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NONPROFIT

**ARTICLES OF INCORPORATION
OF
HILLTOP NORTH HOMEOWNERS ASSOCIATION, INC.
A Colorado Nonprofit Corporation**

In compliance with the requirements of the Colorado Nonprofit Corporation Act, the undersigned, acting as incorporator, files the following Articles of Incorporation for the purpose of forming a non-profit corporation.

**ARTICLE I
NAME**

The name of the corporation is Hilltop North Homeowners Association, Inc., a Colorado Nonprofit Corporation (the "Association"). ✓

**ARTICLE II
TERMS**

All capitalized terms shall have the meaning set forth in the Colorado Common Interest Ownership Act, C.R.S. §§ 38-33.3-101 et seq., as amended (the "Act").

**ARTICLE III
PURPOSE**

The purposes for which the corporation is formed are as follows:

(a) To manage, administer and operate the Common Interest Community located in the County of Douglas, Colorado, as described in and in accordance with the provisions of that certain Declaration of Covenants and Restrictions of Villages of Parker Filing No. 26A Hilltop North (the "Declaration") including, without limiting the generality of the foregoing statement, the performance of the following acts and services as a nonprofit corporation organized pursuant to the Colorado Nonprofit Corporation Act:

(i) The acquisition, construction, management, supervision, care, operation, maintenance, renewal and protection of all buildings, structures, grounds, roadways and other facilities, installations and appurtenances thereto relating to the Common Area (as defined in the Declaration) within the Common Interest Community. In furtherance of this purpose and power, at its election, the Association may also but shall not be required to provide garbage and trash collection, and supplement municipal services, insofar as permitted by law, to do any other thing that, in the opinion of the Executive Board, will promote the common benefit and enjoyment of the residents of the Common Interest Community.

(ii) The enforcement of any and all covenants, restrictions and agreements applicable to the Common Interest Community; including but not limited to,

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those set forth in the Declaration.

(iii) The preparation of estimates and budgets of the costs and expenses of rendering these services and the performance, or contracting or entering into agreements for this performance, as provided for in or contemplated by this subparagraph (iii), the apportionment of these estimated costs and expenses among the Unit Owners; and the collection of these costs and expenses from the Unit Owners obligated to assume or bear the same; and the borrowing of money for the Association's purposes, pledging as security the income due from Unit Owners and from others, the property of the corporation and the Common Area of the Common Interest Community.

(iv) The enforcement on behalf of the Unit Owners, rules made or promulgated by the Executive Board with respect to the safe occupancy, reasonable use and enjoyment of the buildings, structures, grounds and facilities of the Common Interest Community, and to enforce compliance with these rules, including the levy of fines.

(v) The performance or causing to be performed, all other and additional services and acts as are usually performed by managers or managing agents of real estate developments, including without limitation, keeping or causing to be kept, appropriate books and records, preparing and filing necessary reports and returns, and making or causing to be made audits of books and accounts.

(b) To retain legal counsel, auditors, accountants, appraisers and other persons or services that may be necessary for or incidental to any of the activities described in this document.

(c) To do and perform, or cause to be performed, all other necessary acts and services suitable or incidental to any of the foregoing purposes and objects to the fullest extent permitted by law, and to acquire, sell, mortgage, lease or encumber any real or personal property for these purposes.

(d) To promote the health, safety, welfare and common benefit of the residents of the Common Interest Community.

(e) to do any and all permitted acts, and to have and to exercise any and all powers, rights and privileges which are granted to the Association by the Declaration, the Bylaws of the Association and the State of Colorado.

(f) To do any and all permitted acts, and to have and to exercise any and all powers, rights and privileges which are granted to a nonprofit corporation organized pursuant to the Colorado Nonprofit Corporation Act, as the same may be amended from time to time.

The foregoing statements of purpose shall be construed as statements of both purposes and powers. The purposes and powers stated in each clause shall not be limited or restricted by reference to or inference from the terms or provisions of any other clause,

but shall be broadly construed as independent purposes and powers. The Association shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of the Association.

ARTICLE IV
DURATION

The duration of the Association shall be perpetual.

ARTICLE V
NONPROFIT

The Association shall be a nonprofit corporation, without shares of stock.

ARTICLE VI
PRINCIPAL OFFICE

The principal office and business address of the Association shall be 19590 East Mainstreet, Suite 103, Parker, Colorado 80138. ✓

ARTICLE VII
AGENT FOR SERVICE AND REGISTERED AGENT

The initial registered agent of the Association shall be Jean Densmore-Fowler, and the address of the registered office is 19590 East Mainstreet, Suite 103, Parker, Colorado 80138. ✓

ARTICLE VIII
EXECUTIVE BOARD

The initial Executive Board shall consist of three persons, and this number shall be increased to five (5) pursuant to the provisions of the Bylaws of the Association, and may be changed by a duly adopted amendment to the Bylaws, except that in no event may the number of Directors be less than three.

ARTICLE IX
INCORPORATOR

The name and address of the incorporator is as follows: Barbara S. Banks, Esq., whose address is 225 Union Blvd., #310, Lakewood, Colorado 80228. ✓

ARTICLE X
AMENDMENT

Amendment of these Articles shall require the assent of two-thirds (2/3) of a

quorum of the Unit Owners voting in person or by proxy at an annual meeting of Members or at a special meeting called for this 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
MEMBERSHIP CLASSES, RIGHTS AND QUALIFICATIONS

The classes, rights and qualifications of voting members are as follows: ✓

The Association shall have voting members. Any person who holds title to a Unit in the Common Interest Community shall be a member of the Association. There shall be one membership for each Unit owned within the Common Interest Community. This membership shall be automatically transferred upon the conveyance of that Unit. Voting shall be based upon one vote per unit, and the vote to which each membership is entitled is the vote assigned to its Unit in the Declaration of the Common Interest Community. If a Unit is owned by more than one person, those persons shall agree among themselves how a vote for that Unit's membership is to be cast, pursuant to applicable provisions in the Bylaws of the Association. A vote by an individual co-owner for the entire Unit's membership interest shall be deemed to be pursuant to be valid proxy, unless another co-owner of the same Unit objects at the time the vote is cast, in which case such membership's vote shall not be counted unless such co-owners can agree within a reasonable time.

The members shall be of one class, Unit Owners who own Units, as defined in the Declaration. These Unit Owners shall elect all members of the Executive Board, following the Period of Declarant Control as more particularly described in the Declaration.

Except as otherwise provided in the Declaration, not later than the termination of any Period of Declarant Control, the Unit Owners shall elect an Executive Board of at least five members, at least a majority of whom shall be Unit Owners. The Executive Board shall elect the officers. The Executive Board members and officers shall take office upon election.

ARTICLE XII
INDEMNIFICATION

The Association may indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a member of the Executive Board, director, manager, officer, project manager, employee, fiduciary or agent of the Association, who is or was serving at the request of the Association in such capacity, against expenses (including expert witness fees, attorney's fees and costs) judgments, fines, amounts paid in settlement actually and reasonably incurred by him or her in

connection with such action, suit or proceeding, if he or she acted in good faith and in a manner which such individual reasonably believed to be in the best interest of the Association, and with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Determination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner he or she reasonably believed to be in the best interest of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe his or her conduct was unlawful.

The Association may indemnify any person who was or is a party or who is threatened to be made a party to any threatened, pending or contemplated action or suit by or in the right of the Association to procure judgment in its favor by reason of the fact that such person is or was a member of the Executive Board, a director, a manager, officer, project manager, employee, fiduciary or agent of the Association or is or was serving at the request of the Association in such capacity, against expenses (including expert witness fees, attorney's fees and costs) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner which he or she reasonably believed to be in the best interest of the Association; but no indemnification shall be made in respect of any claim, issue or matter as to which such person has been adjudged to be liable for negligence or misconduct in the performance of his or her duty in the Association unless, and to the extent that the court in which such action or suit was brought determines upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses if such court deems proper.

To the extent that a member of the Executive Board, director, manager, officer, project manager, employee, fiduciary or agent of the Association has been successful on the merits in defense of any action, suit or proceeding referred to in paragraphs 1 or 2 of this Article XII, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including expert witness fees, attorney's fees and costs) actually and reasonably incurred by him or her in connection therewith.

Any indemnification under the first or second paragraphs of this Article XII (unless ordered by a court) and distinguished from the third paragraph of this Article XII, shall be made by the Association only as authorized by the specific case upon a determination that indemnification of the member of the Executive Board, director, manager, officer, project manager, employee, fiduciary or agent is proper in the circumstances because such individual has met the applicable standard of conduct set forth in the first or second paragraphs above. Such determination shall be made by the Executive Board by majority vote of a quorum consisting of those members of the Executive Board who were not parties to such action, suit or proceeding or, if such a quorum is not obtainable, such determination shall be made by written opinion of independent legal counsel and written approval by Executive Board members entitled to vote thereon, if any.

The indemnification provided by this Article XII shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of the members or disinterested members of the Executive Board, or otherwise, nor by any rights which are granted pursuant to C.R.S. § 38-33.3-101, et seq., and the Colorado Nonprofit Corporation Act.

The Association may purchase and maintain insurance on behalf of any person who is or was a member of the Executive Board, a manager, officer, project manager, employee, fiduciary or agent of the Association, or who is or was serving at the request of the Association as a member of the Executive Board, director, manger, officer, project manager, employee, fiduciary or agent of another Association, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by such individual in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify such individual against such liability under the provisions of this Article XII.

ARTICLE XIII **HUD/VA APPROVAL**

During the Development Period as defined in the Declaration, the annexation of additional real property shall require the prior approval of HUD or VA if, at the time any such action is taken, HUD has insurance or VA has a guarantee(s) on one or more Security Interests.

ARTICLE XIV **DISSOLUTION**

In the event of dissolution of the Association, the assets of the Association shall be distributed in accordance with C.R.S. § 38-33.3-218.

ARTICLE XV **ORGANIZER**

The address of the organizer who caused this document to be delivered for filing and to whom the Secretary of State may send a coy of this document upon completion of filing or to whom the Secretary of State may return this document if filing of this document is refused is Barbara S. Banks, Banks & Imatani, P.C., 225 Union Blvd., Suite 310, Lakewood, CO 80228.