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STATE OF COLORADO

NONPROFIT

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JUN 30 1987
STATE OF COLORADO
DEPARTMENT OF STATE

ARTICLES OF INCORPORATION
OF
HOVER VILLAGE SEVEN COMMUNITY ASSOCIATION

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 HOVER VILLAGE SEVEN COMMUNITY ASSOCIATION (hereinafter the "Association").

ARTICLE II

DURATION

The period of duration of the Association shall be perpetual.

ARTICLE III

PURPOSES

The purpose and objects for which the Association is organized shall be to administer the operation and management of a certain portion of Hover Village Block Seven, to be established on real property, located in the City of Longmont, County of Boulder, Colorado.

Hover Village Seven shall be created by the filing in the Office of the County Clerk and Recorder of Boulder County, Colorado, a Declaration of Covenants, Conditions, Restrictions, and Easements (the "Declaration"). The operation and maintenance of the Development shall be administered in accordance with the Declaration and any and all amendments or modifications thereof from time to time adopted pursuant thereto, and recorded in the Office of said County Clerk and Recorder, including, without limitation, any amendment subjecting to the terms and provisions of the Declaration any portion or portions of said real property which were not made subject to said terms and provisions at the time the Declaration was initially recorded.

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 Board of Directors 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.

- (11) To negotiate the precise location of any exploration and production activity for minerals of any type or, in the alternative, the ability to enter into contractual agreements with the State of Colorado by which mineral production may be prohibited within Hover Village Seven.

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 AND VOTING RIGHTS

Until December 31, 1992, or until the total number of Class A votes shall equal the total number of Class B votes, there shall be two classes of members, to-wit:

Class A: Class A Members shall be all Owners of Lots or Living Units within a multi-family structure except the Developer. Class A Members shall be entitled to one (1) vote for each Lot owned.

Class B: The Class B Members shall be the Declarant who shall have two votes for every Lot or Living Unit less the number of Class A votes outstanding at the time a vote is taken.

Class B Membership and the Class B voting rights shall cease upon the earlier of the following events: when the total number of Class A votes equals the total number of Class B votes or on December 31, 1992.

The voting rights of members shall be as follows:

(a) Class A Members shall vote as provided in the Declaration to approve a raise in the maximum annual assessments which is greater than that allowed by the Declaration; to approve special capital improvement assessments; to approve mergers, consolidations, or dissolution of the Association; to approve conveyance, dedication, or mortgaging of the Common Area; to approve amendments to the Declaration after the Declarant's rights to amend have terminated; and to elect at least two (2) Members to the Board of Directors of the Community Association with the manner of election to be described in the Bylaws of the Association.

(b) Class B Members shall be entitled to the same voting privileges as have been identified for the Class A until the voting rights of the Class B Members shall cease on the earlier of the following events: when the total number of Class A votes equals the total number of Class B votes or on December 31, 1992, whichever occurs first.

Each Class A member shall be entitled to one (1) vote for each Lot or Living Unit 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 Owner fails to comply with the rules and regulations of the Association adopted by the Board of Directors or with any other obligation of the Member under the Bylaws or the Declaration of the Association, (ii) no Class A Member shall have the right to vote until it shall have delivered to the Secretary of the Association (a) a certified copy of the recorded deed or other recorded instrument establishing record title to his Lot or Living Unit, and (b) if the Member shall be more than one person or a corporation or a partnership, a written notice subscribed to by all of 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 or Living Unit; but all of the other rights and all other obligations of the Owner of such Lot or Living Unit hereunder shall be unaffected including, without limitation, the right to use the Common Area and the obligation to pay assessments.

Members shall have no pre-emptive rights to purchase other Lots or Living Units or the Membership appurtenant thereto.

Any person or entity qualifying as a Member of more than one voting class may exercise those votes to which that member is entitled for each class of membership.

If less than twenty-five percent (25%) of the Class A votes are cast in an election for an elective office, the Board of Directors may declare the results of such election invalid and elect a Member to fill such office.

ARTICLE VI

BOARD OF DIRECTORS

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

Richard R. Storck
720 Arbor Avenue, #4
Fort Collins, Colorado 80525

Glen Droegemueller
4020 14th Street
Greeley, Colorado 80634

Marty DeHart
720 Arbor Avenue, #4
Fort Collins, Colorado 80525

The Board of Directors shall consist of an odd number of Directors but shall have not less than five (5) nor more than seven (7) 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 Board of Directors. Except as provided herein, Members of the Board of Directors shall be elected in the manner provided in the Bylaws.

ARTICLE VII

REGISTERED OFFICE AND AGENT

The registered office of the Corporation shall be:

Richard R. Storck
720 Arbor Avenue, #4
Fort Collins, Colorado 80525

The registered agent at such address shall be:

Richard R. Storck
720 Arbor Avenue, #4
Fort Collins, Colorado 80525

ARTICLE VIII

INCORPORATOR

The incorporator of this Corporation shall be JoAnn L. Herrick, and her address is 1915 20th Street Road, Greeley, Colorado 80631.

ARTICLE IX

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.

ARTICLE X

BYLAWS

The first Bylaws of the Corporation shall be adopted by the Board of Directors, 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.

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 June, 1987.

JoAnn L. Herrick
JoAnn L. Herrick

STATE OF COLORADO)
) ss
COUNTY OF WELD)

I, Ellen Krugmuller, Notary Public in and for said County and State, do hereby certify that on the 25th day of June, 1987, personally appeared before me, JoAnn L. Herrick, who, being by me first duly sworn, declared that she is of the age of twenty-one (21) years or more, that she is the person who signed the foregoing document as Incorporator, and that the statements therein contained are true.

WITNESS my hand and official seal.

My commission expires: 2-2-1990

Ellen Krugmuller
Notary Public

Address 4020 14th Street
Greeley, Colorado 80634