

DRAFT

**ARTICLES OF INCORPORATION
OF
GLEN FILING NO. 11 & 12 HOMEOWNERS ASSOCIATION, INC.**

The undersigned person acting as incorporator, registered agent, and person filing these Articles of Incorporation under the Colorado Revised Nonprofit Corporation Act (the “Nonprofit Act”), hereby signs and acknowledges the following Articles of Incorporation for the following Corporation:

ARTICLE I

Name

The name of this Corporation shall be GLEN FILING NO. 11 & 12 HOMEOWNERS ASSOCIATION, INC.

ARTICLE II

Duration

The term of existence of this Corporation is 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 Glen Filing No. 11 & 12, 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 El Paso, Colorado, and to perform all obligations and duties of the Association and to exercise all rights and powers of the Association. The Declaration consists of beneficial property restrictions which are mutually enforceable by all Owners within the real property described in the Declaration. Any terms used in these Articles of Incorporation shall have the same meaning as set forth in the Declaration.

2. To provide an entity for the furtherance of the interests of all of the Owners, including the Declarant named in the Declaration, of Lots with the objectives of establishing and maintaining the real property described in the Declaration, as a project of quality and value; enhancing and protecting its value, desirability and attractiveness; promoting the health and welfare of the residents of said real property described in the Declaration; and providing for any

other purposes as set forth in the Declaration, including any obligations relating to detention basins and drainage facilities, if any.

ARTICLE IV Powers

In furtherance of its purposes, this Corporation shall have all of the powers conferred upon nonprofit corporations by the statutes and common law of the State of Colorado in effect from time to time, shall have all rights and powers conferred upon owners' associations by Colorado laws and statutes as now or hereafter enacted, provided however, as provided in the Declaration, the Corporation shall not be subject to the Colorado Common Interest Ownership Act (C.R.S., §38-33.3-101 et seq. "CCIOA"). The Corporation shall have all of the powers necessary or desirable to perform the obligations and duties and exercise the rights and powers of the Association under the Declaration which shall include the following, which shall be subject to the limitations, requirements, restrictions and provisions of the Declaration and the Association's Bylaws;

(a) To fix, levy, collect and enforce payment by any lawful means, all charges, fines, other sums, or assessments pursuant to the terms of the Declaration, and by law and statute; to pay all expenses in connection therewith and all other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the Association or its property; provided, however, assessments shall never be set higher than the sum set forth in C.R.S., §38-33.3-116 to exempt the Association from the CCIOA;

(b) To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(c) To borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(d) To dedicate, convey, sell or transfer all or any part of the Common Area;

(e) To participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, and, subject to Declarant's rights, to annex additional residential land into the real property described in the Declaration;

(f) To manage, control, operate, maintain, repair and improve the Property as provided in the Declaration, including detention basin and drainage facilities, if any;

(g) To enforce the covenants, restrictions and conditions contained in the Declaration as provided therein and to have all rights, powers, duties, and interests of the Association under the Declaration;

(h) To engage in activities which will foster, promote and advance the common interests of Owners of Lots, including the interest of the Declarant during its marketing of the real property described in the Declaration;

(i) To enter into, make, perform or enforce contracts of every kind and description and to do all other acts necessary, appropriate or advisable in carrying out any purposes of this Association, with or in association with any person, firm, association, corporation or other entity or agency, public or private, subject to the requirements of the Declaration; and

(j) To adopt, alter and amend or repeal such bylaws, rules and regulations (the "Rules") as may be necessary or desirable for the proper management of the affairs of the Association.

ARTICLE V Requirements of Membership

Upon acquiring title to a Lot, a person or entity automatically consents to becoming a Member of the Association and subject to the rights and duties set forth in the Declaration, these Articles of Incorporation, the Bylaws and applicable laws and statutes. The requirements and conditions of membership and of voting rights shall be provided in the Declaration, the Articles of Incorporation and the Bylaws. Different rights and obligations with respect to voting and all other matters may be set forth in the Declaration and Bylaws, which shall be controlling over C.R.S., §7-127-202 or otherwise.

ARTICLE VI Conflicts of Interest

No contract, transaction, or other financial relationship shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by a Member of the Corporation or by or in the right of the Corporation, solely because of any conflicting interest so long as the contract, transaction, or other financial relationship complies with the Nonprofit Act, including C.R.S., §7-128-501. Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes, approves or ratifies such contract or transaction.

ARTICLE VII
Membership

1. This Corporation shall be a membership corporation without certificates or shares of stock. As more fully provided in the Declaration and the Bylaws, every person or entity, who is a record owner of a fee or undivided fee interest in any Lot which is subject by the Declaration to assessment by the Association, including contract sellers, shall be a voting 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 share 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; foreclosure of a membership interest shall not be considered a purchase of such interest under C.R.S., §7-126-303.

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 or the Bylaws of the Association or with any other obligations of the Owners of a Lot under the Declaration. All Members who are in default in any obligations to the Association shall not be entitled to vote, hold office, or otherwise exercise any membership rights under the Declaration, these Articles of Incorporation, the Bylaws and/or the Rules. Cumulative voting is prohibited.

6. The Bylaws and/or the Rules may contain additional provisions setting forth the rights, privileges, duties and responsibilities of the Members; provided however, the provisions of these Articles of Incorporation, the Bylaws, and the Rules 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 or the Rules.

ARTICLE VIII
Voting Rights

The Association shall have two (2) classes of voting membership:

Class A. Class A Members shall be all Owners, with the exception of the Declarant, and each membership shall be entitled to one (1) vote for each Lot owned, provided however, notwithstanding any provision of the Declaration, these Articles of Incorporation, the Bylaws or the Rules, the Class A Members shall not have any voting or other rights in the Association until the Class B membership ceases. 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 such Lot.

Class B. The Class B Member shall be the Declarant and shall be entitled to exercise all voting rights and other rights of membership until December 31, 2035, unless sooner terminated when the Declarant consents thereto in writing.

ARTICLE IX
Board of Directors

1. The business and affairs of the Corporation shall be conducted, managed and controlled by a Board of Directors. The initial Board of Directors shall consist of three (3) Directors, appointed by the Declarant, and thereafter the specific number shall be set forth as provided in the Bylaws of the Corporation. Except for Directors appointed by the Declarant, Directors shall be Owners as defined in the Declaration. The Declarant may, until the termination of Declarant's Class B membership as provided in Article VIII above, appoint or remove any Member of the Board of Directors of the Association. Following the relinquishment of Class B membership by Declarant, the Owners shall elect the Board of Directors as provided in the Declaration, these Articles of Incorporation and the Bylaws.

2. The initial Board of Directors shall be appointed and removed by the Declarant and shall serve until their successors are duly elected and qualified.

3. After the termination of Declarant's Class B membership, Directors shall be elected, replaced and removed and vacancies of the Board of Directors shall be filled in the manner and for the terms as provided in these Articles of Incorporation and the Bylaws.

4. As set forth more fully herein, Directors shall have no liability to the Corporation or its Members for monetary damages for breach of any duty as a Director except as otherwise provided by law or statute. The Corporation shall indemnify its Directors, its Officers and other

persons pursuant to C.R.S., §7-22-101.5 and its Bylaws, but such indemnity shall not affect, impair, or reduce insurance coverage of its Directors, its Officers and other persons.

ARTICLE X
Officers

The Board of Directors may appoint a President, one or more Vice-Presidents, a Secretary, a Treasurer and such other officers as the Board believes will be in the best interest of the Corporation. The Officers shall have such duties as may be prescribed in the Bylaws of the Corporation and shall serve at the pleasure of the Board of Directors.

ARTICLE XI
Dissolution, Merger or Consolidation

The Corporation may be dissolved, merged or consolidated as provided by the Nonprofit Act but subject to the Declaration. Upon dissolution of the Corporation other than incident to a merger or consolidation, the assets of the Corporation shall be distributed and transferred as the Members may direct, subject to the requirements, limitations and other provisions of the Declaration. In such event, the assets may be granted, conveyed and assigned to any public agency, nonprofit corporation, association, trust or other organization to be devoted to purposes similar to those for which this Corporation was created.

ARTICLE XII
Initial Registered Office, Agent and Address

The street address of the initial registered office of the Corporation shall be 3 Widefield Boulevard, Colorado Springs, El Paso County, Colorado 80911. The initial registered agent shall be Ryan Watson, whose street address is the same as the initial registered office and whose consent is shown by his/her signature of these Articles of Incorporation. The address of the Corporation's initial principal office is the same as its initial registered office.

ARTICLE XIII
Amendment

1. Except as provided in Paragraph 2 of this Article XIII, amendments to these Articles of Incorporation shall require the consent of at least sixty-seven percent (67%) of the votes which Members present in person or by proxy at a meeting, duly called and attended as provided by the Bylaws, are entitled to cast, provided, however, that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with the provisions of the Declaration and no amendment to these Articles shall be made without the prior written consent of Declarant until December 31, 2035.

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2. Notwithstanding any contrary provisions of these Articles of Incorporation or any other Association Governing Document, the Declarant under the Declaration hereby reserves the right, until December 31, 2035, but without approval or vote of the other Members, to amend these Articles of Incorporation and/or the Bylaws, as may be deemed necessary or desirable by Declarant in its sole discretion to exercise any right, privilege or interest of Declarant or to correct typographical errors or make clarifications or to implement the Declarant's rights under the Declaration, or as may be approved in writing by Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Housing Administration, or the Department of Veterans Affairs so as to induce any of such organizations to make, purchase, sell, insure or guarantee First Mortgages covering any portion of the real property described in the Declaration, and each Owner by accepting a deed, mortgage or other instrument affecting a lot appoints the Declarant as his attorney-in-fact for purposes of executing in said Owner's name and recording any such amendments to these Articles of Incorporation and each deed, mortgage, trust deed, other evidence of obligation or other instrument affecting a lot and the acceptance thereof shall be deemed to be a grant and acknowledgment of and a consent to the reservation of the power to the Declarant to make, execute and record any such amendments.

ARTICLE XIV
Nonprofit Purposes

This Corporation is formed under the Nonprofit Act and not for pecuniary profit or financial gain. The Corporation is organized and operated to provide for the acquisition, construction, management, maintenance and care of the real property described in the Declaration as provided in the Declaration.

ARTICLE XV
Incorporator and Filer

The incorporator of the Corporation and person filing this document is Ryan Watson, whose street address is 3 Widefield Boulevard, Colorado Springs, El Paso County, Colorado 80911.

ARTICLE XVI
Exemption from CCIOA

The Corporation and the real property described in the Declaration shall be exempt from the provisions of CCIOA (C.R.S., §38-33.3-101, et seq.) pursuant to the provisions of C.R.S., §38-33.3-116(2) which exempt planned communities from the provisions of CCIOA if the annual average common expense liability of each lot restricted to residential purposes, exclusive of optional user fees and any insurance premiums paid by the Association, shall not exceed the

amount set forth therein. The Declarant has incorporated that limitation on annual average common expenses in the Declaration. If the amount of the permissible average annual common expense liability is amended in CCIOA, the Declaration shall be automatically amended to such higher amount. Notwithstanding this exemption, this Corporation and the real property described in the Declaration are subject to the provisions of C.R.S., §38-33.3-105, 38-33.3-106 and 38-33.3-107 of CCIOA.

ARTICLE XVII
Non-liability and Indemnity of Officers and Directors

1. No Officer or Director of the Corporation shall be personally liable to the Corporation or to its Members for monetary damages for breach of fiduciary duty as a Director to the fullest extent of the Nonprofit Act, including C.R.S., §7-128-402, or other law or statute. If the Nonprofit Act hereafter is amended to further eliminate or limit the liability of an Officer or Director, then such Officer or Director shall not be liable to the fullest extent permitted by the amended Nonprofit Act, in addition to the other provisions of these Articles of Incorporation. No Officer or Director shall be liable to any creditor of the Corporation, including as provided by C.R.S., §7-128-401(5).

2. No Officer or Director of the Corporation shall be personally liable for any contract or claim against the Corporation nor for any injury to person or property arising out of a tort committed by such person unless such Officer or Director committed a criminal offense or committed a wanton and willful wrongful act or omission. The protections afforded by these Articles shall not restrict other common law and statutory protections and rights that such Officer or Director may have and shall not reduce or impair any insurance coverage of such persons.

3. Unless otherwise specifically provided herein, or in the Nonprofit Act, or the Declaration, no Officer or Director shall be held liable for actions taken or omissions made in the performance of his or her duties as an Officer or Director except for criminal or wanton and willful wrongful acts or omissions.

4. A Director or Officer is not liable as such to the Corporation or its Members for any action taken or omitted to be taken as a Director or Officer in the performance of the duties of such position in compliance with C.R.S., §7-128-401(2).

5. The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee, fiduciary, or agent of the Corporation or who, while a Director, Officer, employee, fiduciary, or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, fiduciary, or agent of any other foreign or domestic corporation or of any partnership, joint venture, trust, other enterprise, or employee benefit plan against any liability asserted against or incurred by him in

any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the Nonprofit Act or the Declaration or otherwise.

6. Each Officer and Director of the Corporation, before, now or hereinafter serving in any such capacity, shall be indemnified by the Corporation against any and all claims and liabilities to which he or she has or shall become subject by reason of serving or having served in any such capacity, or by reason of any action alleged to have been taken, omitted, or neglected by him or her in any such capacity, to the fullest extent allowable by law and statute, including the Nonprofit Act. The right of indemnification herein provided shall not be exclusive of any rights to which any Director or Officer of the Corporation may otherwise be entitled by law or statute, provided however, this indemnification shall not reduce or impair any insurance coverage of the Corporation, nor any Officer, Director, or any other person described in this Article XVII.

7. Any repeal or modification of any of the foregoing paragraphs shall not adversely affect any right or protection of a Director, Officer, nor any other person described in this Article XVII existing on or before such repeal or modification.

IN WITNESS WHEREOF, for the purposes of forming this Corporation under the laws of the State of Colorado, the undersigned, constituting the Incorporator and Registered Agent of this Corporation and person filing this document and to whom notice may be delivered, has executed these Articles of Incorporation on the date shown below. The name and mailing 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 the above-named incorporator.

Dated: _____

Ryan Watson

Address: 3 Widefield Boulevard
Colorado Springs, CO 80911