation, a Nevada corporation

By:  _____ Title
Registered Agent