

NOT FOR PROFIT

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20 APR '79

ARTICLES OF INCORPORATION
OF

STATE OF COLORADO
DEPT. OF STATE

THE KEN-CARYL RANCH
TOWNHOUSE ASSOCIATION

In compliance with the requirements of Title 7, Article 20-29 of the Colorado Revised Statutes, 1973, 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 Ken-Caryl Ranch Townhouse Association

ARTICLE II

The principal office of the corporation is located at 27 Inverness Drive East, Englewood, Colorado, 80112.

ARTICLE III

The address of the initial registered office of the corporation is 27 Inverness Drive East, Englewood, Colorado, 80112, Arapahoe County, and the name of the initial registered agent at such address is William E. Nollsch.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

THE KEN-CARYL RANCH TOWNHOUSE ASSOCIATION, hereinafter called the "Subassociation" 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 properties within that certain tract of property described as: All lots, blocks, tracts and outlots in Ken-Caryl Ranch "Plains" Phase IX, Jefferson 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 Subassociation 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 Subassociation as set forth in that certain Supplemental Declaration of Covenants and Restrictions, hereinafter call the "Declaration", applicable to the property and recorded or to be recorded in the Office of the Clerk and Recorder of Jefferson 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 Subassociation, including all licenses, taxes or governmental charges levied or imposed against the property of the Subassociation;

(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 Subassociation;

(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 to assessment by the Subassociation shall be a member of the Subassociation. 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 Subassociation. Ownership of such lot shall be the sole qualification for membership.

ARTICLE VI
VOTING RIGHTS

The Subassociation 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 (1) 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 (1) vote be cast with respect to any lot.

Class B. The Class B member shall be the Major 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) January 1, 1984.

ARTICLE VII
BOARD OF DIRECTORS

The affairs of this Subassociation shall be managed by a board of seven (7) Directors, who need not be members of the Subassociation. The number of Directors may be changed by amendment of the by-laws of the Subassociation. 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
William E. Nollsch	8288 East Long Place, Englewood, CO
Samuel P. Davis, Jr.	8721 East Kettle Circle, Englewood, CO
Ronald S. Loser	6932 South Spotswood, Littleton, CO
Larry E. Riechert	7545 South Willow Circle, Englewood, CO
H. Kathleen Queenan	1553 South Fairplay Way, Aurora, CO
Edgar W. Nichols	7049 South Steele, Littleton, CO
William E. Troppman	3068 South Dexter Way, Denver, CO

At the first annual meeting the members shall elect two (2) Directors for a term of one (1) year, two (2) Directors for a term of two (2) years and three (3) Directors for a term of three (3) years; and at each annual meeting thereafter the members shall elect Directors for a term of three (3) 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 Subassociation may be subject at any one time shall not exceed one hundred fifty percent (150%) 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 Subassociation may, at any time, annex additional residential properties and common areas to the properties described in Article VI, 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 five (5) years of the date of incorporation of this Subassociation, the Developer should develop additional lands within the following described area:

"Section 32, Township 5 South, Range 69 West of the Sixth Principal Meridian, County of Jefferson, 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 or 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 thirty (30) days nor more than sixty (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 (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

ARTICLE X

MERGERS AND CONSOLIDATIONS

To the extent permitted by law, the Subassociation may participate in mergers and consolidations only with another Subassociation as defined within the Amended and Restated Master Declaration of Covenants, Conditions and Restrictions of Ken-Caryl Ranch recorded June 30, 1978, at Reception No. 78059201 in the Jefferson County, Colorado real estate records; 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 Subassociation of the common properties 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 Subassociation shall have the power to dedicate, sell or transfer all or any part of the common properties 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 Subassociation 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 Subassociation, the assets, both real and personal of the Subassociation, 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 Subassociation. 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 purposes and uses that would most nearly reflect the purposes and uses to which they were to be devoted by the Subassociation.

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 members not less than thirty (30) days nor more than sixty (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 (1/2) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (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 XIV
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 properties, dedication of common properties, dissolution and amendment of these Articles.

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 Subassociation, have executed the Certificate of Incorporation this 19th day of APRIL, 1979.

E. J. Smith
W. J. Hall
John J. Jones

STATE OF COLORADO)
) SS.
COUNTY OF ARAPAHOE)

On this day personally appeared before me, a Notary Public in and for said city, county and state, Edgar W. Nichols, William E. Nollsch, and Ronald S. Loser, personally known to me to be the persons whose names are subscribed to the annexed and foregoing Articles of Incorporation, and they and each of them acknowledged to me that they and each of them signed and sealed the said instrument of writing as their free and voluntary act and deed and as the free and voluntary act and deed of each of them, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 19th day of APRIL, 1979.

My Commission Expires: SEPTEMBER 6, 1980



Idlene G. Lamb
Notary Public