

**"If this document contains any restriction based on race, color, religion, sex, familial status, marital status, disability, national origin, or ancestry, that restriction violates state and federal fair housing laws and is void. Any person holding an interest in this property may request that the county recorder remove the restrictive covenant language pursuant to subdivision (c) of Section 12956.1 of the Government Code."**

**ARTICLES OF INCORPORATION**

**SONOMA VILLAGE AT UTE CREEK  
HOMEOWNERS ASSOCIATION, INC.**

**NONPROFIT**

FILED  
DENETTA DAVIDSON  
COLORADO SECRETARY OF STATE

In accordance with the provisions and requirements of the Colorado Revised Nonprofit Corporation Act, Articles 121 through 137, Title 7, C.R.S., as amended, the undersigned, of full age, has this day, for the purpose of forming a non-profit corporation, certifies as follows:

**ARTICLE I  
NAME**

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The name of the corporation shall be the SONOMA VILLAGE AT UTE CREEK HOMEOWNERS ASSOCIATION, INC., hereafter referred to as the "Association".

**ARTICLE II  
PRINCIPAL OFFICE**

The principal office of the Association shall be c/o Sonoma & Pinnacle, LLC, 8101 E. Prentice Ave, Suite 815, Greenwood Village, CO 80111.

**ARTICLE III  
REGISTERED AGENT**

Brett W. Bennett, whose address is 8101 E. Prentice Ave., Suite 815, Greenwood Village, CO 80111, is hereby appointed as the initial registered agent of the Association, and such address shall be the registered address of the Association.

**ARTICLE IV  
PURPOSE AND POWERS OF THE ASSOCIATION**

The 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 certain property and improvements within the property described on Exhibit A to the Declaration (hereafter defined), and any additions thereto as may hereafter be brought within the jurisdiction of the Association (hereafter called the "Community"), and to promote the health, safety and welfare of the residents within the Community, and for the following purposes to:

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1. exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions of Sonoma Village at Ute Creek, hereinafter called the "Declaration", applicable to the Community and recorded or to be recorded in the Office of the Clerk and Recorder of Boulder County, Colorado, as the same may be amended and supplemented from time to time, said Declaration being incorporated herein as if set forth at length (capitalized terms not otherwise defined herein shall have the meaning ascribed to them within the Declaration);

2. adopt and amend budgets for revenues, expenditures, and reserves, and fix, levy, collect and enforce payment of, by any lawful means, all charges and 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;

3. acquire (by gift, purchase or otherwise), own, hold, improve, encumber, maintain, convey, sell, lease, transfer or otherwise dispose of real or personal property, in its own name, in connection with the affairs of the Association; provided, however, that portions of the Common Elements may be conveyed or subjected to a security interest by the Association only if Persons entitled to cast at least eighty percent (80%) of the votes in the Association, including eighty percent (80%) of the votes allocated to Units not owned by Declarant or a Builder, agree to that action;

4. borrow money and mortgage, pledge, deed in trust, or hypothecate any or all of its personal property as security for money borrowed or debts incurred; provided however that portions of the Common Elements may be conveyed or subjected to a security interest by the Association only if Persons entitled to cast at least eighty percent (80%) of the votes in the Association, including eighty percent (80%) of the votes allocated to Units not owned by Declarant or a Builder, agree to that action;

5. hire and terminate managing agents and other employees, agents, and independent contractors;

6. institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more other Owners on matters affecting the Community;

7. impose reasonable charges for the preparation and recordation of amendments to the Declaration or statements of unpaid assessments;

8. provide for the indemnification of its officers and Executive Board, and maintain directors' and officers' liability insurance;

9. participate in mergers and consolidations with other nonprofit corporations organized for the same or similar purposes; provided that any merger or consolidation, other than as may be done by Declarant as a special Declarant Right, shall have the assent of the Owners of Units to which at least two-thirds (2/3) of the votes of the Association are allocated;

10. manage, control, operate, maintain, repair and improve its property and other property as provided in the Declaration;

11. enforce covenants, conditions and restrictions affecting any property to the extent this Association may be authorized to do so under the terms of the Declaration;

12. engage in activities which will actively foster, promote and advance the common interests of the Owners;

13. enter into, make, perform, or enforce contracts, licenses, leases, and agreements of every kind and description, incur liabilities, and do all other acts necessary, appropriate or advisable in carrying out any purpose of this Association, with or in association with any other person, firm, association, corporation or other entity or agency, public or private; provided however, that the foregoing rights with respect to contracts and leases shall be subject to the express limitations, if any, contained in the Act;

14. promulgate, adopt, alter, amend, repeal, and publish Association Bylaws (the "Bylaws") and rules and regulations, as may be necessary or desirable for the proper management of the affairs of the Association; provided however, that such Bylaws and Association rules and regulations shall not be inconsistent with or contrary to any provisions of these Articles or Incorporation or the Declaration;

15. 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;

16. regulate the use, maintenance, repair, replacement and modification of Common Elements;

17. cause additional improvements to be made as part of the Common Elements;

18. impose and receive any payments, fees or charges for the use, rental or operation of the Common Elements;

19. exercise any powers enumerated in the Bylaws and exercise any other powers necessary and proper for the governance and operation of the Association.

**ARTICLE V  
MEMBERSHIP**

The Owners of each Unit which is now or hereafter subject to assessment as provided in the Declaration, including contract sellers, shall be a Member of the Association. Following termination of the Community, the membership shall consist of all former Owners entitled to distribution of proceeds under the Act or their heirs, personal representatives, successors or assigns. 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 the ownership of any Unit which is subject to assessment by the Association.

A transfer of membership shall occur automatically upon the transfer of title to the Unit to which the Membership pertains. The Association may suspend the voting rights of a Member for a period not to exceed sixty (60) days for any infraction of its published rules and regulations or the Bylaws, or for any period during which any assessment against such Owner's Unit remains unpaid. All Members shall be entitled to vote on all matters except any Members who are in default in any obligations to the Association. Cumulative voting is prohibited.

**ARTICLE VI  
VOTING RIGHTS**

1. The Association shall have one class of voting membership. Each Owner shall be entitled to one (1) vote for each Unit owned, in accordance with the Allocated Interest attributable to such Unit, except that no votes allocated to a Unit owned by the Association may be cast. The total number of votes which may be cast in connection with any matter shall be equal to the total number of Units then existing within the Community. Except as otherwise provided in this Article, during the period of Declarant Control, the Declarant or persons appointed by the Declarant, may appoint all of the officers and directors, and may remove all officers and directors of the Executive Board appointed by it. A Declarant may voluntarily surrender the right to appoint and remove officers and directors of the Executive Board before termination of the period of Declarant 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. No later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units which May Be Included to Owners other than a Declarant or a Builder, at least one (1) member and not less than twenty-five percent (25%) of the members of the Executive Board must be elected by Owners other than the Declarant or a Builder. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units which May Be Included to Owners

other than a Declarant or a Builder, not less than thirty-three and one-third percent (33 1/3%) of the members of the Executive Board must be elected by Owners other than the Declarant or a Builder.

2. Not later than the termination of the Period of Declarant Control, the Owners shall elect an Executive Board of at least three (3) members, at least a majority of which must be Owners other than the Declarant or designated representatives of Owners other than the Declarant. The Executive Board shall elect the officers. The Executive Board members and officers so elected shall take office upon election.

#### **ARTICLE VII EXECUTIVE BOARD**

The affairs of the Association shall be managed by an Executive Board of three (3) Directors. Directors shall be Members, which in the case of the Declarant, may include any member of Declarant and any director, officer, employee or authorized agent of Declarant, and in the case of corporate Members, may include the officers and directors of each such corporate Member. 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:

Brett W. Bennett  
Jason A. Bennett  
Steve Steele

The successors to the initial and subsequent Executive Board shall be appointed or elected in the manner set forth in the Bylaws.

#### **ARTICLE VIII DISSOLUTION**

The Association may be dissolved with the assent given in writing and signed by the Owners with not less than two-thirds (2/3) of the votes allocated to Units not then owned by Declarant, and by the Declarants with not less than two-thirds (2/3) of the votes allocated to the Units then owned by the Declarant. Upon dissolution of the Association other than incident to a merger or a 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  
OFFICERS**

The Executive Board may appoint a President, one or more Vice Presidents, a Secretary, a Treasurer and such other officers as the Board, in accordance with the provisions of the Bylaws, believes will be in the best interests of the Association. The officers shall have such duties as may be prescribed in the Bylaws and shall serve at the pleasure of the Executive Board.

**ARTICLE X  
DURATION**

Subject to dissolution as provided in Article VIII, the Association shall exist perpetually.

**ARTICLE XI  
LIMITED LIABILITY OF  
DIRECTORS AND OFFICERS**

There shall be no personal liability, either direct or indirect, of any director or officer of the Association to the Association or its Members, for any monetary damages, except for any breach of fiduciary duty as a director or officer; except that this provision shall not eliminate the liability of a director or officer to the Association or its Members for monetary damages for any breach, act, omission or transaction as to which the Colorado Nonprofit Corporation Act ( as in effect from time to time) expressly prohibits the elimination of liability. This provision shall be effective as of the date of incorporation of the Association, and shall not eliminate or limit the liability of a director or officer to the Association or to its Members for monetary damages for any act or omission occurring prior to such date. However, this provision shall not limit the rights of directors or officers of the Association for indemnification or other assistance from the Association. Also, this provision shall not restrict or otherwise diminish the provisions of Section 13-21-116(2)(b), Colorado Revised Statutes, as amended, or any other law which would limit or eliminate liabilities. Any repeal or modification of the foregoing provisions of this Article by the Members, or any repeal or modifications to the provisions of the Colorado Nonprofit Corporations Act which permits the limitation or elimination of liability of directors and officers, shall not adversely affect any elimination of liability, or any right or protections, for any breach, act, omission or transaction that occurred prior to the time of such repeal or modification.

**ARTICLE XII  
AMENDMENTS**

Amendment of these Articles shall require the assent of Owners holding a majority of a quorum of the votes of the Units voting in person or by proxy at any annual

meeting of Members or at a special meeting called for this purpose; provided however, that no amendment to these Articles or Incorporation shall be contrary to or inconsistent with any provision of the Declaration.

**ARTICLE XIII  
HUD/VA APPROVAL**

During the Period of Declarant Control, the following actions will require the prior approval of HUD or VA if, at the time any such action is taken, HUD has insurance or VA has any guarantee(s) upon one or more Security Interests; annexation of additional properties, consolidations and mergers, dissolution and amendment of these Articles.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Colorado, the undersigned, the incorporator of this Association, has executed these Articles of Incorporation as of the 19<sup>th</sup> day of May, 2003.



Robert A. Kirkhope  
8101 E. Prentice Ave, Suite 815  
Greenwood Village, CO 80111

The name and address of the individual who caused this document to be delivered for filing, and to whom the Secretary of State may deliver notice if filing of this document is refused is:

Robert A. Kirkhope  
8101 E. Prentice Ave, Suite 815  
Greenwood Village, CO 80111

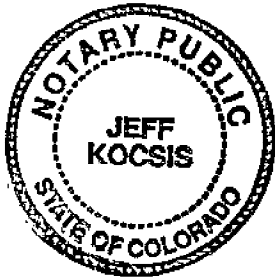


STATE OF COLORADO )  
 ) ss.  
COUNTY OF ARAPAHOE )

The foregoing Articles of Incorporation of The Sonoma Village at Ute Creek Homeowners Association, Inc. were acknowledged before me this 19<sup>th</sup> day of May, 2003 by Robert A. Kirkhope, Incorporator.

My commission expires 4-16-07

Witness my hand and official seal.



*Jeff Kocsis*  
Notary Public

**CONSENT OF INITIAL REGISTERED AGENT**

The undersigned hereby consents to the appointment by the Association as its Initial Registered Agent.

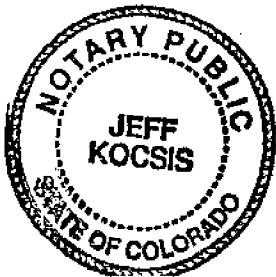
*Brett W. Bennett*  
Brett W. Bennett

STATE OF COLORADO )  
 ) ss.  
COUNTY OF ARAPAHOE )

The foregoing Consent or Initial Registered Agent was acknowledged before me this 19 day of May, 2003 by Brett W. Bennett, Initial Registered Agent.

My commission expires 4-16-07

Witness my hand and official seal.



*Jeff Kocsis*  
Notary Public