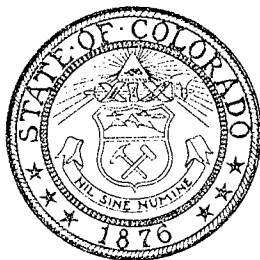


STATE OF COLORADO

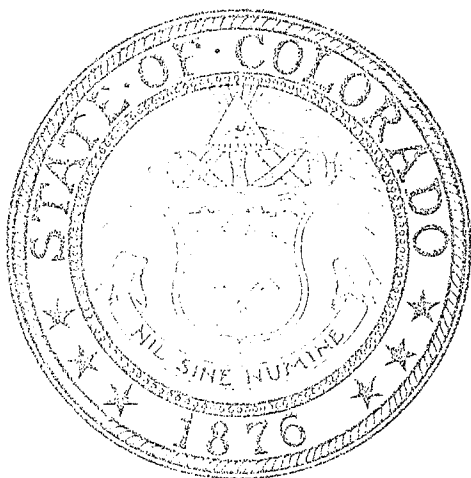


DEPARTMENT OF
STATE

CERTIFICATE.

I, MARY ESTILL BUCHANAN, Secretary of State of the State of Colorado hereby certify that the prerequisites for the issuance of this certificate have been fulfilled in compliance with law and are found to conform to law.

Accordingly, the undersigned, by virtue of the authority vested in me by law, hereby issues Certificate of Incorporation to Palo Park Filing No. 3 Single Family Homeowners Association., a Nonprofit corporation.



Mary Estill Buchanan

SECRETARY OF STATE

DATED: March 3, 1978

FILED

ARTICLES OF INCORPORATION

3 MAR '78

OF

PALO PARK FILING NO. 3 SINGLE FAMILY HOMEOWNERS ASSOCIATION
STATE OF COLORADO
DEPT. OF STATE

In compliance with the requirements of the Colorado Non-Profit Corporation Act, Chapter 7-20-101 et seq., C. R. S. 1973, as amended, the undersigned, all of whom are residents of the County of Boulder and all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I

The name of the corporation is Palo Park Filing No. 3 Single Family Homeowners Association, hereinafter called the "Association".

ARTICLE II

The registered office of the Association is located at 9165 West 74th Avenue, Arvada, Colorado 80005.

ARTICLE III

P. Ronald Hauptman, whose address is 9165 West 74th Avenue, Arvada, Colorado 80005, is hereby appointed the initial registered agent of this Association.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the Lots or Living Units and Common Area within that certain tract of property described as:

Lots 1 through 52 inclusive and Outlot E of Palo Park Filing No. 3, a planned unit development subdivision situated in the SE 1/4 of the SW 1/4 of Section 17, Township 1 North, Range 70 West of the 6th P. M., Boulder County, Colorado.

and to promote the health, safety and welfare of the residents within the above-described property and any additions

thereto as may hereafter be brought within the jurisdiction of this Association, and for this purpose to:

(a) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions of Lots 1 Through 52 Inclusive and Outlot E of Palo Park Filing No. 3, a Planned Unit Development Subdivision Situated in the SE 1/4 of the SW 1/4 of Section 17, T1N, R70W of the 6th P. M., County of Boulder, State of Colorado, hereinafter called the "Declaration", applicable to the property and recorded or to be recorded in the office of the Clerk and Recorder of the County of Boulder, State of Colorado, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) 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 incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) 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;

(d) Borrow money, and with the assent of three-fourths (3/4) of the members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) Dedicate, sell or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be

effective unless an instrument has been signed by the members entitled to vote three-fourths (3/4) of the vote, agreeing to such dedication, sale or transfer;

(f) Have and exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Colorado by law may now or hereafter have or exercise.

ARTICLE V

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot or Living Unit which is subject by the terms of the Declaration of record to assessment by the Association, including the Declarant, as said term is defined in the Declaration, and contract sellers, shall be a member of the Association. 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 or Living Unit which is subject to assessment by the Association.

ARTICLE VI

VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant, and shall be entitled to one vote for each Lot or Living Unit owned. When more than one person holds an interest in any Lot or Living Unit, all such persons shall be members. The vote for such Lot or Living Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot or Living Unit.

Class B. The Class B member shall be the Declarant (as defined in the Declaration) and shall be entitled to three

Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE IX

DURATION

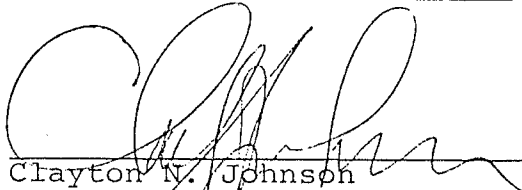
The corporation shall exist perpetually.

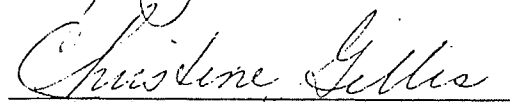
ARTICLE X

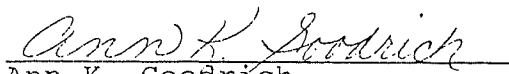
AMENDMENTS

Amendment of these Articles shall require the assent of eighty percent (80%) affirmative vote of the entire membership.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Colorado, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 28th day of February, 1978.


Clayton N. Johnson
4892 Kellogg Circle
Boulder, Colorado 80303


Christine Gillis
100 Spaulding Street
Lafayette, Colorado 80026

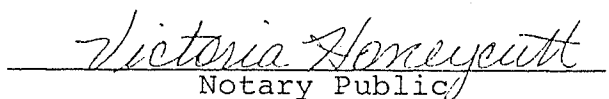

Ann K. Goodrich
504 East Genesee
Lafayette, Colorado 80026

STATE OF COLORADO)
)
COUNTY OF BOULDER)

Subscribed and sworn to before me this 28th day of February, 1978, by Clayton N. Johnson, Christine Gillis and Ann K. Goodrich.

Witness my hand and official seal.

My commission expires: 3-30-81


Notary Public

BY-LAWS

OF SINGLE

FAMILY

PALO PARK FILING NO. 3 HOMEOWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

Single Family

The name of the corporation is Palo Park Filing No. 3 Homeowners Association, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 9165 West 74th Avenue, Arvada, Colorado 80005, but meetings of members and directors may be held at such places within the State of Colorado, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Palo Park Filing No. 3 Single Family Homeowners Association, its successors and assigns.

Section 2. "The Properties" or "the property" shall mean and refer to all such existing properties, and additions thereto, as are subject to the Declaration of Covenants, Conditions and Restrictions of Palo Park Filing No. 3, a Planned Unit Development Subdivision, Lots 1 through 52 inclusive and Outlot E of Palo Park Filing No. 3, a part of the SE 1/4 of the SW 1/4, Sec. 17, T1N, R70W, 6th P. M., Boulder County, Colorado, and property added thereto by supplement.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot situated upon the Properties including Declarant but, notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

Section 5. "Declarant" shall mean and refer to Palo Park Filing No. 3 Single Family Homeowners Association, its successors or assigns.

Section 6. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the office of the Clerk and Recorder of Boulder County, State of Colorado.

Section 7. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular meeting of the members shall be held on the third Monday in January of each year thereafter, at the hour of 7:30 p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of said notice, postage prepaid, at least ten (10) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-fourth (1/4)

of the votes shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

ARTICLE IV

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of not less than three (3) nor more than seven (7) Directors, who need not be members of the Association.

Section 2. Term of Office. At the first annual meeting the members shall elect at least one (1) Director for a term of one year, one (1) Director for a term of two years and one (1) Director for a term of three years; and at each annual meeting thereafter the members shall elect Directors for a term of three years.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a three-fourths (3/4) vote of the members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nomination may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman who shall be a member of the Board of Directors and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 3. Notwithstanding the above Section, the Class B voting members shall have the exclusive right to nominate and elect all of the Association's Board of Directors until such time as Class B membership ceases, or January 1, 1983, whichever event occurs first.

ARTICLE VI
MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) Adopt and publish rules and regulations governing the use of the Common Areas and other facilities, if any, and the personal conduct of the members and their guests thereon, and to establish penalties or fines for the infraction thereof;

(b) If any recreational facilities are built upon the Common Areas, suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed thirty (30) days for infraction of published rules and regulations;

(c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the Declaration;

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) Employ a manager, an independent contractor, independent management company or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-third (1/3) of the Class A members who are entitled to vote;

(b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration, to:

(1) Fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period;

(2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.

(d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or

not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) Procure and maintain adequate liability and hazard insurance on property owned by the Association and on the individual townhomes;

(f) Cause all officers or employees having fiscal responsibilities to be bonded;

(g) Cause the Common Areas to be maintained;

(h) Cause the exterior of the dwellings to be maintained; and

(i) Cause the Properties to be managed at the Board's discretion by a Professional Real Estate Management Company licensed to do business in the State of Colorado.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President who shall at all times be a member of the Board of Directors, a Vice-President, a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the

Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual unaudited statement of the Association financial records to be prepared by a certified public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX

COMMITTEES

The Association shall appoint an Architectural Control Committee as provided in the Declaration, and a Nominating Committee as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose, including a Residents Advisory Board consisting of five (5) members who shall assist the Board as to the residents' general opinions as to particular issues being discussed and acted upon by the Board.

ARTICLE X

MORTGAGEES

Section 1. Inspection of Records by Mortgagee. Any first mortgagee of a lot shall have the right to inspect the books and records of the Association during reasonable business hours.

Section 2. Financial Reports. Any first mortgagee of a lot, upon written request, shall be entitled to receive an annual financial statement of the Association within ninety (90) days from the end of its fiscal year.

Section 3. Notice of Meetings. Any first mortgagee of a lot upon written request shall be entitled to written notice of all Association meetings and be permitted to send a representative to such meetings.

Section 4. Mortgagee as Proxy. Each Owner shall have the right to irrevocably constitute and appoint the beneficiary of a trust deed his true and lawful attorney to cast his vote in this Association at any and all meetings of the Association and to vest in the beneficiary any and all rights, privileges and powers that he has as a lot owner under the Certificate of Incorporation and By-Laws of this Association or by virtue of the recorded Declaration of Covenants, Conditions and Restrictions. Such proxy shall become effective upon the filing of notice by the beneficiary with the Secretary of the Association at such time or times as the beneficiary shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Association, the Managing Agent or the lot owners to carry out their duties as set forth in the Declaration of Covenants, Conditions and Restrictions. A release of the beneficiary's deed of trust shall operate to revoke such proxy. Nothing herein contained shall be construed to relieve a lot owner or to impose upon the beneficiary of the deed of trust the duties and obligations of a lot owner.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days of delinquency, interest may be charged at the rate of fourteen percent (14%) per annum, and the Association may assess a Five Dollar (\$5.00) per month late charge. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property

and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his lot.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: "Palo Park Filing No. 3 / ^{Single} _{family} Homeowners Association".

ARTICLE XIII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of three-fourths (3/4) of a quorum of members present in person or by proxy.

Section 2. In case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIV

INDEMNIFICATION OF OFFICERS, DIRECTORS AND MANAGING AGENT

Section 1. Indemnification. The Association shall indemnify every Director, Officer, Managing Agent, their respective successors, personal representatives and heirs, against all loss, costs and expenses, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director, Officer or Managing Agent of the Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that

the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director, Officer or Managing Agent in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director, Officer or Managing Agent may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing in this Article XIV contained shall be deemed to obligate the Association to indemnify any member or Owner of a lot who is or has been a Director or Officer of the Association with respect to any duties or obligation assumed or liabilities incurred by him under and by virtue of the Declaration.

Section 2. Other. Contracts or other commitments made by the Board of Directors, Officers or the Managing Agent shall be made as agent for the Corporation, and they shall have no personal responsibility on any such contract or commitment.

ARTICLE XV

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

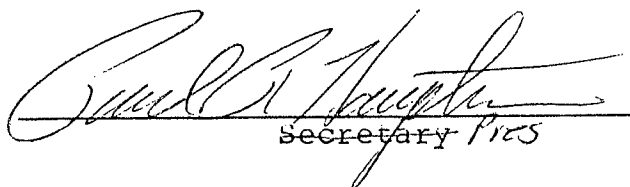
IN WITNESS WHEREOF, we, being all of the Directors of Palo Park Filing No. 3 ^{Single Family} Homeowners Association, have hereunto set our hands this _____ day of _____, 19__.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting ^{Pres.} Secretary of Palo Park
Filing No. 3/^{Single Family} Homeowners Association, a Colorado corporation, and

That the foregoing By-Laws constitute the original By-Laws of
said Association, as duly adopted at a meeting of the Board of
Directors thereof, held on the 1st day of April 1978,
1978.


Secretary Pres