

**RESOLUTION TO APPROVE AND SUBMIT PROPOSED AMENDED AND
RESTATED ARTICLES OF INCORPORATION
OF SOMERSET HOMEOWNERS ASSOCIATION, INC. TO THE MEMBERS
OF SOMERSET HOMEOWNERS ASSOCIATION FOR APPROVAL**

WHEREAS, Somerset Homeowners Association, Inc. is the surviving corporation following mergers with Cottonwood Hills Estates Homeowners Association, Inc., and Hillside Estates Homeowners Association; and

WHEREAS, the Board of Directors of Somerset Homeowners Association, Inc., has been made aware that there is not a single uniform set of Articles of Incorporation for the merged and surviving associations; and

WHEREAS, there have been various changes in the laws of the State of Colorado which the Board of Directors determine should be addressed by way of amendments to the articles of incorporation;

WHEREAS, the Board of Directors have determined that amended and restated articles of incorporation should be adopted by the members of the Somerset Homeowners Association; and

WHEREAS, it is necessary to submit the said proposed amended and restated articles of incorporation to the members of the Somerset Homeowners Association for approval by at least 67% of the members,

THE BOARD OF DIRECTORS OF THE ASSOCIATION HEREBY APPROVES AND RESOLVES TO SUBMIT THE FOLLOWING AMENDED AND RESTATED ARTICLES OF INCORPORATION TO THE MEMBERS OF SOMERSET HOMEOWNERS ASSOCIATION FOR APPROVAL, AS FOLLOWS:

The undersigned Colorado Non-profit Corporation, Somerset Homeowners Association, Inc. ("Corporation"), the surviving corporation following mergers with Cottonwood Hills Estates Homeowners Association, Inc., and Hillside Estates Homeowners Association, Inc., does hereby adopt the following Amended and Restated Articles of Incorporation:

ARTICLE 1. Name: The name of the corporation is Somerset Homeowners Association, Inc.

ARTICLE 2. Purpose and Powers: The Corporation does not contemplate pecuniary gain or profit, direct or indirect, to its members. The purposes for which it is formed are:

To promote the health, safety, welfare, quality of life, and collective interests of the residents and owners of Somerset Estates, Somerset Place, and Somerset Heights (fka Cottonwood Hills Estates), subdivisions within the County of Boulder, State of Colorado, (herein "Properties"), all of which are Common Interest Communities, subject to the

provisions of The Colorado Common Ownership Interest Act (“CCOIA”), together with the individual lots therein (herein “Property”), and managed by the Corporation; and to protect the value, aesthetics, and environment of the said Properties, for the benefit of said residents and owners, and for this purpose to do such of the following as are, from time to time, deemed proper and appropriate:

- (a) acquire real and personal property and build, operate, and maintain buildings, structures, and facilities thereon; said property and improvements being herein referred to as “the common elements”;
- (b) lease real and personal property, operate and maintain same, for the common use and benefit of the residents and owners of Properties managed by the Corporation;
- (c) supplement municipal services, as necessary or appropriate for the operation and maintenance of the common elements; and/or for the installation, repair, and/or maintenance of irrigation and/or drainage facilities;
- (d) plant, install and maintain landscaping on the common elements;
- (e) construct, install, reconstruct, repair, and/or maintain irrigation and drainage facilities on the common elements, and to enter into contracts for the construction, installation, reconstruction, repair, and/or maintenance of same, as well as to enter into contracts with such persons as may be affected by the construction, installation, reconstruction, repair, and/or maintenance of same;
- (f) fix general and special assessments against the Properties, in accordance with CCOIA, these Articles of Incorporation, Bylaws of the Corporation, Declaration and Covenants of the Corporation, and the duly enacted and adopted policies and procedures of the Corporation, including it’s committees and sub-committees, as same may be amended from time to time;
- (g) enforce any and all duly enacted and adopted covenants, rules, policies, procedures, and agreements of the Corporation, in accordance with CCOIA, these Articles of Incorporation, Bylaws of the Corporation, Declaration and Covenants of the Corporation, and the duly enacted and adopted policies and procedures of the Corporation, including it’s committees and sub-committees, as same may be amended from time to time;
- (h) pay taxes, if any, on the income of the Corporation, or as may be imposed on the common elements of the Corporation;

- (i) establish and adopt By-laws of the Corporation;
- (j) enact rules, policies and procedures;
- (k) do all things necessary or incidental to the implementation of the foregoing; and
- (l) to the extent permitted by law, do any and all other things that, in the opinion of the Board of Directors, will promote the common benefit and enjoyment of the residents and owners of the Properties.

ARTICLE 3. Membership: The Corporation shall have one class of voting membership consisting of the person(s) or entities(s) who/which is/are record owners of a fee interest in Property (herein "Owner(s)"). For purposes of determining membership involving entities other than natural persons, Limited Liability Company ("LLC") members, corporate shareholders, general partners, personal representatives, and trustees shall be considered as members, provided that any person or entity holding such interest merely as security for the performance of an obligation shall not be a member. Purchasers who have entered into possession of the Property, pursuant to a contract to purchase a fee interest in said Property, shall be considered members of the Corporation.

ARTICLE 4: Voting Rights: Each member, whose assessments are current and fully paid, both as to general and special assessments, and who has no outstanding, unpaid fines or other obligations to the Corporation, shall be entitled to one vote for each Property in which he/she/it holds the interest required for membership, as set forth in Article 3, above.

When more than one person holds such interest or interests in any Property, all such persons shall be members, but only one vote shall be cast per Property, in the manner determined by the Owners. In the event that the Owners cannot decide among themselves as to how their vote shall be cast, the individual Owners shall be entitled to cast fractional votes, based on their relative individual ownership interests in the Property, as determined by the individual Owners.

Tenants shall have no right to vote in the affairs of the Corporation, but shall have the right to attend meetings of the members of the Corporation. Tenants shall not have the right to participate in such meetings unless so determined by the Corporation through its Bylaws, or written policies and/or procedures of the Corporation, as may be adopted by the Board of Directors from time to time.

ARTICLE 5: Board of Directors: The affairs of the Corporation shall be managed by a Board of Directors who shall be members of the Corporation. The Board of Directors shall consist of at least three (3) members. The maximum number of Directors, the terms of their membership on the Board, filling vacancies on the Board, and any/all other conditions of membership on the Board shall be determined by the By-laws of the Corporation. Cumulative voting for election of members of the Board of Directors shall

not be allowed. The Board of Directors shall meet at least once annually, at a time and place to be determined by the Bylaws of the Corporation, its policies and procedures, as amended from time to time, and in accordance with the provisions of CCIOA, as amended from time to time.

ARTICLE 6: Mergers and Consolidations: Subject to the provisions of the Covenants and Declaration of Restrictions applicable to the Properties, and further subject to the provisions of CCIOA, as amended from time to time, the Corporation may participate in mergers and consolidations with other common interest communities, provided that any such merger or consolidation shall have the written assent of sixty-seven percent (67%) of the total number of votes which may be cast by Property Owners, in accordance with the procedure set forth in Article 4, above.

ARTICLE 7: Mortgages and Other Indebtedness: The Corporation shall have the power to borrow money and to encumber the common elements, and to assign or hypothecate its rights to levy and collect assessments, to the extent authorized under the recorded covenants and restrictions applicable to the Properties, as same may be amended from time to time.

ARTICLE 8: Disposition of the Corporation's Real and Personal Property. The Corporation shall have the power to dispose of its real and personal property. The real property (common elements) of the Corporation may be disposed of only in the manner set forth in the recorded covenants and restrictions applicable to the Properties, as same may be amended from time to time, provided however, that said real property may be disposed of in the manner set forth in the Bylaws of the Corporation, or pursuant to the applicable provisions of CCIOA, in the event that said recorded covenants and restrictions make no provision for such disposition. The Corporation may dispose of its personal property in the manner set forth in the Bylaws of the Corporation, or as may be determined by the Board of Directors, if no procedure is set forth in the Bylaws.

ARTICLE 9: Duration: The Corporation's existence shall be perpetual, unless terminated in accordance with the applicable provisions of the recorded covenants and restrictions applicable to the Properties, or dissolved as otherwise provided for herein.

ARTICLE 10: Dissolution: The Corporation shall not be dissolved as long as the recorded covenants and restrictions affecting the Properties remain in effect. At any time that such recorded covenants and restrictions have been revoked, expired, or are otherwise no longer in effect, the Corporation may be dissolved upon the written assent of at least sixty-seven percent (67%) of the total number of votes which may be cast by Property Owners, in accordance with the procedure set forth in Article 4, above.

ARTICLE 11: Disposition of Assets of the Corporation upon Dissolution: Upon dissolution of the Corporation, the assets of the Corporation, both real and personal, shall be dedicated to an appropriate governmental agency, or shall be granted, conveyed and assigned to any non-profit corporation, association, trust, or other non-profit organization, provided that no such dedication, grant, assignment, and/or conveyance shall be in

contravention of the recorded interests of any other person or entity. Any such dedication, grant, assignment, and/or conveyance shall be subject to any and all recorded security interests in, easements, or claims upon such property.

ARTICLE 12: Amendments: These Articles may be amended only by the written assent of at least sixty-seven percent (67%) of the total number of votes which may be cast by Property Owners, in accordance with the procedure set forth in Article 4, above. These Articles shall not be amended in such a way as to conflict with the recorded covenants and restrictions affecting the Properties, as amended from time to time, or to conflict with the laws, rules, and regulations of such political entities within which the Properties lie, as same may be amended from time to time.

APPROVED, effective this 30 day of September 2008, by the undersigned Property Owners, constituting at least 67% of the total number of members of the Somerset Homeowners Association.

Somerset Homeowners Association, Inc.

Shalia K. McPherson
By: Shalia K. McPherson
Title: President

Attest:

This Resolution regarding the Adoption of Proposed Amendments to the "Declaration of Homeowners Association Covenants and Restrictions, Cottonwood Hills", as amended, and proposed amendments to the "Lot Covenants" and "Homeowners Covenants" of Somerset Estates, was adopted on the 30th day of September, 2008, and is attested to by the Secretary of Somerset Homeowners Association, Inc.

Debra J. Williamson
Secretary
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