

dnc-20011213780

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
SPRING VALLEY RANCH
MASTER OWNERS ASSOCIATION

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SECRETARY OF STATE
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For the purpose of forming a nonprofit corporation pursuant to the provisions of the Colorado Nonprofit Corporation Act, as amended, the undersigned hereby signs and acknowledges the following Amended Articles of Incorporation for such corporation which amend and restate, in their entirety, effective as of November 5, 2001, the Articles of Incorporation filed with the Secretary of State of the State of Colorado on November 7, 2001.

ARTICLE I

Name

The name of this nonprofit corporation shall be Spring Valley Ranch Master Owners Association (the "Association").

ARTICLE II

Purposes and Powers

The business, objectives and purposes for which this nonprofit corporation is formed are as follows:

A. The Association shall operate a common interest community known as Spring Valley Ranch (the "Project"), located in the County of Elbert, Colorado, in accordance with the Colorado Common Interest Ownership Act of the Colorado Revised Statutes, as amended.

B. The Association shall promote the health, safety, welfare, and common benefit of the residents of the Project.

C. The Association shall do any and all permitted acts, and shall have and exercise any and all powers, rights and privileges which are granted to the Association under the Master Declaration of Covenants, Conditions, and Restrictions for Spring Valley Ranch (herein called the "Declaration"), a copy of which will be of record in the office of the Clerk and Recorder, County of Elbert, Colorado, relating to the Project, the laws of the State of Colorado, and the Bylaws, Rules, Regulations and other governing documents of the Association. Terms which are defined in the Declaration shall have the same meaning herein, unless otherwise defined herein.

D. The foregoing statements of purpose 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 of provisions of any other clause, but shall be broadly construed as independent purposes and powers.

E. To provide an entity for the furtherance of the interests of the Owners of Lots, as the term "Lot" is defined in the Declaration, in the Project.

ARTICLE III

Membership Rights and Qualifications

In furtherance of its purposes, but not otherwise, the corporation shall have the following powers:

A. One Class. This Association shall be a membership corporation without certificates or shares of stock. There shall be one class of membership, and there shall be one membership in the corporation for the aggregate ownership interest for each Lot.

B. Voting. The classes, rights, and qualifications and the manner of election or appointment of members are as follows: Any person who holds title to a Lot in the Project shall be a member of the Association. There shall be one membership for each Lot owned within the Project. This membership shall be automatically transferred upon the conveyance of that Lot. Voting shall be one vote per Lot and the vote to which each membership is entitled is the vote assigned to its Lot in the Declaration. If a Lot is owned by more than one person, those persons shall agree among themselves how a vote for that Lot's membership is to be cast. Individual co-owners may not cast fractional votes. A vote by a co-owner for the entire Lot's membership interest shall be deemed to be pursuant to a valid proxy, unless another co-owner of the same Lot objects at the time the vote is cast, in which case such membership's vote shall not be counted.

C. Membership Appurtenant to Lots. A membership in the Association and the share of a member in the assets of the Association shall not be assigned, encumbered or transferred in any manner except as an appurtenance to the Lot which the member may assign to the holder of a mortgage, deed of trust, or other security instrument as security for a loan secured by a lien on such Lot.

D. Transfer. A transfer of membership shall occur automatically upon the transfer of title to the Lot to which the membership pertains, provided, however, that the Bylaws of the corporation may contain reasonable provisions and requirements with respect to recording such transfers on the books and records of the Association.

E. Suspension of Voting Rights. The Association may suspend the voting rights of a member for failure to comply with rules, regulations, or Bylaws of the corporation or for failure to comply with any other obligations of the Owners of Lots under the Declaration, or agreement created pursuant thereto.

F. Bylaws Applicable to Members' Rights. The Bylaws may contain provisions, not inconsistent with the foregoing, setting forth the rights, privileges, duties and responsibilities of the members.

ARTICLE IV

Board of Directors

The business and affairs of this Association shall be conducted, managed, and controlled by its Board of Directors.

A. Number, Terms. The Board of Directors (hereinafter sometimes called the "Board") shall consist of not less than three (3) nor more than ten (10) members, the specified number to be set forth from time to time in the Bylaws and the Declaration. The initial Board shall consist of three (3) members. In all events, however, the terms of at least one third (1/3) of the members of the Board shall expire annually.

B. Elected Directors to be Owners. Members of the Board of Directors shall be elected in the manner determined by the Bylaws. The persons comprising the Board of Directors shall be natural persons and Owners of Lots, except as otherwise provided herein.

C. Initial Board. The names and address of the following three (3) natural persons over the age of twenty-one (21) years shall comprise the initial Board of Directors and shall serve until the first election of Directors by the members and until their successors are duly elected and qualified:

Ronald R. Heggemeier
9735 E. Tom Tom Drive
Parker, Colorado 80138

Maral F. Heggemeier
9735 E. Tom Tom Drive
Parker, Colorado 80138

Devin S. Davis
8592 Rabbitbrush Way
Parker, Colorado 80134

D. The members of the Board of Directors shall be Lot Owners who own Lots as defined in the Declaration. These Lot Owners shall elect all members of the Board, following the period of Declarant control defined below. Provided, however any Member of the Board appointed by the Declarant does not need to be a Lot Owner.

E. Notwithstanding the foregoing, the Declarant of the Project shall have additional rights and qualifications as may be provided under the Colorado Common Interest Ownership Act and the Declaration, including the right to appoint members of the Board as follows: During the period of Declarant control, the Declarant, or persons designated by him or her, subject to certain limitations, may appoint and remove the officers and members of the Board. The period of Declarant control terminates no later than the earlier of: (1) Sixty (60) days after conveyance of seventy-five percent (75%) of the Units that may be created to Lot Owners other than a Declarant; (2) Two years after Declarant has last conveyed a Lot in the ordinary course of business; or (3) Two years after any right to add new Lots is last exercised by Declarant. Declarant may voluntarily surrender the right to appoint and remove officers and Directors of the Board before termination of the periods 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 the Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

F. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Lots to Owners other than the Declarant, at least one(1) member and not less than twenty-five percent (25%) of the members of the Board shall be elected by Lot Owners other than the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Lots to Owners other than the Declarant, not less than one-third (1/3) of the members of the Board must be elected by Lot Owners other than Declarant.

ARTICLE V

Principal Office, Initial Registered Office and Agent

The initial registered office of the corporation shall be 9735 E. Tom Tom Drive, Parker, Colorado 80138. The initial registered agent at such office shall be Ronald R. Heggemeier. The principal office and address shall be 9735 E. Tom Tom Drive, Parker, Colorado 80138.

Dated as of the 6th day of March, 2002.

By: Ronald R. Heggemeier
Ronald R. Heggemeier,
Incorporator and Registered Agent

By: Maral F. Heggemeier
Maral F. Heggemeier, Incorporator

STATE OF COLORADO)
)ss.
COUNTY OF DOUGLAS)

I, Devin S. Davis, a Notary Public, do hereby certify that on March 6, 2002, personally appeared before me Ronald R. Heggemeier, who being by me first duly sworn, declared that he is the Incorporator of Spring Valley Ranch Master Owners Association, that he signed the foregoing as such, and that the statements made therein are true.

Witness my hand and official seal.

My commission expires: 10-15-04



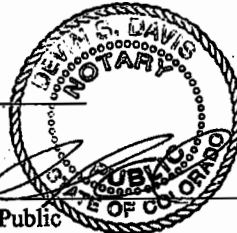
Notary Public

STATE OF COLORADO)
)ss.
COUNTY OF DOUGLAS)

I, Devin S. Davis, a Notary Public, do hereby certify that on March 6, 2002, personally appeared before me Maral F. Heggemeier, who being by me first duly sworn, declared that she is the Incorporator of Spring Valley Ranch Master Owners Association, that she signed the foregoing as such, and that the statements made therein are true.

Witness my hand and official seal.

My commission expires: 10-15-04



Notary Public

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