

ARTICLES OF INCORPORATION

OF

FAIRWAY GARDENS TOWNHOMES
OWNERS' ASSOCIATION

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VICTORIA BUCKLEY
COLORADO SECRETARY OF STATE

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The undersigned hereby signs and acknowledges, for delivery in duplicate to the Secretary of State of Colorado, these Articles of Incorporation for the purpose of forming a nonprofit corporation under the Colorado Revised Nonprofit Corporation Act.

ARTICLE I
NAME

The name of this corporation shall be Fairway Gardens Townhomes Owners' Association.

ARTICLE II
DURATION

The duration of this corporation shall be perpetual.

ARTICLE III
PURPOSES AND POWERS

3.1 General Purpose. The Fairway Gardens Townhomes Owners' Association is organized to be the Fairway Gardens Townhomes Owners' Association as referenced in the Declaration of Fairway Gardens Townhomes ("Declaration"). The Declaration is recorded or to be recorded in the office of the Clerk and Recorder of Adams County, Colorado. Fairway Gardens Townhomes Owners' Association is not organized in contemplation of pecuniary gain or profit to its members.

3.2 Specific Purposes. The specific purposes for which Fairway Gardens Townhomes Owners' Association is organized are:

(a) To exercise all of the rights, powers and privileges and to perform all of the duties and obligations of Fairway Gardens Townhomes Owners' Association, as set forth in the Declaration or in any amendment to the Declaration and the Bylaws and any amendment thereto.

(b) To provide for maintenance and preservation of the Fairway Gardens Townhomes community as provided in the Declaration.

(c) To promote, foster, and advance the common interests of owners of Property within the Fairway Gardens Townhomes community.

(d) To fix, levy, collect and enforce payment of, by any lawful means, assessments and other amounts payable by or with respect to owners of Property within the Fairway Gardens Townhomes community as provided in the Declaration.

(e) To manage, maintain, repair and improve all Common Elements and the Limited Common Elements within the Fairway Gardens Townhomes community and to perform services and functions for or relating to the Fairway Gardens Townhomes community, all as provided in the Declaration.

(f) To enforce covenants, restrictions, conditions and equitable servitudes affecting the Fairway Gardens Townhomes community.

(g) To make and enforce rules and regulations with respect to the interpretation and implementation of the Declaration and the use of any Property, Common Elements and Limited Common Elements within the Fairway Gardens Townhomes community.

(h) To establish and maintain the Fairway Gardens Townhomes community as property of the highest quality and value, and to enhance and protect its desirability and attractiveness.

Each purpose specified herein is an independent purpose and is not to be restricted by reference to or inference from the terms of any other purpose.

3.3 Powers. Fairway Gardens Townhomes Owners' Association shall have all of the powers which a nonprofit corporation may exercise under the Colorado Revised Nonprofit Corporation Act and the laws of the State of Colorado in effect from time to time.

ARTICLE IV PRINCIPAL PLACE OF BUSINESS, REGISTERED OFFICE AND AGENT

4.1 Principal Place of Business. The principal place of business of Fairway Gardens Townhomes Owners' Association shall be 1678 Paris Street, Aurora, Colorado 80012. This office is in Adams County, Colorado.

4.2 Initial Registered Office and Initial Registered Agent. The address of the initial registered office of the Association shall be 1678 Paris Street, Aurora, Colorado 80012. The initial registered agent of the Association, whose business office is identical with such registered office, is Shelly Jeffries. The registered office and registered agent may be changed, without amendment of these Articles of Incorporation, as provided by statute.

ARTICLE V BOARD OF DIRECTORS

5.1 Board of Directors. The affairs of Fairway Gardens Townhomes Owners' Association shall be managed by a Board of Directors. The duties, qualifications, number and term of directors and the manner of their election, appointment and removal shall be as set forth in the Bylaws.

5.2 Initial Board of Directors. The number of the first Board of Directors shall be three. The names and addresses of the persons who are to serve as the initial directors are as follows:

Richard E. Castle
1645 Taylor Boulevard
Lafayette, California 94549-2117

Shelly Jeffries
1678 Paris Street
Aurora, Colorado 80012

Austa Balvin
1678 Paris Street
Aurora, Colorado 80012

ARTICLE VI
INCORPORATOR

The name and address of the incorporator is as follows:

Wade A. Houser
McGloin, Davenport,
Severson and Snow, P.C.
1600 Stout Street, Suite 1600
Denver, Colorado 80202-3103

ARTICLE VII
MEMBERS AND VOTING RIGHTS

7.1 Members. Membership in the Fairway Gardens Townhomes Owners' Association shall consist of all owners of Property within the Fairway Gardens Townhomes community. There shall be one membership for each Property owned within the Fairway Gardens Townhomes community. This membership shall be automatically transferred upon the conveyance of that Property. Voting shall be one vote per Property, and the vote to which each membership is entitled is the vote assigned to its Property in the Declaration. If a Property is owned by more than one person, those persons shall agree among themselves how a vote for that Property's membership is to be cast. Individual co-owners may not cast fractional votes. A vote by a co-owner for the entire Property's membership interest shall be deemed to be pursuant to a valid proxy, unless another co-owner of the same Property objects at the time the vote is cast, in which case such membership's vote shall not be counted. There shall be one class of members: Owners who own Property as defined in the Declaration. These Property owners shall elect all members of the Executive Board following the period of Declarant control as defined below.

7.2 Declarant. Notwithstanding the foregoing, the Declarant shall have additional rights and qualifications as may be provided under the Colorado Common Interest Ownership Act and the Declaration, including the right to appoint members of the Executive Board as follows: During the period of Declarant control, Declarant, or persons designated by it, subject to certain limitations, may appoint and remove the officers and members of the Executive Board. The period of Declarant control terminates no later than the earlier of: (1) sixty (60) days after the conveyance of seventy-five percent (75%) of the Properties to Owners other than the Declarant; (2) two (2) years after Declarant has last conveyed a Property in the ordinary course of business; or (3) two (2) years after any right to add new Properties was last exercised. The Declarant may voluntarily surrender the right to appoint and remove officers and directors of the Executive Board before termination of the period of Declarant control, but in that event, the Declarant may require, for the duration of Declarant control, that specified actions of the Association or Executive Board as described in a recorded instrument executed by the Declarant be approved by the Declarant before they become effective. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Properties are conveyed to Owners other than Declarant, at least one (1) member, and not less than twenty-five percent (25%) of the members of the Executive Board, shall be elected by Property owners other than the Declarant. No later than sixty (60) days after conveyance of fifty percent (50%) of the Properties to Owners other than Declarant, not less than one-third (1/3) of the members of the Executive Board must be elected by Property owners other than the Declarant.

7.3 Proxy Voting. A Member entitled to vote may vote in person or, if the Bylaws so provide, may vote by proxy executed in writing by the Member or his duly authorized attorney-in-fact.

ARTICLE VIII
LIMITATION ON PERSONAL LIABILITY; INDEMNITY

As provided by C.R.S. § 7-128-402 of the Colorado Revised Nonprofit Corporation Act, a director of the corporation shall not be liable to the corporation or to its members for monetary damages for breach of fiduciary duty as a director except for the following acts:

- (a) Any breach of the director's duty of loyalty to the corporation or its members;
- (b) Acts or omissions not in good faith or which involve intentional misconduct or knowing violation of law;
- (c) Acts specified in C.R.S. § 7-128-403, as amended;
- (d) Any transaction from which the director derived an improper personal benefit.

The corporation shall indemnify and advance expenses to its officers, directors, employees and agents to the fullest extent allowed by and in a manner not inconsistent with C.R.S. §§ 7-129-101 through 7-129-110 of the Colorado Revised Nonprofit Corporation Act. The corporation may purchase and maintain insurance to effect the indemnification provided for hereunder, but the corporation shall not be required to provide such insurance.

ARTICLE IX
MISCELLANEOUS

9.1 Distribution of Assets on Dissolution of Fairway Gardens Townhomes Owners' Association. In the event of dissolution of Fairway Gardens Townhomes Owners' Association, the assets of Fairway Gardens Townhomes Owners' Association shall, to the extent reasonably possible, be conveyed or transferred to an appropriate public or governmental agency or agencies or to a nonprofit corporation, association, trust or other organization, to be used, in any such event, for the common benefit of Members for similar purposes for which the particular asset was held by Fairway Gardens Townhomes Owners' Association. To the extent the foregoing is not possible, Fairway Gardens Townhomes Owners' Association's assets shall be sold or disposed of and the proceeds from the sale or disposition shall be distributed to Members in proportion to the number of Properties owned by each Member within the Fairway Gardens Townhomes Owners' Association.

9.2 Bylaws. Fairway Gardens Townhomes Owners' Association shall have the power to make and alter Bylaws, not inconsistent with these Articles of Incorporation or with the laws of the State of Colorado or with the Declaration, for the administration and regulation of the affairs of the corporation. The initial Bylaws of Fairway Gardens Townhomes Owners' Association shall be adopted by the Board of Directors. The power to alter, amend or repeal the Bylaws or adopt new Bylaws shall be vested in the Members, except as may be provided in the Bylaws, subject to the provisions in the Declaration for approval of amendments by the FHA or VA and/or First Mortgagees.

9.3 Amendment of Articles. Fairway Gardens Townhomes Owners' Association may amend these Articles of Incorporation from time to time in accordance with the Colorado Revised Nonprofit Corporation Act in any and as many respects as may be desired so long as the Articles of Incorporation as amended contain only such provisions as are lawful under that Act and so long as the Articles of Incorporation as amended shall not be contrary to or inconsistent with any provision of the Declaration.

9.4 Definitions. The capitalized terms in these Articles of Incorporation shall have the same meaning as any similarly capitalized terms defined in the Declaration.