

**ARTICLES OF INCORPORATION
OF
HILLSIDE AT STONY CREEK HOMEOWNERS'
ASSOCIATION, INC.**

The undersigned hereby signs and acknowledges, for delivery in duplicate to the Secretary of State of Colorado, these Articles of Incorporation (the "Articles ") for the purpose of forming a nonprofit corporation under the Colorado Nonprofit Corporation Act (the "Act") in conformance with the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-011, et seq, as amended, ("CCIOA").

All capitalized terms herein shall have the meaning set forth in the Declaration of Covenants, Conditions and Restrictions or the Act.

**ARTICLE 1
NAME**

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The name of the corporation shall be Hillside at Stony Creek Homeowners' Association, Inc. /
("the Association").

**ARTICLE 2
DURATION**

The period of duration of the Association shall be for twenty (20) years after filing of these Articles. After such 20th anniversary, the duration of this Association shall be automatically extended for periods of ten (10) years each, unless amended and extinguished by a written instrument approved by the Members to whom at least 90% of the votes in the Association are allocated and recorded in the Records.

**ARTICLE 3
PURPOSES**

The Association is organized to be and constitutes the Association to which reference is made in the Declaration of Covenants, Conditions and Restrictions for Hillside at Stony Creek (the "Declaration"). The Declaration will be executed on behalf of Hillside at Stony Creek V, Limited Liability Company as the "Declarant" thereunder. The Declaration will be recorded in the real property records of Jefferson County, Colorado.

The Declaration relates to real property in Boulder County, Colorado, which is or may be made subject to the Declaration (the "Property").



The Association is not organized in contemplation of pecuniary gain or profit to Members.

The Association is organized for the following purposes:

- A. To exercise all of the rights, powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration, the Bylaws, as each may be amended to either of them, or as provided in CCIOA, as amended.
- B. To provide for maintenance, preservation and architectural control of the Property including, without limitation, the Lots and the Common Area within the Property.
- C. To promote, foster and advance the health, safety and welfare of residents within the Property.
- D. To fix, levy, collect and enforce payment of, by any lawful means, Assessments and other amounts payable by, or with respect to, the Owners of Lots within the Property as provided in the Declaration and in the Bylaws.
- E. To manage, control, operate, maintain, repair and improve the Common Area, and to perform services and functions for or relating to the Property, all as provided in the Declaration.
- F. To enforce covenants, conditions, restrictions and equitable servitude affecting the Property.
- G. To make and enforce Rules and Design Guidelines with respect to the use of the Property including, without limitation, the Lots and the Common Area within the Property, as provided in the Declaration.
- H. To establish and maintain the Property as property of the highest quality and value, and to enhance and protect its value, desirability and attractiveness.

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

ARTICLE 4 POWERS

The Association shall have all of the powers which a nonprofit corporation may exercise under the Act, an association may exercise under CCIOA and as provided by the laws of the state of Colorado in effect from time to time.

ARTICLE 5
REGISTERED OFFICE AND AGENT

The initial registered office of the Association shall be at 5575 S. Sycamore, Suite 103, Littleton, Colorado 80120, located in Arapahoe County, Colorado. The initial registered agent of the Association is Robert P. Gerlofs. The registered office and registered agent may be changed, without amendment to these Articles, as provided by statute.

ARTICLE 6
BOARD OF DIRECTORS

The affairs of the 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.

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:

<u>Name</u>	<u>Address</u>
Robert P. Gerlofs	5575 S. Sycamore, Suite 103 Littleton, Colorado 80120
Paul S. Barru	2660 West Long Circle Littleton, Colorado 80120
H. Kenneth Gilliland	13510 West 116th Terrace Olathe, Kansas 66062

ARTICLE 7
MEMBERS

A. Generally. Every Person who is an Owner (including Declarant) shall be a Member of the Association and shall remain a Member for so long as that Person continues to be an Owner; except that when the Association owns any Lot, the Association shall not be a Member. The Association shall have only one class of Members. Each Member shall be entitled to one vote for each Lot owned by such Member; except that the Association shall not be entitled to a vote for any Lot owned by the Association. Each Membership in the Association shall be appurtenant to and may not be separated from ownership of the Lot to which the Membership is attributable. Except as expressly provided in this Article 7, no other voting rights are created by these Articles. No change in the Membership of a Person shall be effective for voting purposes until the Board receives written notice of the change together with satisfactory evidence of the change.

B. Multiple Owners. When an Owner consists of more than one Person, while each such Person shall be a Member of the Association, only one of such co-Owners shall be entitled to exercise the single vote to which the Lot is entitled. Such co-Owners must designate one co-Owner to exercise the single vote in a written instrument delivered to the Secretary of the Association not later than five (5) days prior to a meeting of the Association. Such written instrument shall remain in full force and effect until revoked by a written instrument filed with the Association or replaced by a subsequent written instrument filed with the Association replacing the designated co-Owner with another designated co-Owner. If such co-Owners fail to designate a co-Owner, then such co-Owners shall be treated as having abstained from any vote made by the Members at any meeting held at any time prior to the timely receipt of the written instrument by the Board. Only the designated co-Owner may cast a vote or issue a proxy on behalf of such co-Owners and the vote cast by the designated co-Owner shall bind all co-owners. Fractional votes shall not be allowed.

C. Designated Representative. In all cases in which a Member is not a natural person, such Member shall designate one natural person as the designated representative of such Member in a written instrument delivered to the secretary of the Association not later than five (5) days prior to a meeting of the Association. Such written instrument shall remain in full force and effect until revoked by written instrument filed with the Association or replaced by a subsequent written instrument filed with the Association replacing the designated representative with another designated representative. If such Member fails to designate a representative, then such Member shall be treated as having abstained from any vote made by the Members at any meeting held at any time prior to the timely receipt of the written instrument by the Board. Only the designated representative may cast a vote or issue a proxy on behalf of such Member and the vote cast by the designated representative shall bind the Member.

D. Association Owned Lots. No votes allocated to a Lot owned by the Association may be cast.

E. Voting Rights of Members. Members shall have voting rights as set forth in the Declaration and Bylaws.

ARTICLE 8 PROXY VOTING

A Member shall be entitled to vote in person, as provided in the Bylaws, and subject to the Bylaws and applicable law may vote by proxy on any matters on which such Members are entitled to vote.

ARTICLE 9 CUMULATIVE VOTING

Cumulative voting by Members in the election of Directors shall not be permitted.

**ARTICLE 10
BYLAWS**

The Association shall have the power to make and alter Bylaws, not inconsistent with these Articles or with the laws of the state of Colorado or with the Declaration for the administration and regulation of the affairs of the Association. The initial Bylaws of the 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, subject to provisions in the Bylaws for approval of amendments by the Declarant during the Period of Declarant Control.

**ARTICLE 11
AMENDMENT OF ARTICLES**

The Association may amend these Articles from time to time in accordance with the Act by vote of the Members, but only so long as the Articles as amended contain such provisions as are lawful under the Act and are not contrary to or inconsistent with any provision of the Declaration. Notwithstanding anything to the contrary contained herein, prior to the termination of the Period of Declarant Control, these Articles shall not be amended without the Declarant's prior written consent and approval.

**ARTICLE 12
DISSOLUTION**

In the event of dissolution of the Association, the Common Area shall, to the extent permitted by law and where reasonably possible, be conveyed or transferred to an appropriate governmental or quasi-governmental agency or agencies, or to a nonprofit corporation, association, trust or other organization, to be used for the common benefit of the Owners for similar purposes for which the Common Area was held by the Association. To the extent the foregoing is not possible, the Common Area shall be sold or disposed of and the proceeds from the sale or disposition shall be distributed first for the payment of debts and obligations incurred by the Association and then to the Owners in an equitable manner determined by the Board (which determination will be conclusive) based upon each Owner's pro rata portion of the Property. To the extent that Association Property is not transferred or sold as provided above, title shall pass to the Lot Owners according to the provisions of C.R.S. § 38-33.3-218 (6)(a). The Termination of the Common Interest Community shall at all times be subject to C.R.S. § 38-33.3-218. ✓

**ARTICLE 13
LIMITATION ON DIRECTOR'S LIABILITY**

No Director of the Association shall have any personal liability for monetary damages to the Association or its Members for breach of his or her fiduciary duty as a Director, except this Article 13 shall not eliminate or limit the personal liability of a Director to the Association or its Members for monetary damages for: (a) any breach of the Director's duty of loyalty to the Association or its

Members; (b) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (c) acts specified in Colorado Revised Statutes section 7-24-11; (d) or any transaction from which the Director derived an improper personal benefit. Nothing contained in this Article 13 shall be construed to deprive any Director of his or her right to all defenses ordinarily available to a Director nor shall anything in this Article 13 be construed to deprive any Director of any right he or she may have for contribution from any other Director or any other person.

**ARTICLE 14
INDEMNIFICATION**

The Association shall indemnify, to the maximum extent permitted by law, any person who is or was a Director, Officer, agent, fiduciary or employee of the Association against any claim, liability or expense arising against or incurred by such person made a party to a proceeding because he or she is or was a Director, Officer, agent, fiduciary or employee of the Association or because he or she is or was serving another entity as a Director, Officer, agent, fiduciary or employee at the Association's request. The Association shall further have the authority to the maximum extent permitted by law to purchase and maintain insurance providing such indemnification.

**ARTICLE 15
INCORPORATOR**

The name and address of the Incorporator is as follows:

<u>Name</u>	<u>Address</u>
Paul S. Barru	2660 West Long Circle Littleton, Colorado 80120

IN WITNESS WHEREOF, these Articles are executed this 11 day of JUNE 1998.

STATE OF COLORADO)

)ss.

COUNTY OF ARAPAHOE)

by Paul S. Barru

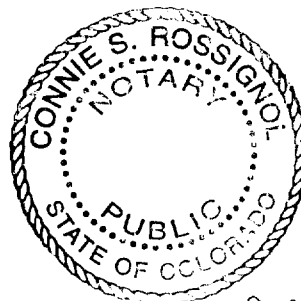
The foregoing instrument was acknowledged before me this 11th day of June 1998.
By Paul S. Barru.

Witness my hand and official seal.

My commission expires: 9-27-98

Notary Public

Connie S. Rossignol



My Commission Expires 9/27/98
2323 East Arapahoe Road
Littleton, CO 80122