ARTICLES OF INCORPORATION
OF
AMERICAN VILLAGE SUBDIVISION
PROPERTY OWNER'S ASSOCIATION, INC.

In compliance with the requirements of the Colorado Nonprofit Corporation Act, Section 7-20-101 through 7-29-106, C.R.S. 1973, as amended, the undersigned, of full age, has this day for the purpose of forming a nonprofit corporation, certified as follows:

ARTICLE I
NAME

The name of the corporation is AMERICAN VILLAGE SUBDIVISION PROPERTY OWNER'S ASSOCIATION, INC., hereafter referred to as the "Association".

ARTICLE II
PRINCIPAL OFFICE

The principal office of the Association is located at 2270 James Street, Montrose, Colorado 81401.

FILED - CUSTOMER COPY
DONETTA DAVIDSON
COLORADO SECRETARY OF STATE
20011137850 M
$ 100.00
SECRETARY OF STATE
07-16-2001 12:13:56

ARTICLE III
REGISTERED AGENT

David M. McClelland, whose address is 2270 James Street, Montrose, Colorado 81401, is hereby appointed the initial registered agent of this Association and such address shall be 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 promote the recreation, health, safety and welfare of the residents of AMERICAN VILLAGE SUBDIVISION ONE, Filing No. 1 recorded on January 2, 2001, at Reception No. 669782 and subsequent filings, Montrose County, Colorado and for the maintenance of the Common Area, all as more fully defined in that certain DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR AMERICAN VILLAGE SUBDIVISION ONE, Filing No. 1 and subsequent filings applicable to the Property and recorded or to be recorded in the Office of the Clerk and Recorder of Montrose County, Colorado, as the same may be amended from time to time ("Declaration"), 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), and to:

(A) exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in the Declaration;

(B) fix, levy, collect and enforce payment, by any lawful means, of 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.

(C) manage, maintain, control and improve the Common Area;

(D) enforce the covenants, restrictions and other conditions affecting any property to the extent this corporation may be authorized under the Declaration;

(E) enter into, make, perform or enforce contracts of every kind and description, and do all other acts necessary, appropriate, or advisable in carrying out any purpose of the Association, with or in association with any person, firm, association, corporation, or other entity or agency, public or private as directed by the members of the Association;

(F) adopt, alter, and amend or repeal such Bylaws as may be necessary or desirable for the property management of the affairs of this Association; provided however, that such Bylaws shall not be inconsistent with or contrary to any provisions of these Articles of Incorporation or the Declaration; and

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

ARTICLE V
MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot, including 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.

A transfer of membership shall occur automatically upon the transfer of title to the lot to which the membership pertains. The Association may suspend the voting rights of any Member for any period during which any assessment against such Member/Owner's Lot remains unpaid. All Members shall be entitled to vote on all matters, except any Members who are in default in any obligation to the Association. Cumulative voting is prohibited.

ARTICLE VI
VOTING RIGHTS

The Association shall have one class of voting membership. All Owners, including the Declarant, will be Members and shall be entitled to one vote for each Lot owned. When more than one person holds and interest in any Lot, all such persons will be Members. 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 except as may be otherwise provided for in the Declaration.

ARTICLE VII
BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of three (3) Directors. Directors shall be members which, in the case of Declarant, shall include its officers, directors, authorized agents and employees, and in the case of other corporate Members shall include the officers and directors of each such corporate member. The number 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:

Name	Address
David M. McClelland	2270 James Street Montrose, Colorado 81401
Anne L. McClelland	2270 James Street Montrose, Colorado 81401

The procedure for the election of Directors and provisions governing their terms of office are set forth in the Bylaws of this Association.

ARTICLE VIII
DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by the Members entitled to vote not less than two-thirds (2/3) of the Association votes. Upon dissolution of the Association other than incident to a merger or consolidation, the assets of the 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 nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE IX
OFFICERS

The Board of Directors may elect a president, a vice-president, a secretary, a treasurer, and 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 of the corporation and shall serve at the pleasure of the Board of Directors.

ARTICLE X
DURATION

The Corporation shall exist perpetually.

ARTICLE XI
LIMITED LIABILITY OF DIRECTORS AND OFFICERS

There shall be no personal liability, either direct or indirect, or 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 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 acto 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 12-21-116(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 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 XI
AMENDMENTS

Subject to the provisions of Article VI, Section 4 of the Declaration, amendment to these Articles shall require the assent of the Members entitled to cast not less than two-thirds (2/3) of a quorum of the Association votes, in person or by proxy, at any annual meeting of the Association or at a special meeting duly called for that purpose; provided, however, that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with any provision of the Declaration.

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 9th day of July, 2001.

David M. McClelland

Address of Incorporator: 2270 James Street
Montrose, Colorado 81401

STATE OF COLORADO)
) ss.
COUNTY OF MONTROSE)

The foregoing instrument was acknowledged before me this 9th day of July, 2001 by David M. McClelland.

Witness my hand and official seal.

My commission expires: 01-11-05

Seal

Notary Public

VTR:gh