

OFFICE OF THE SECRETARY OF STATE
OF THE STATE OF COLORADO

CERTIFICATE

I, Ginette Dennis, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

BALTERRA CONDOMINIUM ASSOCIATION, INC.

is a
Nonprofit Corporation

formed or registered on 02/26/2004 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 20041070474 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 09/26/2005 that have been posted, and by documents delivered to this office electronically through 09/29/2005 @ 10:41:34 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, authenticated, issued, delivered and communicated this official certificate at Denver, Colorado on 09/29/2005 @ 10:41:34 pursuant to and in accordance with applicable law. This certificate is assigned Confirmation Number 6314465 .



Ginette Dennis

Secretary of State of the State of Colorado

*****End of Certificate*****

Notice: A certificate issued electronically from the Colorado Secretary of State's Web site is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Certificate Confirmation Page of the Secretary of State's Web site, <http://www.sos.state.co.us/biz/CertificateSearchCriteria.do> entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our Web site, <http://www.sos.state.co.us/> click Business Center and select "Frequently Asked Questions."



Colorado Secretary of State
 Date and Time: 09/29/2005 10:37 AM
 Entity Id: 20041070474
 Document number: 20051365421

Document processing fee
 If document is filed on paper \$125.00
 If document is filed electronically \$ 50.00

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Amended and Restated Articles of Incorporation

filed pursuant to §7-90-301, et seq. and §7-130-106 and §7-90-304.5 of the Colorado Revised Statutes (C.R.S.)

ID number: 20041070474

1. Entity name: BALTERRA CONDOMINIUM ASSOCIATION, INC.
(If changing the name of the corporation, indicate name BEFORE the name change)

2. New Entity name: (if applicable) _____

3. Use of Restricted Words *(if any of these terms are contained in an entity name, true name of an entity, trade name or trademark stated in this document, mark the applicable box):*

"bank" or "trust" or any derivative thereof
 "credit union" "savings and loan"
 "insurance", "casualty", "mutual", or "surety"

4. If the corporation's period of duration as amended is less than perpetual, state the date on which the period of duration expires: _____
(mm/dd/yyyy)

OR

If the corporation's period of duration as amended is perpetual, mark this box:

5 The amended and restated constituent filed document is attached.

6. The amendment to the articles of incorporation was in the manner indicated below: (make the applicable selection)

- The amendment and restatement was adopted by the board of directors or incorporators without member action and member action was not required.
- The amendment and restatement was adopted by the members AND the number of votes cast for the amendment by each voting group entitled to vote separately on the amendment was sufficient for approval by that voting group.

(If the amended and restated articles of incorporation include amendments adopted on a different date or in a different manner, mark this box and include an attachment stating the date and manner of adoption.)

7. (Optional) Delayed effective date: _____
(mm/dd/yyyy)

Notice:

Causing this document to be delivered to the secretary of state for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that the document is the individual's act and deed, or that the individual in good faith believes the document is the act and deed of the person on whose behalf the individual is causing the document to be delivered for filing, taken in conformity with the requirements of part 3 of article 90 of title 7, C.R.S., the constituent documents, and the organic statutes, and that the individual in good faith believes the facts stated in the document are true and the document complies with the requirements of that Part, the constituent documents, and the organic statutes.

This perjury notice applies to each individual who causes this document to be delivered to the secretary of state, whether or not such individual is named in the document as one who has caused it to be delivered.

8. Name(s) and address(es) of the individual(s) causing the document to be delivered for filing:

Ross	Scott	A.	
<small>(Last)</small>	<small>(First)</small>	<small>(Middle)</small>	<small>(Suffix)</small>
Suite 2700			
<small>(Street name and number or Post Office Box number)</small>			
633 17th St.			
Denver	CO	80202	
<small>(City)</small>	<small>(State)</small>	<small>(Postal/Zip Code)</small>	
	United States		
<small>(Province - if applicable)</small>	<small>(Country - if not US)</small>		

(The document need not state the true name and address of more than one individual. However, if you wish to state the name and address of any additional individuals causing the document to be delivered for filing, mark this box and include an attachment stating the name and address of such individuals.)

Disclaimer:

This form, and any related instructions, are not intended to provide legal, business or tax advice, and are offered as a public service without representation or warranty. While this form is believed to satisfy minimum legal requirements as of its revision date, compliance with applicable law, as the same may be amended from time to time, remains the responsibility of the user of this form. Questions should be addressed to the user's attorney.

NOTICE:

This "image" is merely a display of information that was filed electronically. It is not an image that was created by optically scanning a paper document.

No such paper document was filed. Consequently, no copy of a paper document is available regarding this document.

Questions? Contact the Business Division. For contact information, please visit the Secretary of State's web site.

Click the following links to view attachments

Attachment 1
Amended & Restated Articles of Incorporation

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
BALTERRA CONDOMINIUM ASSOCIATION, INC.
(A Nonprofit Corporation)**

In compliance with the requirements of the Colorado Revised Nonprofit Corporation Act, Articles 121 to 137, Title 7, C.R.S., as amended, the undersigned, of full age, has this day, for the purpose of forming a non-profit corporation, certified as follows:

**ARTICLE I.
NAME**

The name of the corporation is BALTERRA CONDOMINIUM ASSOCIATION, INC., hereafter called the "Association."

**ARTICLE II.
PRINCIPAL OFFICE**

The principal office of the Association is c/o D. R. Horton, Inc. - Denver, 9555 South Kingston Court, Suite 200, Englewood, Colorado 80112.

**ARTICLE III.
REGISTERED AGENT**

Don C. Merrell, whose address is 9555 South Kingston Court, Suite 100, Englewood, Colorado 80112, is hereby appointed the initial registered agent of this Association, and such address shall be the registered address 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 certain property and Improvements within the property described on Exhibit A to the Declaration (as hereinafter defined), and any additions thereto as may hereafter be brought within the jurisdiction of this Association (hereinafter called the "Community"), and to promote the health, safety and welfare of the Owners and residents within the Community, and for the following purposes to:

1. exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions of Balterra Condominiums, hereinafter called the "Declaration," applicable to the Community and recorded or to be recorded in the Office of the Clerk and Recorder of the County of Arapahoe, Colorado, as the same may be amended and supplemented from time to time, said Declaration being incorporated herein as if set forth at length (terms which are defined in the Declaration shall have the same meanings herein unless otherwise defined);
2. 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; pay all expenses in connection therewith and all office and 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 of the Association;
3. acquire (by gift, purchase, or otherwise), own, hold, improve, encumber, maintain, convey, sell, lease, transfer or otherwise dispose of real or personal property, in its own name, in connection with the affairs of the Association; provided, however, that portions of the Common Elements may be conveyed or subjected to a Security Interest by the Association only if Persons entitled to cast at least sixty-seven percent (67%) of the votes in the Association, including sixty-seven percent (67%) of the votes in the Association not held by a Declarant, and only if all Owners to which is allocated the right to use any Limited Common Element that would be conveyed or subjected to a Security Interest, agree to that action;
4. borrow money and mortgage, pledge, deed in trust, or hypothecate any or all of its personal property as security for money borrowed or debts incurred; provided, however, that portions of the Common Elements may be conveyed or subjected to a Security Interest by the Association only if Persons entitled to cast at least sixty-seven percent (67%) of the votes in the Association, including sixty-seven percent (67%) of the votes in the Association not held by a Declarant, and only if all Owners to which is allocated the right to use any Limited Common Element that would be conveyed or subjected to a Security Interest, agree to that action;
5. hire and terminate managing agents and other employees, agents, and independent contractors;
6. 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 Community;
7. impose reasonable charges for the preparation and recordation of amendments to the Declaration or statements of unpaid assessments;
8. provide for the indemnification of its officers and the members of its Board of Directors, and maintain directors' and officers' liability insurance;
9. participate in mergers and consolidations with other nonprofit corporations organized for the same or similar purposes; provided that any merger or consolidation, other than

as may be done by Declarant as a Special Declarant Right, shall have the assent of the Owners to which at least two-thirds (2/3) of the votes in the Association are allocated;

10. manage, control, operate, maintain, repair and improve the Common Elements and other property as provided in the Declaration;

11. enforce covenants, restrictions, and conditions affecting any property to the extent this Association may be authorized to do so under the Declaration;

12. engage in activities which will actively foster, promote and advance the common interests of Owners;

13. enter into, make, perform, or enforce contracts, licenses, 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 this Association, with or in association with any Person, firm, association, corporation, or other entity or agency, public or private; provided, however, that the foregoing rights with respect to contracts and leases shall be subject to the express limitations, if any, contained in the Act;

14. promulgate, adopt, alter, amend, repeal, and publish Association Bylaws and rules and regulations, as may be necessary or desirable for the proper management of the affairs of this Association; provided, however, that such Association Bylaws and rules and regulations shall not be inconsistent with or contrary to any provisions of these Articles of Incorporation or the Declaration;

15. have and exercise any and all powers, rights and privileges which a corporation organized under the Colorado Revised Nonprofit Corporation Act by law may now or hereafter have or exercise;

16. regulate the use, maintenance, repair, replacement and modification of Common Elements;

17. cause additional improvements to be made as part of the Common Elements;

18. impose and receive any payments, fees or charges for the use, rental or operation of the Common Elements;

19. exercise any powers enumerated in the Bylaws of the Association and exercise any other powers necessary and proper for the governance and operation of the Association.

The Board of Directors may not act on behalf of the Association to amend the Declaration, to terminate this Community or to elect members of the Board of Directors or determine the qualifications, powers and duties, or terms of office of members of the Board of Directors, but the Board may fill vacancies in its membership for the unexpired portion of any term.

ARTICLE V.
MEMBERSHIP

The Owners of each Unit and each Garage Unit which is now or hereafter subject to assessment as provided in the Declaration, including contract sellers, shall be a Member of the Association. Following termination of the 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 Unit or Garage Unit which is subject to assessment by the Association.

A transfer of membership shall occur automatically upon the transfer of title to the Unit or Garage Unit to which the membership pertains. The Association may suspend the voting rights of a Member for a period not to exceed sixty (60) days for any infraction of its published rules and regulations or the Association Bylaws, or for any period during which any assessment against such Owner's Unit remains unpaid. All Members shall be entitled to vote on matters as provided in the Declaration, except any Members who are in default in any obligations to the Association. Cumulative voting is prohibited.

ARTICLE VI.
VOTING RIGHTS

1. Every Owner of a Unit and every Owner of a Garage Unit shall be a Member of the Association and shall remain a Member for the period of such Owner's ownership of a Unit or Garage Unit. Each Unit or Garage Unit shall be entitled to one (1) vote to be exercised by the Owner or Owners thereof, except that no votes allocated to a Unit or a Garage Unit owned by the Association may be cast, and provided that Garage Unit Owners shall be entitled to vote solely on those matters on which they are expressly granted the right to vote pursuant to the Declaration and their votes shall be considered part of the votes of the Association only with respect to such matters. The total number of votes which may be cast in connection with any matter shall be equal to the total number of Units then existing within the Community. Except as otherwise provided in this Article, during the Period of Declarant Control, the Declarant or Persons appointed by the Declarant may appoint all officers and directors and may remove all officers and directors of the Board of Directors appointed by it. A Declarant may voluntarily surrender the right to appoint and remove officers and directors 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. No later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units that May Be Created to Owners other than a Declarant, at least one (1) member and not less than twenty-five percent (25%) of the members of the Board of Directors must be elected by Owners other than the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units that May Be Created to Owners other than a Declarant, not less than thirty-three and one-third percent (33 1/3%) of the members of the Board of Directors must be elected by Owners other than the Declarant.

2. Not later than the termination of the Period of Declarant Control, the Owners shall elect the Board of Directors, at least a majority of whom must be Owners other than the Declarant or designated representatives of Owners other than the Declarant. The Board of Directors shall elect the officers. The members of the Board of Directors and officers so elected shall take office upon election.

ARTICLE VII.
BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of Directors of three (3) directors, or such other number (but not less than three) as set forth from time to time in the Bylaws of the Association. Directors shall be Members which, in the case of Declarant, may include any member of Declarant and any director, officer, employee or authorized agent of Declarant or any member of Declarant and, in the case of corporate Members, may include the officers and directors of each such corporate Member. The number of members of the Board of Directors may be changed by amendment of the Bylaws of the Association. The names and addresses of the Persons who are to act in the capacity of directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
Sandra R. Hogue	9555 South Kingston Court, Suite 200 Englewood, Colorado 80112
Don C. Merrill	9555 South Kingston Court, Suite 200 Englewood, Colorado 80112
Glenn Neir	9555 South Kingston Court Suite 200 Englewood, Colorado 80112

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

ARTICLE VIII.
DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by the Owners with not less than two-thirds (2/3) of the votes allocated to Units and Garage Units not then owned by Declarant, and by the Declarant with not less than two-thirds (2/3) of the votes allocated to Units and Garage Units then owned by the Declarant. In the event of the dissolution of the Association as a corporation, other than incident to a merger or consolidation, 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 or Garage Unit, in proportion to their allocated interests, unless otherwise agreed or provided by law.

ARTICLE IX.
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, in accordance with the provisions of the Bylaws, believes will be in the best interests of the 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 X.
DURATION

The Association shall exist perpetually.

ARTICLE XI.
LIMITED LIABILITY OF DIRECTORS AND OFFICERS

There shall be no personal liability, either direct or indirect, of any director or officer of the Association to the Association or its Members, for monetary damages for any breach(es) of fiduciary duty as a director or officer; except that this provision shall not eliminate the liability of a director or officer, to the Association or its Members, for monetary damages for any breach, act, omission or transaction as to which the Colorado Revised Nonprofit Corporation Act (as in effect from time to time) expressly prohibits the elimination of liability. This provision is effective on the date of incorporation of the Association, and shall not eliminate or limit the liability of a director or officer to the Association or to its Members for monetary damages for any act or omission occurring prior to such date. However, this provision shall not limit the rights of directors or officers of the Association for indemnification or other assistance from the Association. Also, this provision shall not restrict or otherwise diminish the provisions of Section 13-21-116(2)(b), Colorado Revised Statutes, as amended, or any other law that would limit or eliminate liabilities. Any repeal or modification of the foregoing provisions of this Article by the Members, or any repeal or modification of the provisions of the Colorado Revised Nonprofit Corporation Act which permits the limitation or elimination of liability of directors or officers, shall not adversely affect any elimination of liability, or any right or protection, for any breach, act, omission or transaction that occurred prior to the time of such repeal or modification.

ARTICLE XII.
AMENDMENTS

Amendment of these Articles shall require the assent of Owners holding a majority of a quorum of the votes of the Units and Garage Units voting in person or by proxy at an annual meeting of 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.
HUD/VA APPROVAL

During the Period of Declarant Control, the following actions will require the prior approval of HUD or VA if, at the time any such action is taken, HUD has insurance or VA has guarantee(s) on one or more First Security Interests: mergers and consolidations, dissolution and amendment of these Articles.

THE FOREGOING AMENDED AND RESTATED ARTICLES OF INCORPORATION constitute the Articles of Incorporation of said Association, as duly adopted by the Board of Directors thereof, on the 29th day of September, 2005.



Colorado Secretary of State
 Date and Time: 09/29/2005 10:40 AM
 Entity Id: 20041070474
 Document number: 20051365427

Document processing fee
 If document is filed on paper \$150.00
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Articles of Reinstatement

filed pursuant to §7-90-301, et seq. and §7-90-1003 of the Colorado Revised Statutes (C.R.S)

ID Number 20041070474

1. Entity name of the entity immediately prior to its dissolution: BALTERRA CONDOMINIUM ASSOCIATION, INC.

2. Entity name of the entity following reinstatement: BALTERRA CONDOMINIUM ASSOCIATION, INC.
(The domestic entity name of a domestic entity following reinstatement shall be the same as the domestic entity name of the domestic entity immediately prior to dissolution if such domestic entity name complies with section 7-90-601, C.R.S. at the time of reinstatement. If such entity name is not available at the time of reinstatement, it shall include the word "reinstated", followed by the year of reinstatement.)

3. Registered agent: (if an individual): MERRELL DON C.
 (Last) (First) (Middle) (Suffix)
 OR (if a business organization): _____

4. The person appointed as registered agent in the document has consented to being so appointed.

5. Registered agent street address: 9555 S KINGSTON CT STE 100
 (Street name and number)
ENGLEWOOD CO 80112
 (City) (State) (Postal/Zip Code)

6. Registered agent mailing address: (if different from above)

 (Street name and number or Post Office Box information)

 (City) (State) (Postal/Zip Code)

 (Province - if applicable) (Country - if not US)
United States

7. Principal office street address: 9555 S KINGSTON CT STE 100
 (Street name and number)
ENGLEWOOD CO 80112
 (City) (State) (Postal/Zip Code)

(Province – if applicable) United States
(Country – if not US)

(Street name and number or Post Office Box information)

(City) _____ *(State)* _____ *(Postal/Zip Code)*
United States
(Province – if applicable) *(Country – if not US)*

8. Principal office mailing address:
(if different from above)

9. Date of formation of the entity:

02/26/2004
(mm/dd/yyyy)

10. Date of dissolution:
(if known)

(mm/dd/yyyy)

11. If the entity's period of duration
as amended is less than perpetual,
state the date on which the period
of duration expires:

(mm/dd/yyyy)

OR

If the entity's period of duration as amended is perpetual, mark this box:

12. (Optional) Delayed effective date:

(mm/dd/yyyy)

13. Colorado statute under which the
entity existed immediately prior
to dissolution:

CRS 7-121

14. All applicable conditions of CRS §7-90-1002 have been satisfied.

Notice:

Causing this document to be delivered to the secretary of state for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that the document is the individual's act and deed, or that the individual in good faith believes the document is the act and deed of the person on whose behalf the individual is causing the document to be delivered for filing, taken in conformity with the requirements of part 3 of article 90 of title 7, C.R.S., the constituent documents, and the organic statutes, and that the individual in good faith believes the facts stated in the document are true and the document complies with the requirements of that Part, the constituent documents, and the organic statutes.

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15. Name(s) and address(es) of the
individual(s) causing the document
to be delivered for filing:

Ross _____ Scott _____ A. _____
(Last) *(First)* *(Middle)* *(Suffix)*

633 17th St.
(Street name and number or Post Office Box information)

Suite 2700

Denver CO 80202
(City) (State) (Postal/Zip Code)
United States
(Province – if applicable) (Country – if not US)

(The document need not state the true name and address of more than one individual. However, if you wish to state the name and address of any additional individuals causing the document to be delivered for filing, mark this box and include an attachment stating the name and address of such individuals.)

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11

STATE OF COLORADO

DEPARTMENT OF
STATE

CERTIFICATE

I, DONETTA DAVIDSON, SECRETARY OF STATE OF THE STATE OF
COLORADO HEREBY CERTIFY THAT

ACCORDING TO THE RECORDS OF THIS OFFICE

BALTERRA CONDOMINIUM ASSOCIATION, INC.
(COLORADO NONPROFIT CORPORATION)

FILE # 20041070474 WAS FILED IN THIS OFFICE ON February 26, 2004
AND HAS COMPLIED WITH THE APPLICABLE PROVISIONS OF THE
LAWS OF THE STATE OF COLORADO AND ON THIS DATE IS IN GOOD
STANDING AND AUTHORIZED AND COMPETENT TO TRANSACT BUSINESS
OR TO CONDUCT ITS AFFAIRS WITHIN THIS STATE.

Dated: February 26, 2004

Donetta Davidson

SECRETARY OF STATE

~~02-26-2004 12:32:18~~
~~20041070474 C~~
~~\$ 100.00~~

20041070474 C
\$ 100.00
SECRETARY OF STATE
02-26-2004 12:32:18

NONPROFIT

ARTICLES OF INCORPORATION
OF
BALTERRA CONDOMINIUM ASSOCIATION, INC.
(A Nonprofit Corporation)

In compliance with the requirements of the Colorado Revised Nonprofit Corporation Act, Articles 121 to 137, Title 7, C.R.S., as amended, the undersigned, of full age, has this day, for the purpose of forming a non-profit corporation, certified as follows:

ARTICLE I.
NAME

The name of the corporation is BALTERRA CONDOMINIUM ASSOCIATION, INC., hereafter called the "Association."

ARTICLE II.
PRINCIPAL OFFICE

The principal office of the Association is c/o D. R. Horton, Inc. - Denver, 9555 South Kingston Court, Suite 100, Englewood, Colorado 80112.

ARTICLE III.
REGISTERED AGENT

Don C. Merrell, whose address is 9555 South Kingston Court, Suite 100, Englewood, Colorado 80112, is hereby appointed the initial registered agent of this Association, and such address shall be the registered address of this Association.

ARTICLE IV.
PURPOSE AND POWERS OF THE ASSOCIATION

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1. exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions of Balterra Condominiums, hereinafter called the "Declaration," applicable to the Community and recorded or to be recorded in the Office of the Clerk and Recorder of the County of Arapahoe, Colorado, as the same may be amended and supplemented from time to time, said Declaration being incorporated herein as if set forth at length (terms which are defined in the Declaration shall have the same meanings herein unless otherwise defined);
2. 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; pay all expenses in connection therewith and all office and 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 of the Association;
3. acquire (by gift, purchase, or otherwise), own, hold, improve, encumber, maintain, convey, sell, lease, transfer or otherwise dispose of real or personal property, in its own name, in connection with the affairs of the Association; provided, however, that portions of the Common Elements may be conveyed or subjected to a Security Interest by the Association only if Persons entitled to cast at least sixty-seven percent (67%) of the votes in the Association, including sixty-seven percent (67%) of the votes in the Association not held by a Declarant, and only if all Owners to which is allocated the right to use any Limited Common Element that would be conveyed or subjected to a Security Interest, agree to that action;
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5. hire and terminate managing agents and other employees, agents, and independent contractors;
6. 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 Community;
7. impose reasonable charges for the preparation and recordation of amendments to the Declaration or statements of unpaid assessments;
8. provide for the indemnification of its officers and the members of its Board of Directors, and maintain directors' and officers' liability insurance;
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as may be done by Declarant as a Special Declarant Right, shall have the assent of the Owners to which at least two-thirds (2/3) of the votes in the Association are allocated;

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11. enforce covenants, restrictions, and conditions affecting any property to the extent this Association may be authorized to do so under the Declaration;

12. engage in activities which will actively foster, promote and advance the common interests of Owners;

13. enter into, make, perform, or enforce contracts, licenses, 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 this Association, with or in association with any Person, firm, association, corporation, or other entity or agency, public or private; provided, however, that the foregoing rights with respect to contracts and leases shall be subject to the express limitations, if any, contained in the Act;

14. promulgate, adopt, alter, amend, repeal, and publish Association Bylaws and rules and regulations, as may be necessary or desirable for the proper management of the affairs of this Association; provided, however, that such Association Bylaws and rules and regulations shall not be inconsistent with or contrary to any provisions of these Articles of Incorporation or the Declaration;

15. have and exercise any and all powers, rights and privileges which a corporation organized under the Colorado Revised Nonprofit Corporation Act by law may now or hereafter have or exercise;

16. regulate the use, maintenance, repair, replacement and modification of Common Elements;

17. cause additional improvements to be made as part of the Common Elements;

18. impose and receive any payments, fees or charges for the use, rental or operation of the Common Elements;

19. exercise any powers enumerated in the Bylaws of the Association and exercise any other powers necessary and proper for the governance and operation of the Association.

The Board of Directors may not act on behalf of the Association to amend the Declaration, to terminate this Community or to elect members of the Board of Directors or determine the qualifications, powers and duties, or terms of office of members of the Board of Directors, but the Board may fill vacancies in its membership for the unexpired portion of any term.

ARTICLE V.
MEMBERSHIP

The Owners of each Unit which is now or hereafter subject to assessment as provided in the Declaration, including contract sellers, shall be a Member of the Association. Following termination of the 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 Unit which is subject to assessment by the Association.

A transfer of membership shall occur automatically upon the transfer of title to the Unit to which the membership pertains. The Association may suspend the voting rights of a Member for a period not to exceed sixty (60) days for any infraction of its published rules and regulations or the Association Bylaws, or for any period during which any assessment against such Owner's Unit remains unpaid. 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.

ARTICLE VI.
VOTING RIGHTS

1. Every Owner of a Unit shall be a Member of the Association and shall remain a Member for the period of such Owner's ownership of a Unit. Each Unit shall be entitled to one (1) vote to be exercised by the Owner or Owners thereof, except that no votes allocated to a Unit owned by the Association may be cast. The total number of votes which may be cast in connection with any matter shall be equal to the total number of Units then existing within the Community. Except as otherwise provided in this Article, during the Period of Declarant Control, the Declarant or Persons appointed by the Declarant may appoint all officers and directors and may remove all officers and directors of the Board of Directors appointed by it. A Declarant may voluntarily surrender the right to appoint and remove officers and directors 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. No later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units that May Be Created to Owners other than a Declarant, at least one (1) member and not less than twenty-five percent (25%) of the members of the Board of Directors must be elected by Owners other than the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units that May Be Created to Owners other than a Declarant, not less than thirty-three and one-third percent (33 1/3%) of the members of the Board of Directors must be elected by Owners other than the Declarant.

2. Not later than the termination of the Period of Declarant Control, the Owners shall elect the Board of Directors, at least a majority of whom must be Owners other than the Declarant or designated representatives of Owners other than the Declarant. The Board of

ARTICLE IX.
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, in accordance with the provisions of the Bylaws, believes will be in the best interests of the 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 X.
DURATION

The Association shall exist perpetually.

ARTICLE XI.
LIMITED LIABILITY OF DIRECTORS AND OFFICERS

There shall be no personal liability, either direct or indirect, of any director or officer of the Association to the Association or its Members, for monetary damages for any breach(es) of fiduciary duty as a director or officer; except that this provision shall not eliminate the liability of a director or officer, to the Association or its Members, for monetary damages for any breach, act, omission or transaction as to which the Colorado Revised Nonprofit Corporation Act (as in effect from time to time) expressly prohibits the elimination of liability. This provision is effective on the date of incorporation of the Association, and shall not eliminate or limit the liability of a director or officer to the Association or to its Members for monetary damages for any act or omission occurring prior to such date. However, this provision shall not limit the rights of directors or officers of the Association for indemnification or other assistance from the Association. Also, this provision shall not restrict or otherwise diminish the provisions of Section 13-21-116(2)(b), Colorado Revised Statutes, as amended, or any other law that would limit or eliminate liabilities. Any repeal or modification of the foregoing provisions of this Article by the Members, or any repeal or modification of the provisions of the Colorado Revised Nonprofit Corporation Act which permits the limitation or elimination of liability of directors or officers, shall not adversely affect any elimination of liability, or any right or protection, for any breach, act, omission or transaction that occurred prior to the time of such repeal or modification.

ARTICLE XII.
AMENDMENTS

Amendment of these Articles shall require the assent of Owners holding a majority of a quorum of the votes of the Units voting in person or by proxy at an annual meeting of 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.
HUD/VA APPROVAL

During the Period of Declarant Control, the following actions will require the prior approval of HUD or VA if, at the time any such action is taken, HUD has insurance or VA has guarantee(s) on one or more First Security Interests: mergers and consolidations, dissolution and amendment of these Articles.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Colorado, the undersigned, the incorporator of this Association, has executed these Articles of Incorporation this 26th day of February, 2004.

Kathleen Busch

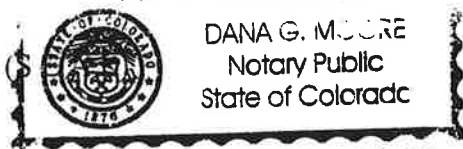
Name of Incorporator: Kathleen Busch
Address: 633 17th Street, Suite 2700
Denver, Colorado 80202

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

The foregoing ARTICLES OF INCORPORATION OF BALTERRA CONDOMINIUM ASSOCIATION, INC. were acknowledged before me this 26th day of February, 2004, by Kathleen Busch, Incorporator.

Witness my hand and official seal.

My Commission expires:



Dana G Moore

Notary Public

The name and mailing address of the individual who caused this document to be delivered for filing, and to whom the Secretary of State may deliver notice if filing of this document is refused, is Kathleen Busch, 633 17th Street, Suite 2700, Denver, Colorado 80202.

The Colorado Secretary of State may contact the following authorized person regarding this document:

Name: Scott A. Ross, Esq.

Address: 633 17th Street, Suite 2700, Denver, Colorado 80202 Voice:303-292-1200; Fax:303-292-1300; E-Mail:sross@lrfllegal.com