

ARTICLES OF INCORPORATION AS AMENDED
of
The Knolls Village Townhouse Association

In compliance with the requirements of Article 24, Chapter 31 of the Colorado Revised Statutes, 1963, as amended, the undersigned, all of whom are residents of the State of Colorado 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 The Knolls Village Townhouse Association.

ARTICLE II

The principal office of the corporation is located at *(As changed on November 24, 1978) 2701 East Geddes Place, Littleton, Colorado, 80122.*

ARTICLE III

The address of the initial registered office of the Corporation is 7605 S. Trenton Drive, Englewood, Colorado, 80110 Arapahoe County, and the name of the initial registered agent at such address is William E. Nollsch. *(On February 3, 1983 Joan Rowe at 7493 South Quince Street, Centennial, CO 80112 was designated registered agent for the Association and remains its register agent today.)*

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

The Knolls Village Townhouse Association, hereinafter called the "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 administration, maintenance, preservation and architectural control, of the lots and common property within that certain tract of property described as:

"All lots, blocks, tracts and outlots in the Knolls West Filing Number 2, Arapahoe 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 by annexation, as provided in Article IX herein, 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 and Restrictions, hereinafter called the "Declaration" , applicable to the property and recorded or to be recorded in the office of the clerk and recorder of Arapahoe County, 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 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;

(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 two-thirds (2/3) of each class of 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) Have and to 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 which is subject by covenants of record assessment by the Association 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 which is subject to assessment by the

Association. Ownership of such lot shall be the sole qualification for membership.

ARTICLE VI
VOTING RIGHTS

The Association shall have two classes of voting membership: Class A. Class A members shall be all those owners as defined in Article V with the exception of the declarant. Class A members shall be entitled to one vote for each lot in which they hold the interest required for membership by Article V. When more than one person holds such interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves 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 developer (As defined in the Declaration). The Class B member shall be entitled to three (3) votes for each lot in which it holds the interest required for membership by Article V, provided that 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) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class b membership; or

(B) July 1, 1983.

ARTICLE VII
BOARD OF DIRECTORS

The affairs of this association shall be managed by a Board of seven (7) directors, who need not be members of the Association. The number of directors may be changed by Amendment of the by-laws 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>
William E. Nollsch	8288 E. Long Pl., Englewood, Colo.
John Osborn	8403 E. Jamison Pl., Englewood, Colo.
Samuel P. Davis Jr.	3100 Zinnia Ct., Golden, Colo.
Edgar W. Nichols	7049 S. Steele, Littleton, Colo.
Susan M. Foley	420 Fillmore St., Denver, Colo.
William T. Troppmann	3068 S. Dexter Way , Denver, Colo.
Ronald S. Loser	6932 S. Spotswood, Littleton, Colo

At the first annual meeting the members shall elect

three directors for a term of one year, two directors for a term of two years and two directors for a term of three years; and at each annual meeting thereafter the members shall elect directors for a term of three years, as required to replace those directors whose terms expire.

ARTICLE VIII LIABILITIES

The highest amount of indebtedness or liability, direct or contingent, to which this association may be subject at any one time shall not exceed 150 percent of its income for the previous fiscal year, provided that additional amounts may be authorized by the assent of two-thirds (2/3) of each class of the membership.

ARTICLE IX ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. The Association may, at any time, annex additional residential properties and common areas to the properties described in Article IV, provided that any such annexation shall have the assent of two-thirds (2/3) of the entire Class A membership and two-thirds (2/3) of the entire Class B membership, if any.

Section 2. If within seven (7) years of the date of incorporation of this association, the developer should develop additional lands within the following described area:

Section 25, Township 5 South, Range 68 West, of the 6th Principal meridian, County of Aarapahoe, State of Colorado. Such additional lands may be annexed to said properties without the assent of the Class A members provided however, that the development of the additional lands described in this section shall be in accordance with a general plan submitted to the Federal Housing Administration and Veterans Administration with the processing papers for the first section. Detailed plans for the development of additional lands must be submitted to the Federal Housing Administration or the Veterans Administration prior to such development. If the federal housing administration or Veterans Administration determine that such detailed plans are not in accordance with the general plan on file, the development of the additional lands must have the assent of two-thirds (2/3) of the Class A members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting.

At this meeting, the presence of members or of proxies entitled to cast sixty percent (60%) of all of the votes of

the Class A membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth above, and the required quorum at any such subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

ARTICLE X
MERGERS AND CONSOLIDATIONS

To the extent permitted by law, the Association may participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of the entire Class A membership and two-thirds (2/3) of the entire Class B membership, if any.

ARTICLE XI
AUTHORITY TO MORTGAGE

Any mortgage by the Association of the common area defined in the declaration shall have the assent of two-thirds (2/3) of the entire Class A membership and two-thirds (2/3) of the Class B membership, if any.

ARTICLE XII
AUTHORITY TO DEDICATE

The Association shall have power to 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 members entitled to cast two-thirds (2/3) of the votes of the entire Class A membership and two-thirds (2/3) of the entire Class B membership, if any, agreeing to such dedication, sale or transfer.

ARTICLE XIII
DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the entire class a membership and two-thirds(2/3) of the entire Class B membership, if any. Upon dissolution of the Association, the assets, both real and personal of the Association, shall be dedicated to an appropriate public agency to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. 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 purposes and uses that would most nearly reflect the purposes and uses to which they were required to be devoted by the Association.

ARTICLE XIV
DURATION

The corporation shall exist perpetually.

ARTICLE XV
MEETINGS FOR ACTIONS GOVERNED BY ARTICLES VIII THROUGH XIII
In order to take action under Articles VIII through XIII, there must be a duly held meeting. Written notice, setting forth the purpose of the meeting shall be given to all member not less than 30 days, nor more than 60 days in advance of the meeting. The presence of members or of proxies entitled to cast sixty percent (60%) of the votes of each class of membership shall constitute a quorum, except for Article IX, Section 2, where the quorum requirement is specifically set forth. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth above, and the required quorum at such subsequent meeting shall be one-half of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting. In the event that two-thirds (2/3) of the Class A membership or two-thirds (2/3) of the Class B membership, if any, are not present in person or by proxy, members not present may give their written assent to the action taken thereat.

ARTICLE XVI
AMENDMENTS

Amendment of this certificate shall require the assent of seventy-five percent (75%) of the entire membership.

ARTICLE XVII
FHA APPROVAL

As long as there is a Class B membership the following actions will require the prior approval of the Federal Housing Administration or Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of common area, dedication common area, dissolution and amendment of these articles.

ARTICLE XVIII (*Added in 1983*)

Effective upon the issuance of a certificate of amendment by the secretary of state, the personal liability of a director to the corporation or to its members for a fiduciary duty as a director is eliminated except for liability of a director to the corporation or its members for

