

**ARTICLES OF INCORPORATION
OF
THE KNOLLS MASTER ASSOCIATION, INC.**

For the purpose of forming a nonprofit corporation pursuant to the provisions of Articles 20 through 29, inclusive, of Title 7, Colorado Revised Statutes 1973, the undersigned has made, signed and acknowledged the following Articles:

**ARTICLE I
NAME**

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The name of the corporation shall be THE KNOLLS MASTER ASSOCIATION, INC. (the "Association").

**ARTICLE II
DURATION**

The Association shall exist in perpetuity from and after the date of filing of these Articles of Incorporation with the Colorado Secretary of State, unless dissolved according to Colorado law.

**ARTICLE III
PURPOSES**

The purposes for which the Association is organized are as follows:

- A. To be and constitute the Association to which reference is made in the "First Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements of The Knolls Master Association" (herein called the "Declaration"), dated as of January 8, 1998, and recorded in the office of the Clerk and Recorder of Mesa County, Colorado.
- B. To perform the duties, assume the obligations, and exercise the rights and powers of the Association as set forth in said Declaration.
- C. To make and enforce rules as provided in said Declaration; and
- D. To exercise all the powers conferred upon corporations not for profit by the common law and statutes of the State of Colorado in effect from time to time.

**ARTICLE IV
MEMBERSHIPS AND VOTING RIGHTS**

Members of the Association shall be every record owner of a Lot subject to the Declaration. Membership shall be appurtenant to and may not be separated from ownership of

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a Lot. Ownership of such Lot shall be the sole qualification for such membership. Where more than one person holds interest in a Lot, all such persons shall be Members.

The Association shall have one class of voting membership. Owners shall be entitled to one vote for each Lot owned. If ownership of a Lot is held by more than one Owner, the vote for said Lot may be exercised by any one of them, unless an objection or protest by any other holder of an interest of 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.

The total number of votes which may be cast in connection with any matter shall be equal to the total number of Lots existing and subject to the Declaration.

ARTICLE V BOARD OF DIRECTORS

The business and affairs of the Association shall be conducted, managed and controlled by a Board of Directors.

The initial Board of Directors shall consist of three Members. The number of Directors may be changed from time to time by amendment to the Bylaws of the Association.

Members of the Board of Directors shall be elected at the annual meeting of the Associations in the manner provided in the Bylaws.

The initial Board of Directors shall consist of the following three directors:

<u>Name</u>	<u>Address</u>
Robert C. Knapple	3695 Ridge Drive Grand Junction, CO 81506
Dennis L. Granum	759 Horizon Drive, Suite A Grand Junction, CO 81506
Michael J. Bonds	759 Horizon Drive, Suite A Grand Junction, CO 81506

**ARTICLE VI
LIMITATIONS OF DIRECTORS' LIABILITY**

No director shall have personal liability to the Association or to its Members for monetary damages for breach of fiduciary duty as a director, except for (1) any breach of the director's duty of loyalty to the Association or its Members; (2) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) acts expressly proscribed or for which directors are otherwise liable under the Colorado Nonprofit Corporation Act; or (4) any transaction from which the director derived an improper personal benefit.

If the Colorado Nonprofit Corporation Act is subsequently amended to authorize corporate action further limiting or eliminating the personal liability of directors, then the liability of a director shall be limited or eliminated to the fullest extent permitted by the Colorado Nonprofit Corporation Act or other Colorado law, as so amended. Any repeal or modification of this Article by the Members of the Association shall not adversely affect any right or protection of a director existing at the time of such repeal or modification.

**ARTICLE VII
REGISTERED AGENT AND REGISTERED OFFICE**

The registered agent of this Association is Robert C. Knapple and the registered office is 3695 Ridge Drive, Grand Junction, CO 81506.

**ARTICLE VIII
AMENDMENTS**

Amendments to these Articles shall be in accordance with the statutory requirements of the Colorado Nonprofit Corporation Act.

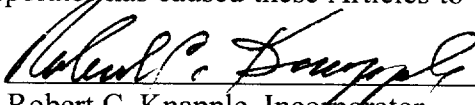
**ARTICLE IX
DISTRIBUTION OF ASSETS UPON DISSOLUTION**

The Association may be dissolved with the consent of Members to which at least sixty-seven percent (67%) of the votes in the Association are allocated. Upon the dissolution of this Association, its assets shall be distributed to any successor corporation by merger or consolidation, or if none, to any new corporation formed to serve as the "Association" under the Declaration, or if none, to any tax exempt, non-profit corporation designated by the Board of Directors of the Association acting at the time of dissolution, or if none is so designated, to the County of Mesa , a political entity.

**ARTICLE X
DEFINITIONS**

Terms used in these Articles of Incorporation which are defined in the Declaration shall have the same meaning and definition as such terms have in the Declaration.

IN WITNESS WHEREOF, the Incorporator has caused these Articles to be executed this 9th day of January, 1998.

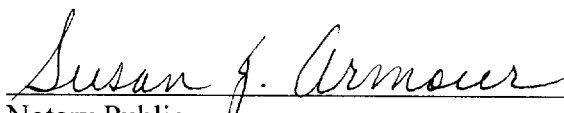


Robert C. Knapple, Incorporator

STATE OF COLORADO)
) ss.
COUNTY OF BOULDER)

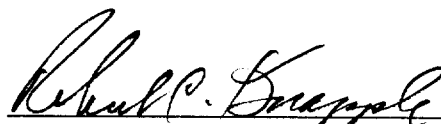
The foregoing instrument was acknowledged before me this 9th day of January, 1998, by Robert C. Knapple.

My commission expires: 1/22/2000



Notary Public

The undersigned consents to his appointment as the initial Registered Agent of The Knolls Master Association, Inc.



Robert C. Knapple, Registered Agent