



STATE OF COLORADO

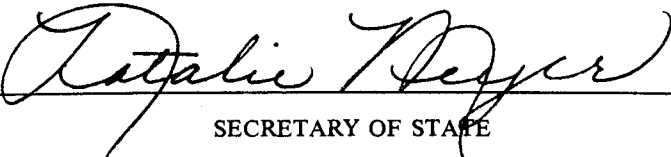
DEPARTMENT OF
STATE

CERTIFICATE

I, NATALIE MEYER, Secretary of State of the State of Colorado hereby certify that the prerequisites for the issuance of this certificate have been fulfilled in compliance with law and are found to conform to law.

Accordingly, the undersigned, by virtue of the authority vested in me by law, hereby issues A CERTIFICATE OF INCORPORATION TO CENTENNIAL TRAILS HOMEOWNERS ASSOCIATION, A NONPROFIT CORPORATION.

Dated: AUGUST 1, 1991



SECRETARY OF STATE

NONPROFIT

ARTICLES OF INCORPORATION

FILED

OF

AUG -1 1991

CENTENNIAL TRAILS HOMEOWNERS ASSOCIATION

STATE OF COLORADO
DEPARTMENT OF STATE

The undersigned acting as incorporator under the Colorado Nonprofit Corporation Act adopts the following Articles of Incorporation for such Corporation.

ARTICLE I

NAME

The name of the Corporation is CENTENNIAL TRAILS HOMEOWNERS ASSOCIATION, hereinafter known as "Association."

ARTICLE II

REGISTERED OFFICE AND REGISTERED AGENT

The address of the Association's initial registered office and the name of the initial registered agent at that address is as follows:

- (a) Registered Agent: *Richard C. Smith*
- (b) Registered Office: *5430 Centennial Trail
Boulder, Colo. 80303*

ARTICLE III

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof. The purposes for which the Association is

formed is to govern the residential community situated in the City of Boulder, County of Boulder, State of Colorado, which is known as CENTENNIAL TRAILS HOMEOWNERS ASSOCIATION, hereinafter referred to as "The Project," legally described as:

Lots 1 through 42, together with Outlots A, B, D, E, F, G, H, I, J and K, Centennial Trails Subdivision, a subdivision in the City of Boulder, according to the recorded plat thereof on file in the office of the Clerk and Recorder of Boulder County, Colorado, hereinafter referred to as "the properties;"

and to promote the health, safety and welfare of the residents within the above-described Project and for this purpose subject to the restrictions contained in ARTICLE IX hereof to:

(a) 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 COVENANTS, CONDITIONS AND RESTRICTIONS OF CENTENNIAL TRAILS, hereinafter referred to as the "Declaration," applicable to the Project and recorded against the properties as Reference No. 595134 on Film No. 1284 in the records of the Boulder County Clerk and Recorder, Boulder, Colorado, as the same may be further amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length; and

(b) fix, levy, collect and enforce payment by any lawful means all charges or assessments levied pursuant to the terms of the Declaration; to pay all expenses incident to the conduct

of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the Association; and

(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) 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 two-thirds (2/3) of each class of Members, agreeing to such dedication, sale or transfer;

(f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Areas; provided that any such merger, consolidation or annexation shall have the written assent of sixty-seven percent (67%) of each class of Members subject to the restrictions contained in ARTICLE IX below.

(g) have and to exercise any and all powers, rights and privileges which a corporation organized under the NonProfit Corporation Law of the State of Colorado by law may now or hereafter have or exercise.

ARTICLE IV

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot or Living Unit which is subject by the terms of the Declaration of record to assessment by the Association, including the Declarant, as said term is defined in the Declaration, and 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 which is subject to assessment by the Association.

ARTICLE V

VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners with the exception of the Declarant, and shall be entitled to one vote for each Lot owned.

The vote for such Lot, the ownership of which is held by more than one Owner, may be exercised by any one of them,

unless an objection or protest by any other holder of an interest in the Lot is made prior to the completion of the vote, in which case the vote for such Lot shall be exercised, as the persons holding such interest shall determine between themselves. Should the joint owners of a Lot be unable, within a reasonable time, to agree upon how they will vote any issue, they shall be passed over and their right to vote on such issue shall be lost. In no event shall more than one vote be cast with respect to any such Lot.

Class B. The Class B member shall be the Declarant (as defined in the Declaration) who shall be entitled to three (3) votes for each Lot owned. The Class B membership may be converted to Class A Membership at the option of the Declarant by its written notice to the Secretary of the Association, but in any event shall be converted to Class A Membership without further act or deed not later than (a) when seventy-five percent (75%) of the Lots have been conveyed to Purchasers other than Declarant, or (b) five (5) years following the recording of this Declaration, whichever shall first occur.

ARTICLE VI

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,

employees and authorized agents, 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:

Richard Smith	5430 Centennial Trail Boulder, CO 80303
Dennis Jackson Smith	5250 Centennial Trail Boulder, CO 80303
Mark Wait	5465 Centennial Trail Boulder, Colo. 80303
Colby Gaultos	5270 Centennial Trail, Boulder, Colo. 80303

At the first annual meeting of the Association, the Members shall elect one Director for a one-year term, one Director for a two-year term, and one Director for a three-year term, and at each annual meeting thereafter the Members shall elect the same number of Directors as there are Directors whose terms are expiring at the time of each election, for terms of three years. At the first annual meeting of the Association, the candidate for the Board of Directors who receives the largest number of votes shall be elected for a three-year term, the candidate who receives the next largest number of votes shall be elected for a two-year term, and the candidate who receives the next largest number of votes shall be elected for a one-year term.

ARTICLE VII

AMENDMENTS

Amendment of these Articles will require the assent of two-thirds (2/3) of the entire Membership.

ARTICLE VIII

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than seventy-five percent (75%) of each class of Members, subject to the restrictions contained in ARTICLE IX below.

Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE IX

PRIOR APPROVALS

The following actions will require the prior written approval of seventy-five percent (75%) of First Mortgagees (as defined in the Declaration); (a) annexation of additional properties, (b) mergers and consolidations of the Association, (c) dissolution of the Association, and (d) amendment of these Articles.

If the Project has been or is to be approved by the Federal Housing Administration and/or the Veterans Administration, then

being by me first duly sworn, declared that he was the person who signed the foregoing document as incorporator and that the statements therein contained are true.

My Commission Expires: April 10 1994

Witness my hand and official seal.

William J. Nave
Notary Public

Address: 577 E. Cleveland

L. Sayre, Secy 80026