

NONPROFIT

ARTICLES OF INCORPORATION

OF

THE PARAMOUNT VILLAGE COMMUNITY ASSOCIATION

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For the purpose of forming a Corporation not-for-profit under the Laws of the State of Colorado, the undersigned hereby sign and acknowledge the following Articles of Incorporation:

ARTICLE I

NAME

The name of the Corporation is THE PARAMOUNT VILLAGE COMMUNITY ASSOCIATION (hereinafter referred to as "Association").

ARTICLE II

DURATION

The period of duration of the Association shall be perpetual.

ARTICLE III

PURPOSES

The business, objects and purposes for which the Corporation is formed are as follows:

1. To be and constitute the Association to which reference is made in the Declaration of Covenants, Conditions and Restrictions for Paramount Village Subdivision Filing No. 1 and any amendment or supplement thereto (hereinafter called the "Declaration" and the definitions and provisions thereof are incorporated herein by this reference as if set forth at length) which has been or will be recorded in the records of the Clerk and Recorder of the County of Boulder, Colorado, and to perform all obligations and duties of the Association and to exercise all rights and powers of the Association.

2. To provide an entity for the furtherance of the interests of all of the Owners, including the Declarant named in the Declaration, of certain lots in Paramount Village Subdivision Filing No. 1, with the objectives of establishing and maintaining those lots as a project of quality and value; enhancing and protecting its value, desirability and attractiveness; and providing for certain maintenance, preservation and architectural control of the lots within said project.

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ARTICLE IV

POWERS

The Association shall have all of the powers, duties, and privileges granted or permissible to a corporation not-for-profit under the laws of Colorado except as expressly limited by these Articles and the Declaration including, but not limited to, the following:

(1) To make and establish rules and regulations governing the use and activities of the Association.

(2) To make, levy, and collect assessments against members of the Association, in accordance with the terms of the Declaration and such Bylaws of this Association as may from time to time be adopted, defray the costs, expenses, and losses of the Association, and to use the proceeds in the exercise of its powers and duties.

(3) To maintain, repair, replace, operate, and manage the Association and the real and personal property comprising it, including the right to reconstruct improvements after damage by casualty, to make further improvements of the Association property, and to purchase replacements and additional property in furtherance of the purposes of the Association.

(4) To make contracts and incur liabilities, borrow or lend money at such rates of interest as the Association may determine, issue its notes, bonds and other obligations, and secure any of its obligations by mortgage and pledge of all or any of its property, franchises, or income.

(5) To purchase, lease, take by gift, devise or bequest, or otherwise acquire, own, hold, improve, use, or otherwise deal in and with real and personal property, or any interest therein.

(6) To purchase insurance upon any of the property and insurance for protection of the Association, and any mortgagees, lessees or other persons.

(7) To contract for the management of the Association and to delegate to such contractor or contractors all powers and duties of the Association except such as are specifically required by the Declaration to have approval of the Executive Board or the membership of the Association or which may not be delegated pursuant to Colorado Law.

(8) To employ personnel to perform the services required for the proper operation of the Association.

(9) To enforce by legal means the provisions of the Declaration, these Articles of Incorporation, the Bylaws of the Association which may be hereafter adopted from time to time, and the Rules and Regulations governing the use of the Development as may be hereafter duly established.

(10) To exercise, undertake, and accomplish all of the rights, duties and obligations which may be granted to or imposed upon the Association by law or pursuant to the Declaration.

The Powers of the Association shall be subject to and shall be exercised in accordance with the provisions of the Declaration and the Bylaws. The foregoing powers shall not be limited in any way, except as otherwise expressly provided, by reference to or inference from the terms of any other clause (or any other matter within the same clause), but shall be regarded as independent powers; and the enumeration of specified powers shall not be construed to exclude, limit or restrict in any manner any power, right, or privilege given to the Association by law, or to limit or restrict in any manner the meaning of the general terms of such clauses, or the general powers of the Association, nor shall the expression of one thing be deemed to exclude another, although it be of a like nature, not expressed.

ARTICLE V

MEMBERSHIP

1. This corporation shall be a membership corporation without certificates or shares of stock. As more fully provided in the Declaration, every person or entity who is a record owner of a fee or undivided fee interest in any lot which is subject to assessment under the Declaration, including contract sellers, shall be a member of the Corporation. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation.

2. A membership in this Corporation and the interest of a member in the assets of this Corporation shall not be assigned, encumbered or transferred in any manner except as appurtenant to the transfer of title to the lot to which the membership pertains; provided, however, that the rights of membership may be assigned to the holder of a mortgage, deed of trust or other security instrument on a lot as further security for a loan secured by a lien on such lot.

3. A transfer of membership shall occur automatically upon the transfer of title to the lot to which the membership pertains; provided however, that the Bylaws of this Corporation may contain reasonable provisions and requirements with respect to recording such transfers on the books and records of this Corporation.

4. Members shall have the right to purchase other lots and to exercise the membership rights appurtenant thereto as provided in the Declaration.

5. This Corporation may suspend the voting rights of a member for failure to comply with the Rules and Regulations or the Bylaws of the Association or with any other obligations, including nonpayment of assessments, under the Declaration. All members shall be entitled to vote on all matters, except any members who are in default in any obligation to the Association. Cumulative voting is prohibited.

6. The Bylaws may contain additional provisions setting forth the rights, privileges, duties and responsibilities of the members; provided however, the provisions of these Articles of Incorporation and the Bylaws shall be subject to the covenants, terms and provisions of the Declaration which shall control in the event of any conflict, and the provisions of these Articles of Incorporation shall control over any conflicting provisions in the Bylaws.

ARTICLE VI

VOTING RIGHTS

As more fully provided in the Declaration and Bylaws, the Association shall have one (1) class of voting membership:

1. Class A. Class A members shall be all owners of lots, and there shall be one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members, and the vote for such lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any lot. Class A members shall vote as provided in the Declaration to approve the annual budget or any supplemental or special assessment; to approve mergers, consolidations, or dissolution of the Association; to approve conveyance, or mortgaging of the Common Area; to approve amendments to the Declaration after the Declarant's rights to amend have terminated; to elect the Executive Board of the Association during the period of Declarant control as required by C.R.S. §38-33.3-(303); and to elect all members of the Executive Board after the period of Declarant control with the manner of election to be described in the Bylaws of the Association.

2. Each Class A member shall be entitled to one (1) vote for each lot owned, provided that (i) the Association may suspend any Class A member's voting rights in the Association during any period or periods that such member fails to comply with the Rules and Regulations of the Association adopted by the Executive Board or with any other obligation of the member under the Bylaws or the Declaration, (ii) no Class A member shall have the right to vote

until (a) the Secretary of the Association has received from either the member or from a title company licensed to do business in the State of Colorado a certified copy of the recorded deed or other recorded instrument establishing record title to a lot, and (b) if the member shall be more than one (1) person or a corporation or a partnership, a written notice subscribed to by all such persons or by such corporation, as the case may be, designating one of such persons or an officer of such corporation as the person entitled to cast the votes with respect to such lot; but all of the other rights and all other obligations of the owner of such lot hereunder shall be unaffected including, without limitation, the right to use the Common Area and the obligation to pay assessments.

3. Members shall have no preemptive rights to purchase other lots or the membership appurtenant thereto.

ARTICLE VII

EXECUTIVE BOARD

The names and addresses of the three (3) persons who are to serve as the first Executive Board of the Association until their successors are duly elected and qualify are:

Richard R. Storck
135 B West Swallow
Fort Collins, Colorado 80525

Aletha Langham-Godwin
135 B West Swallow
Fort Collins, Colorado 80525

Marty DeHart
135 B West Swallow
Fort Collins, Colorado 80525

The Executive Board shall consist of an odd number of Directors, but shall have not less than three (3), nor more than five (5), members after the period of service by the initial Directors identified above, the specified number to be set forth from time to time in the Bylaws of the Association.

The business affairs of the Corporation shall be conducted, managed and controlled by the Executive Board. Except as provided herein, members of the Executive Board shall be elected in the manner provided in the Bylaws.

Notwithstanding the foregoing, not later than sixty (60) days after conveyance of twenty-five percent (25%) of the lots that may be created to lot owners other than the Declarant, at least one (1) member, and not less than twenty-five percent (25%) of the members of the Executive Board shall be elected by lot owners other than

the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the lots that may be created to lot owners other than the Declarant, not less than one-third (1/3) of the members of the Executive Board must be elected by lot owners other than the Declarant. In accordance with the Colorado Common Interest Ownership Act, the period of Declarant control shall terminate no later than the earlier of: (i) sixty (60) days after conveyance of seventy-five percent (75%) of the lots that may be created to lot owners other than the Declarant; (ii) two (2) years after the Declarant has last conveyed a lot in the ordinary course of business; or (iii) two (2) years after any right to add new lots was last exercised. The Declarant may voluntarily surrender the right to appoint and remove officers and directors of the Executive Board before termination of the period of Declaration control, but in that event, the Declarant may require for the duration of the period of Declarant control, that specified actions of the Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

ARTICLE VIII

REGISTERED OFFICE AND AGENT

The registered office of the Corporation shall be:

Richard R. Storck
135 B West Swallow
Fort Collins, Colorado 80525

The registered agent at such address shall be:

Richard R. Storck
135 B West Swallow
Fort Collins, Colorado 80525

ARTICLE IX

TRANSFER OF ASSETS UPON DISSOLUTION

In the event of the dissolution of this corporation, all property of the corporation shall, to the extent reasonably possible, be conveyed or transferred to an appropriate public or governmental agency or agencies or to another nonprofit corporation, association, trust or other organization, to be used, in any such event, for the common benefit of the members of this association for similar purposes for which the particular property was held by this association. To the extent the foregoing is not possible, all properties of the association shall be sold or disposed of, and the proceeds from the sale or disposition shall be distributed to members in proportion to the number of lots each member owns within the project as more fully described in the

Declaration of Covenants, Conditions and Restrictions for Paramount Village Subdivision Filing No. 1 as found in the real estate records of the Clerk and Recorder of the County of Boulder.

ARTICLE X

INCORPORATOR

The incorporator of this Corporation shall be Glen Droegemueller and his address is 822 Seventh Street, Suite 330, Greeley, Colorado 80631.

ARTICLE XI

AMENDMENTS

Amendments to these Articles of Incorporation may be adopted at a regular or special meeting of the members of the Association upon receiving the vote of 75% of the membership of the Association who are present at the meeting or who have provided proxies to be voted upon the proposed amendment; provided, that no amendments shall be adopted which would render these Articles inconsistent with the Declaration of Covenants for Paramount Village Subdivision Filing No. 1 recorded in Boulder County, Colorado.

ARTICLE XII

BYLAWS

The first Bylaws of the Corporation shall be adopted by the Executive Board and may be altered, amended, or rescinded in the manner provided in the Bylaws; provided, however, that no provision of the Bylaws shall be contrary to or inconsistent with any provision hereof or of the Declaration.

ARTICLE XIII

PERSONAL LIABILITY OF EXECUTIVE BOARD

The personal liability of an Executive Board member to the Association or its members for monetary damages for breach of fiduciary duty is eliminated; except that this shall not eliminate or limit the liability of a member of the Executive Board to the Association or its members for monetary damages for: (a) any breach of the Executive Board member's duty of loyalty to the Association or its members; (b) acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law; (c) acts specified in C.R.S. §7-24-111; or (d) any transaction from which the Executive Board member derived an improper personal benefit.

IN WITNESS WHEREOF, for the purpose of forming this Corporation under the laws of the State of Colorado, the undersigned, constituting the Incorporation of this Association, has executed these Articles of Incorporation this 25th day of October, 1993.

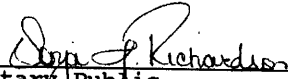


GLEN DROEGEMUELLER

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

I, Sonja J. Richardson, a Notary Public in and for said County and State, do hereby certify that on the 25th day of October, 1993, personally appeared before me, GLEN DROEGEMUELLER, who, being by me first duly sworn, declared that he is of the age of twenty-one (21) years or more, that he is the person who signed the foregoing document as Incorporator, and that the statements therein contained are true.

WITNESS my hand and official seal.



Notary Public
Address: 822 7th St., #330
 Greeley, CO 80631
My Commission Expires: 12/19/96