

ARTICLES OF INCORPORATION
OF
VALLEY PARK OWNERS ASSOCIATION, INC.

The undersigned person acting as Incorporator under the Colorado Non-Profit Act, hereby signs and acknowledges the following Articles of Incorporation for the following Corporation:

ARTICLE I

Name

The name of this Corporation shall be VALLEY PARK OWNERS ASSOCIATION, INC.

ARTICLE II

Duration

The term of existence of this Corporation is perpetual.

ARTICLE III

Purposes

The business, objects and purposes for which the Corporation is formed are as follows:

1. To be and constitute the Association to which reference is made in the Declaration of Covenants, Conditions and Restrictions of VALLEY PARK OWNERS ASSOCIATION, INC. and any amendment or supplement thereto (hereinafter called the "Declaration" and the definitions and provisions thereof are incorporated herein by this reference as if set forth at length) which has been or will be recorded in the records of the Clerk and Recorder of the County of El Paso, Colorado, and to perform all obligations and duties of the Association and to exercise all rights and powers of the Association.

2. To provide an entity for the furtherance of the interests of all of the Owners, including the Declarant named in the Declaration, of Lots in VALLEY PARK, with the objectives of establishing and maintaining VALLEY PARK as a project of quality and value; enhancing and protecting its value, desirability and attractiveness; promoting the health, safety and welfare of the residents of said project and providing for the maintenance, preservation and architectural control of the Lots and Common Area within said Project.

ARTICLE IV

Powers

In furtherance of its purposes, this Corporation shall have all of the powers conferred upon corporations not for profit by the statutes and common law of the State of Colorado in effect from time to time, and shall have all of the powers necessary or desirable to perform the obligations and duties and exercise the rights and powers of the Association under the Declaration which shall include, but shall not be limited to, the following, which shall be subject to the limitations, requirements, restrictions and provisions of the Declaration:

(a) To fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including without limitation all licenses, taxes or governmental charges levied or imposed against the Association or its Property;

(b) To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(c) To borrow money, and, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(d) To dedicate, sell or transfer all or any part of the Common Area to any public agency, authority or utility;

(e) To participate in mergers and consolidations with other non-profit corporations organized for the same purposes, and to annex additional residential property and Common Area as provided in the Declaration;

(f) To manage, control, operate, maintain, repair and improve the Common Area;

(g) To enforce the covenants, restrictions and conditions contained in the Declaration as provided therein;

(h) To engage in activities which will actively foster, promote and advance the common ownership interests of Owners of Lots, including the interest of the Declarant during its marketing of the Project;

(i) To enter into, make, perform or enforce contracts of every kind and description and to do all other acts necessary, appropriate or advisable in carrying out any purpose of this Association, with or in association with any person, firm, association, corporation or other entity or agency, public or private;

(j) To adopt, alter and amend or repeal such By-Laws as may be necessary or desirable for the proper management of the affairs of the Association; provided, however, that such By-Laws may not be inconsistent with or contrary to any provisions of these Articles of Incorporation or the Declaration.

ARTICLE V

Membership

1. This Corporation shall be a membership corporation without certificates or shares of stock. As more fully provided in the Declaration, every person or entity, who is a record owner of a fee or undivided fee interest in any Lot which is subject by the Declaration to assessment by the Association, including contract sellers, shall be a member of the Corporation. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation.

2. A membership in this Corporation and the share of a Member in the assets of this Corporation shall not be assigned, encumbered or transferred in any manner except as appurtenant to the transfer of title to the Lot to which the membership pertains; provided, however, that the rights of membership may be assigned to the holder of a mortgage, deed of trust or other security instrument on a Lot as further security for a loan secured by a lien on such Lot.

3. A transfer of membership shall occur automatically upon the transfer of title to the Lot to which the membership pertains; provided however, that the By-Laws of this Corporation may contain reasonable provisions and requirements with respect to recording such transfers on the books and records of this Corporation.

4. Members shall have the right to purchase other Lots and to exercise the membership rights appurtenant thereto as provided in the Declaration.

5. This Corporation may suspend the voting rights of a Member for failure to comply with rules and regulations or the By-Laws of the Association or with any other obligations of the Owners of a Lot under the Declaration. All Members shall be entitled to vote on all matters, except any Members who are in default in any obligations to the Association. Cumulative voting is prohibited.

6. The By-Laws may contain additional provisions setting forth the rights, privileges, duties and responsibilities of the Members; provided however, the provisions of these Articles of Incorporation and the By-Laws shall be subject to the covenants, terms and provisions of the Declaration which shall control in the event of any conflict, and the provisions of these Articles of Incorporation shall control over any conflicting provisions in the By-Laws.

ARTICLE VI

Voting Rights

As more fully provided in the Declaration, the Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners of Lots, with the exception of the Declarant, and there shall be one vote for each Lot owned, when more than one person holds an interest in any Lot all such persons shall be Members, and the vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member shall be the Declarant, (so long as the Declarant owns a Lot) and shall be entitled to three (3) votes for each Lot which it owns. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) three (3) years following conveyance of the first Lot in the Project; or

(b) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership.

ARTICLE VII

Board Of Directors

1. The business and affairs of the Corporation shall be conducted, managed and controlled by a Board of Directors. The initial Board of Directors shall consist of three (3) Directors, and thereafter the specific number shall be set forth as provided in the By-Laws of the Corporation, but shall not exceed nine (9) Directors. Directors shall be Owners as defined in the Declaration.

2. The names and addresses of the members of the initial Board of Directors who shall serve until the first annual meeting as provided in the By-Laws and until their successors are duly elected and qualified are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Mark O. Lords	5455 North Union Boulevard Colorado Springs, CO 80918
Gregory D. Timm	5455 North Union Boulevard Colorado Springs, CO 80918
Thomas Tanner	5455 North Union Boulevard Colorado Springs, CO 80918

3. Directors shall be elected, replaced and removed and vacancies of the Board of Directors shall be filled in the manner and for the terms as provided in the By-Laws.

ARTICLE VIII

Officers

The Board of Directors may appoint a President, one or more Vice-Presidents, a Secretary, a Treasurer and such other officers as the Board believes will be in the best interest of the Corporation. The Officers shall have such duties as may be prescribed in the By-Laws of the Corporation and shall serve at the pleasure of the Board of Directors.

ARTICLE IX

Dissolution, Merge or Consolidation

The Corporation may be dissolved, merged or consolidated with the assent given in writing and signed by not less than two-thirds (2/3) of each class of Members and two-third (2/3) of the First Mortgagees as defined in the Declaration. Upon dissolution of the Corporation other than incident to a merger or consolidation, the assets of the Corporation shall be distributed and transferred as the Members may direct, subject to the requirements, limitations and other provisions of the Declaration. In such event, the assets may be granted, conveyed and assigned to any public agency, non-profit corporation, association, trust or other organization to be devoted to purposes similar to those for which this Corporation was created.

ARTICLE X

Initial Registered Office and Agent

The initial registered office of the Corporation shall be 5455 North Union Boulevard, Colorado Springs, El Paso County, Colorado, 80918. The initial registered agent shall be Gregory D. Timm, whose address is the same as the initial registered office.

ARTICLE XI

Amendment

Amendments to these Articles of Incorporation shall require the consent of at least two-thirds (2/3) of the Members of each Class; provided, however, that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with the provisions of the Declaration.

ARTICLE XII

Nonprofit Purposes

The Corporation is formed under the Colorado Non-Profit Corporation Act and not for pecuniary profit or financial gain. The Corporation is organized and operated to provide for the acquisition,

construction, management, maintenance and care of property of the Project as provided in the Declaration and is intended to qualify as a "homeowners Association" as defined in subsection (c) of Section 528 of the Internal Revenue Code of 1978, unless the Board of Directors otherwise directs.

ARTICLE XIII

Incorporator


The Incorporator of the Corporation is Gregory D. Timm whose address is 5455 North Union Boulevard, Colorado Springs, El Paso County, Colorado, 80918.

ARTICLE XIV

FHA/VA Approval

After the Declarant has sold a sufficient number of Lot to obtain evidence of approval for guaranteed or insured loans by the Federal Housing Administration or the Veterans Administration and continuing as long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers and consolidations of this Corporation, mortgaging or encumbering of Common Area, dedication of Common Area, dissolution of this Corporation and amendment of these Articles.

IN WITNESS WHEREOF, for the purposes of forming this Corporation under the laws of the State of Colorado, the undersigned, constituting the Incorporator of this Association, has executed these Articles of Incorporation this 20th day of March, 1985.



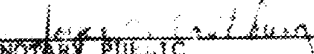
GREGORY D. TIMM

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was signed and acknowledged before me this 20th day of March, 1985, by GREGORY D. TIMM as Incorporator of the above-described Corporation.

WITNESS my hand and official seal.





NOTARY PUBLIC
Address: 2855 N. Union Blvd.
Colorado Springs, CO 80918
My commission expires: _____