

1977 CO 17 21 2 (3)

ARTICLES OF INCORPORATION
OF
VILLA MARGAUX HOMEOWNERS ASSOCIATION, INC.

STATE OF COLORADO

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 non-profit corporation, certified as follows:

ARTICLE I

The name of the corporation is "Villa Margaux Homeowners Association, Inc.," hereinafter called the "Association."

ARTICLE II

The principal office of the Association is located at 2620 and 2630 South Federal Blvd., Denver, Colorado, 80219.

ARTICLE III

Dana Pepper, whose legal address is 900 South Kipling Parkway, Lakewood, Colorado 80226 is hereby appointed as the registered agent of the Association. The registered address of the Association shall be 900 South Kipling Parkway, Lakewood, Colorado, 80226.

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 provide for maintenance, preservation and architectural control of the Lots and Common Area within that certain tract of property described as: Lots 2 & 3, Block 18, Southlawn Gardens, City and County of Denver, State of 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 the Association, 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, Conditions and Restrictions for Villa Margaux Townhomes (hereinafter called "Declaration"), recorded in the office of the Clerk and Recorder of the City and County of Denver, State of 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 (all capitalized terms as used herein, shall have the same meaning as defined in the Declaration, unless otherwise defined herein.

(b) Fix, levy, collect and enforce payment by any lawful means, all charges or 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, 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, provided that subject to Section (e) of this Article IV, no conveyance, sale, transfer or dedication shall be effective unless approved by two-thirds (2/3) of each class of Members;

(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, and grant permits, licenses and easements over the Common Area for public utilities, road and/or other purposes reasonably necessary or useful for the proper maintenance or operation of the Property, provided that no such dedication, sale or transfer shall be effective unless first approved by two-thirds (2/3) of the Owners, and provided further that the granting of permits, licenses and easements as provided herein shall not be deemed a transfer within the meaning of this Subsection (e);

(f) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any merger or consolidation shall have the assent of two-thirds (2/3) of the Owners;

(g) Manage, control, operate, maintain, repair and improve the Common Area;

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

(i) Engage in activities which will actively foster, promote and advance the common ownership interests of the Owners;

(j) Enter into, make, perform or enforce contracts of every kind and description, and do all other action necessary, appropriate or advisable in carrying out any purpose of this Association with or in association with any person, firm, association, corporation or other entity or agency, public or private;

(k) Adopt, alter and amend or repeal such Bylaws as may be necessary or desirable for the proper 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 of the Declaration; and

(l) 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 or exercise.

(m) Make and enforce rules and regulations with respect to the interpretation and implementation of the Declaration and Bylaws and the use of any property within the Association.

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 the terms of the Declaration to assessment by the Association shall be a member of this 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 assessments by the Association.

ARTICLE VI VOTING RIGHTS

There shall be one (1) class of voting membership. All Owners shall be entitled to one (1) vote for each lot owned. When an entity or more than one (1) person holds an interest in any Lot, the entity or all such person shall be members. The vote of such Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any such Lot.

ARTICLE VII BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board of three (3) directors. Two of such three directors must be members of the Association. The third director need not be a member of the Association. 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
D.F. Walker	P.O. Box 464 Wheatridge, Colorado 80034

Suzan Shen

2620 S. Federal #F
Denver, Colorado 80219

Fred Heimbigner

2630 S. Federal #L
Denver, Colorado 80219

The original term of office for the Directors shall be one (1) for a term of three years and two (2) for a term of two years. At each annual meeting thereafter Directors shall be elected for a term of three years.

ARTICLE VIII DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each Class of Members. 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 DURATION

The Corporation shall exist perpetually.

ARTICLE X AMENDMENTS

Subject to the provisions of the Declaration, amendment of these Articles shall require the assent of two-thirds (2/3) of a quorum of the Owners voting, 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.

ARTICLE XI LIMITED LIABILITY AND INDEMNIFICATION

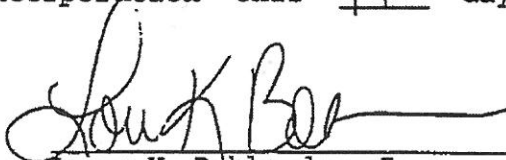
(a) As provided in the Declaration and subject to the provisions of any applicable law, the Association, the Board of Directors, any committees formed by the Board of Directors, and any member, agent or employee of any of the same, shall not be liable to any person for any action or for any failure to act if the action taken or failure to act was in good faith and without malice.

(b) The Association shall indemnify any Director or Officer and may, in the discretion of the Board of Directors, indemnify any employee of the Association against any and all expenses actually and reasonably incurred by or imposed upon him in connection with, arising out of, or resulting from, any proceeding in which he may be involved or to which he is or may be made a party by reason of (a) actual or alleged error or misstatement or misleading statement or act or omission or neglect or breach of duty while acting in his official capacity as a Director, Officer or Employee, or (b) any matter claimed against him solely by reason of his being a Director, Officer or Employee. The right of indemnification shall extend to all matters as to which a majority of disinterested Directors of the Association by resolution, or independent legal counsel in a written opinion, shall determine that the Director, Officer or Employee acted in good faith and had no reasonable cause to believe that his conduct was improper or unlawful. The right of indemnification shall not extend to matters as to which the Director, Officer or Employee is finally adjudged in an action, suit or proceeding to have been liable for gross negligence or willful misconduct in the performance of his duty except to the extent that a court may determine, upon application, that despite such adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity. The right of indemnification shall not extend to any matter as to which said indemnification would not be lawful under the laws of the State of Colorado.

(c) The Association may advance expenses to or where appropriate, may undertake the defense of any Director, Officer or Employee in a proceeding provided that the Director, Officer or Employee shall undertake, in writing, to reimburse the Association for the expenses advanced or for the costs and expenses of such defense if it should ultimately be determined that the Director, Officer or Employee is not entitled to indemnification under this Article.

(d) The Association may purchase and maintain liability insurance on behalf of any Director, Officer or Employee against liability asserted against him and incurred by him as a Director, Officer or Employee or arising out of his status as such, including liabilities for what a Director, Office or Employee might not be entitled to indemnification hereunder.

IN WITNESS WHEREOF, for the purposes of forming this corporation under the laws of the State of Colorado, I, Loura K. Bohlender, constituting the incorporator of this Association, have executed these Articles of Incorporation this 17th day of October, 1994.


Loura K. Bohlender, Incorporator

STATE OF COLORADO

)

) ss.

CITY AND COUNTY OF DENVER

)

Subscribed and sworn to before me this 17th day of
October, 1994 by Loura K. Bohlender.

Witness my hand and official seal.

My commission expires: 10-23-97



Jacquelyn Ann Keniville
Notary Public