

00146483
10/28/1974 11:27A
Book: 7754 Page 604
Rec Fee: \$405.00
Doc Fee: \$0.00
Marjorie Page, Clk./Rec
Arapahoe County, CO

**ARTICLES OF INCORPORATION
OF
THE VALLEY COUNTRY CLUB ESTATES HOMEOWNERS ASSOCIATION**

In compliance with the requirements of the Colorado Nonprofit Corporation Act, Section 7-20-101 through 7-29-106, C.R.S. 1973, as amended, the undersigned, of full age, has this day, for the purpose of forming a non-profit corporation, certified as follows:

**ARTICLE I
NAME**

The name of the corporation is VALLEY COUNTRY CLUB ESTATES HOMEOWNERS ASSOCIATION, INC., hereafter called the "Association."

**ARTICLE II
PRINCIPAL OFFICE**

The principal office of the Association is 44 Inverness Drive East, Unit E,
Englewood, Colorado 80112

**ARTICLE III
DURATION**

The period of duration of the corporation shall be perpetual.

**ARTICLE IV
REGISTERED AGENT**

James S. Loup
is hereby appointed the initial registered agent of this Association, and such address shall be the registered address of this Association.

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

This 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 and preservation of the Common Elements, (all as defined in the Declaration, as hereinafter defined), and for maintenance, preservation and architectural control of the Units That May Be Created within that certain tract of property described in Exhibit "A" to the Declaration (as hereinafter defined), and any additions thereto as may hereafter be brought within the jurisdiction of this Association (hereinafter called the "Common Interest Community"), and to promote the health, safety and welfare of the residents

within the Common Interest Community, and for the following purposes to:

(a) 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 Valley Country Club Estates hereinafter called the "Declaration," applicable to the Common Interest Community and recorded or to be recorded in the Office of the Clerk and Recorder of each county in which any portion of the Common Interest Community is located, as the same may be amended and supplemented from time to time as therein provided, said Declaration being incorporated herein as if set forth at length (terms which are defined in the Declaration shall have the same meanings herein unless otherwise defined);

(b) 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;

(c) 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 each class of membership in the Association, including eighty percent (80%) of the votes allocated to Units not owned by a Declarant, agree to that action;

(d) 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 a Declarant, agree to that action;

(e) hire and terminate managing agents and other employees, agents, and independent contractors;

(f) institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Unit Owners on matters affecting the Common Interest Community;

(g) impose reasonable charges for the preparation and recordation of amendments to the Declaration or statements of unpaid assessments;

(h) provide for the indemnification of its officers and Executive Board, and maintain directors' and officers' liability insurance;

(i) participate in mergers and consolidations with other non-profit corporations organized for the same or similar purposes; provided that any merger or consolidation shall have the assent of the Unit Owners of Units to which at least two-thirds (2/3) of the votes of each class of membership in the Association are allocated;

(j) manage, control, operate, maintain, repair and improve its property;

(k) enforce covenants, restrictions, and conditions affecting any property to the extent this Association may be authorized to do so under the Declaration;

(l) engage in activities which will actively foster, promote and advance the common interests of Unit Owners;

(m) enter into, make, perform, or enforce contracts, licenses, leases, easements, concessions and agreements of every kind and description, including those through or over the Common Elements, 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 Person, firm, association, corporation, or other entity or agency, public or private; provided, however, that the following contracts and leases, if entered into before the Executive Board elected by the Unit Owners takes office subsequent to termination of the Period of Declarant Control, may be terminated without penalty by the Association at any time after such date, upon not less than ninety (90) days' notice to the other party:

(1) any management contract, employment contract or lease of recreational or parking areas or facilities;

(2) any other contract or lease between the Association and a Declarant or an affiliate of a Declarant; or

(3) any contract or lease that is not bona fide or was unconscionable to the Unit Owners at the time entered into under the circumstances then prevailing. (However, this subsection (m) does not apply to any lease the termination of which would terminate the Common Interest Community or reduce its size, unless the real estate subject to that lease was included in the Common Interest Community for the purpose of avoiding the right of the Association to terminate a lease under this subsection or a proprietary lease.)

(n) adopt, alter and amend or repeal such Bylaws, Rules and Regulations, and

promulgate and publish such rules as may be necessary or desirable for the proper management of the affairs of this Association; provided, however, that such Bylaws, Rules and Regulations shall not be inconsistent with or contrary to any provisions of these Articles of Incorporation or the Declaration;

(o) 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;

(p) regulate the use, maintenance, repair, replacement and modification of Common Elements;

(q) cause additional improvements to be made as part of the Common Elements;

(r) impose and receive any payments, fees or charges for the use, rental or operation of the Common Elements;

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

ARTICLE VI MEMBERSHIP

The membership of the Association at all times shall consist exclusively of all Unit Owners or, following termination of the Common Interest Community, the membership shall consist of all former Unit 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 who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from 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 published Rules and Regulations or the Bylaws, or for any period during which any assessment against such Unit 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 VII VOTING RIGHTS

(a) The Association shall have one class of voting membership. Each Unit 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 number of Units then existing within the Common Interest Community. Except as otherwise provided in this Article, during the Period of Declarant Control, that Declarant or Persons appointed by the Declarant may appoint all officers and directors and may remove all officers and members of the Executive Board appointed by it. A Declarant may voluntarily surrender the right to appoint and remove officers and members 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 the conveyance of twenty-five percent (25%) of the Units That May Be Created to Unit Owners other than a Declarant, at least one (1) member and not less than twenty-five percent (25%) of the members of the Executive Board must be elected by Unit Owners other than the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units That May Be Created to Unit Owners other than a Declarant, not less than thirty-three and one-third percent (33 1/3%) of the members of the Executive Board must be elected by Unit Owners other than the Declarant.

(b) Except as otherwise provided in this Article VI, during the Period of Declarant Control, the Declarant or Persons appointed by the Declarant may appoint all officers and directors and may remove all officers and directors of the Executive Board appointed by it. Not later than the termination of any Period of Declarant Control, the Unit Owners shall elect an Executive Board of at least three (3) members, at least a majority of whom must be Unit Owners other than the Declarant. The Executive Board shall elect the officers. The Executive Board members and officers shall take office upon termination of the Period of Declarant Control.

ARTICLE VIII **EXECUTIVE BOARD**

The affairs of this Association shall be managed by an Executive Board of three (3) Directors. Directors shall be Members which, in the case of Declarant, may include any partner of Declarant or any director, officer, employee or authorized agent of Declarant or any partner of Declarant and, in the case of corporate Members, may include the officers and directors of each such corporate Member. If appointed by a Declarant, in the performance of their duties, the officers and members of the Executive Board are required to exercise the care required of fiduciaries of the Unit Owners. If not appointed by the Declarant, no member of the Executive Board and no officer shall be

liable for actions taken or omissions made in the performance of such member's duties except for wanton and willful acts or omissions. ~~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:

<u>NAME</u>	<u>ADDRESS</u>
Myles L. Bruckal	56 Inverness Drive East, Suite 105 Englewood, Colorado 80112
Brian K. Braaten	56 Inverness Drive East, Suite 105 Englewood, Colorado 80112
James S. Loup	44 Inverness Drive East, Unit E Englewood, Colorado 80112

The successors to the initial and subsequent Board of Directors 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 Unit Owners with not less than two-thirds (2/3) of the votes of each class of membership allocated to Units not then owned by the Declarant, and by the Declarants with not less than two-thirds (2/3) of the votes allocated to Units then owned by the Declarant. Upon dissolution of the Association other than incident to a merger or 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 corporation. 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
AMENDMENTS

Amendment of these Articles shall require the assent of Unit Owners holding a majority of a quorum of the votes of the Units, voting in person or by proxy at an annual meeting of Members or at a special meeting called for this purpose; provided, however, that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with any provision of the Declaration.

ARTICLE XI
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 guarantee(s) on one or more Security Interests: annexation of additional properties, mergers and consolidations, 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 this 26 day of SEPTEMBER, 1994.

James H. Jones Director
Address of incorporator:

44 LAVERNESS DRIVE EAST WHITE
ENGLEWOOD, CO. 80112

**BYLAWS
OF
VALLEY COUNTRY CLUB ESTATES**

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is VALLEY COUNTRY CLUB ESTATES HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the corporation shall be at 44 Inverness Drive East, Unit E, Englewood, Colorado 80112, but meetings of members and directors may be held at such places within the State of Colorado as may from time to time be designated by the Executive Board of the Association (" Executive Board" or "Board").

**ARTICLE II
PURPOSE**

The purpose for which the Association is formed is to govern the Units, exercise the rights, power and authority, and fulfill the duties of the Association, as provided in that certain Declaration of Covenants, Conditions and Restrictions of Valley Country Club Estates and any amendments and supplements thereto, recorded in the office of the Clerk and Recorder of each county in which any portion of the Common Interest Community is located ("Declaration") (terms which are defined in the Declaration shall have the same meanings herein unless otherwise defined), and those certain Articles of Incorporation of Valley Country Club Estates Homeowners Association, Inc., and any amendments thereto, filed in the office of the Secretary of State of Colorado (" Articles of Incorporation"). All present and future Unit Owners, tenants, occupants, and any other Person who may use the Units, or any portion thereof, or any facilities or appurtenances thereto or thereon, in any manner, shall be subject in all respects to the covenants, conditions, restrictions, reservations, easements, regulations, and all other terms and provisions set forth in the Declaration, Articles of Incorporation and these Bylaws. The mere acquisition, rental or occupancy of any Unit, or any portion thereof, shall signify that all terms and provisions of the Declaration, Articles of Incorporation and these Bylaws are accepted, ratified and shall be complied with.

**ARTICLE III
MEETINGS OF MEMBERS**

1. Annual Meetings. The first annual meeting of the Members shall be held within twelve (12) months from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held in the same month of each year as the month in which the first annual meeting was held, the specific date and time thereof to be designated by the Executive Board from time to time. At each annual

meeting, the Members shall elect directors to fill vacancies and conduct such other business as may properly come before the meeting.

2. Special Meetings. Special meetings of the Members may be called at any time by the President or by a majority of the Executive Board or by Unit Owners having twenty percent (20%) of the votes of the Association.

3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary of the Association or Person authorized to call the meeting. Not less than ten (10) nor more than fifty (50) days in advance of such meeting, the Person giving such notice, as aforesaid, shall cause notice of the meeting to be hand delivered or sent prepaid by United States mail to the mailing address of each Unit or to any other mailing address designated in writing by the Unit Owner. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, and any proposal to remove an officer or member of the Executive Board.

4. Quorum

(a) A quorum is deemed present throughout any meeting of the Association if persons entitled to cast twenty percent (20%) of the votes which may be cast for election of the Executive Board are present, in person or by proxy at the beginning of the meeting.

(b) unless otherwise specifically provided by the Declaration, the Articles of Incorporation, these Bylaws or by statute, all matters coming before a meeting of Members at which a proper quorum is in attendance, in person or by proxy, shall be decided by the vote of a majority of the votes validly cast at such meeting.

5. Proxies.

(a) If only one of the multiple Unit Owners of a Unit is present at a meeting of the Association, such Unit Owner is entitled to cast all votes allocated to that Unit. If more than one of the multiple Unit Owners are present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the Unit Owners, unless the Declaration expressly provides otherwise. There is majority agreement if and one of the multiple Unit Owners casts the votes allocated to that Unit without protest being made promptly to the Person presiding over the meeting by any of the other Unit Owners of the Unit.

(b) Votes allocated to a Unit may be cast pursuant to a proxy duly executed by a Unit Owner. If a Unit is owned by more than one Person, each Unit Owner of the Unit may vote or register protest to the casting of votes by the other

Unit Owners of the Unit through a duly executed proxy. A Unit Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the Person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven (11) months after its date unless it provides otherwise.

6. Security Interest Holders. Each Security Interest Holder shall have the right to designate a representative to attend all meetings of Members.

ARTICLE IV **EXECUTIVE BOARD - SELECTION - TERM OF OFFICE**

1. Number. Except as otherwise provided in this Article IV, during the Period of Declarant Control, the Declarant or Persons appointed by the Declarant may appoint all officers and directors and may remove all officers and directors of the Executive Board appointed by it. The affairs of this Association shall be managed by an Executive Board of three (3) Directors. Directors shall be Members which, in the case of Declarant, may include any partner of Declarant or any officer, director, employee or authorized agent of Declarant or any partner of Declarant, and in the case of corporate Members may include the officers and directors of each such corporate Member.

2. Term of Office.

(a) No later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units that May Be Created to Unit Owners other than a Declarant, at least one (1) member and not less than twenty-five percent (25%) of the members of the Executive Board must be elected by Unit Owners other than the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units that May Be Created to Unit Owners other than a Declarant, not less than thirty-three and one-third percent (33 1/3%) of the members of the Executive Board must be elected by Unit Owners other than the Declarant.

(b) Except as otherwise provided in these Bylaws, during the Period of Declarant Control, the Declarant or Persons appointed by the Declarant may appoint all officers and directors and remove all officers and directors of the Executive Board appointed by it. Not later than termination of the Period of Declarant Control, the Unit Owners shall elect an Executive Board, at least a majority of whom must be Unit Owners other than the Declarant or designated representatives of Unit Owners other than the Declarant. The Executive Board members and officers shall take office upon the termination of the Period of Declarant Control.

(c) Any Director of the Executive Board who is elected by the Members prior to termination of the Period of Declarant Control shall serve for one (1) year

or until such Director's duly elected successor takes office on the Executive Board, whichever occurs later. At the first annual meeting of the Association held subsequent to termination of the Period of Declarant Control, the Members shall elect one director for a term of one year, one director for a term of two years, and one director for a term of three years, and at each annual meeting thereafter the Members shall elect the same number of directors as there are directors whose terms are expiring at the time of each election, for terms of three years.

3. Removal. The Unit Owners, by a two-thirds (2/3) vote of all Persons present and entitled to vote at any meeting of the Unit Owners at which a quorum is present, may remove any members of the Executive Board with or without cause, other than an Executive Board member appointed by the Declarant. Declarant may at any time remove, and appoint the successor of, any member of the Executive Board who was appointed by the Declarant. In the event of death, resignation or removal of a director, his or her successor shall be selected by a majority of the remaining members of the Executive Board, whether or not such remaining members constitute a quorum, and shall serve for the unexpired term of the director being replaced; provided, however, that the Declarant may appoint the successor of any director who served in such capacity as a result of being appointed by the Declarant.

4. Compensation. No director shall receive compensation for any service rendered to the Association. However, any director may be reimbursed for actual expenses incurred in the performance of the director's duties.

5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V **NOMINATION AND ELECTION OF DIRECTORS**

1. Nomination. Nomination for election to the Executive Board may be made by a Nominating Committee if such a Committee is appointed, from time to time, by the Executive Board. Nominations may also be made from the floor at any Member meeting.

2. Election. Election to the Executive Board shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI
MEETINGS OF EXECUTIVE BOARD

1. Regular Meetings. Regular meetings of the Executive Board shall be held not less often than annually, without notice, at such place and hour as may be fixed from time to time by the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

2. Special Meetings. Special meetings of the Executive Board shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days' notice to each director.

3. Quorum: Actions of Executive Board. A quorum is deemed present throughout any meeting of the Executive Board if Persons entitled to cast fifty percent (50%) of the votes on the Executive Board are present at the beginning of the meeting. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Executive Board.

ARTICLE VII
POWERS AND DUTIES OF THE EXECUTIVE BOARD

1. Powers. The Executive Board shall have power to:

(a) adopt and publish Rules and Regulations governing the use of the Units, the Common Interest Community, or any portion thereof, and any facilities thereon and the personal conduct of the Members and their guests thereon and to establish penalties for the infraction thereof;

(b) suspend the voting rights and the right of a Member to use recreational facilities, if any, during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for infraction of published Rules and Regulations;

(c) enter into, make, perform or enforce contracts, licenses, leases and agreements of every kind and description. The following contracts and leases, if entered into before the Executive Board elected by the Unit Owners pursuant to Article IV, Section 2(b), of these Bylaws takes office, may be terminated without penalty by the Association at any time after the Executive Board elected by Unit Owners pursuant to Article IV, Section 2(b) takes office upon not less than ninety (90) days' notice to the other party:

(1) any management contract, employment contract or lease of recreational or parking areas or facilities;

(2) any other contract or lease between the Association, Declarant or an Affiliate of a Declarant;

(3) any contract or lease that is not bona fide or was unconscionable to the Unit Owners at the time entered into under the circumstances then prevailing.

(d) provide for direct payment of assessment to the Association from Unit Owners' checking, credit or other accounts;

(e) exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;

(f) declare the office of a member of the Executive Board to be vacant in the event such member shall be absent from two (2) regular meetings of the Executive Board during any one year period; and

(g) employ a manager, an independent contractor, or such other employees as they deem necessary, and prescribe their duties.

2. Duties. It shall be the duty of the Executive Board to:

(a) cause to be kept a record of all its acts and corporate affairs and present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by Unit Owners entitled to cast at least one-fourth (1/4) of the votes at such meeting;

(b) supervise all officers, agents, and employees of the Association, and see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) determine the amount of the annual assessment against each Unit, from time to time, in accordance with the Association budget, and revise the amount of the annual assessment if such budget is rejected by the Unit Owners and

(2) foreclose the lien against any Unit for which assessments are not paid within one hundred eighty (180) days after the due date, or bring an action at law against the Owner personally obligated to pay the same;

(d) issue, or cause an appropriate officer or authorized agent to issue, upon

demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment as to all persons who rely thereon in good faith;

(e) procure and maintain insurance, as more fully provided in Article VI of the Declaration;

(f) provide for maintenance, repair and/or reconstruction of certain parcels of real property, improvements and landscaping, as more fully provided in the Declaration; and

(g) keep financial records sufficiently detailed to enable the Association to comply with the requirement that it provide statements of unpaid assessments. All financial and other records shall be made reasonably available for examination by any Unit Owner and such Unit Owner's authorized agents.

Any of the aforesaid duties may be delegated by the Executive Board to any other person(s) or to the managing agent.

3. Limitation of Powers. The Executive Board may not act on behalf of the Association to amend the Declaration, to terminate the Common Interest Community or to elect members of the Executive Board or determine the qualifications, powers and duties, or terms of office of Executive Board members, but the Executive Board may fill vacancies in its members for the unexpired portion of any term.

ARTICLE VIII RIGHTS OF THE ASSOCIATION

The Association may exercise any and all rights or privileges given to it under the Declaration, the Articles of Incorporation or these Bylaws, or as may otherwise be given to it by law, and every other rights or privilege reasonably to be implied therefrom or reasonably necessary to effectuate any such right or privilege.

ARTICLE IX OFFICERS AND THEIR DUTIES

1. Enumeration of Offices. The officers of this Association may be a president and vice-president, a secretary, a treasurer, and such other offices as the Board may from time to time by resolution create.

2. Election of Officers. The Executive Board shall elect the officers. The election of officers shall take place at the first meeting of the Executive Board following each

annual meeting of the Members.

3. Term. The officers of this Association shall be elected annually by the Executive Board and each shall hold office for one (1) year unless the officer shall sooner resign, or shall be removed, or shall otherwise be disqualified to serve.

4. Special Appointments. The Executive Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

5. Resignation and Removal. Any officer may be removed from office, with or without cause, by the Executive Board. Any officer may resign at any time by giving written notice to the Executive Board, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

6. Vacancies. A vacancy in any office may be filled by appointment by the Executive Board. The officer appointed such vacancy shall serve for the remainder of the term of the officer replaced.

7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

8. Duties. The duties of the officers, which are delegable to other persons or the managing agent, are as follows:

(a) President: The president shall preside at all meetings of the Executive Board and Members; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgage, deeds and other written instruments; and shall co-sign or authorize a designated agent to co-sign promissory notes and checks of the Association.

(b) Vice-President: The vice-president shall act in the place and stead of the president in the event of the president's absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of the vice-president by the Executive Board.

(c) Secretary: The secretary or a designated agent shall record the votes and keep the minutes of all meetings and proceedings of the Executive Board and of the Members; shall keep the corporate seal of the Association and affix it on all papers requiring said seal; shall serve notice of meetings of the board and of the

Members; shall keep appropriate current records showing the names of the Members together with their addresses; shall prepare, execute, certify and record amendments to the Declaration on behalf of the Association; and shall perform such other duties as required by the Board.

(d) Treasurer: The treasurer or a designated agent shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Executive Board; shall sign or authorize a designated agent to sign promissory notes and checks of the Association; shall keep proper books of account; shall cause an annual compilation report of the Association books to be made by a Certified Public Accountant at the completion of each fiscal year or, at the option of the Executive Board, an annual review or audited financial statement may be required; and shall prepare an annual budget to be presented to the membership, and deliver a copy of each to the Members.

(e) Any officer of the Association may prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

ARTICLE X COMMITTEES

The executive Board of the Association shall appoint an Architectural Review Committee, subject to the provisions of the Declaration, and may appoint a Nominating Committee. In addition, the Executive Board may appoint other committees as it deems appropriate in carrying out its purposes.

ARTICLE XI BOOKS AND RECORDS

The Association shall make available to Unit Owners current copies of the Declaration, Articles of Incorporation, these Bylaws, the Rules and Regulations, books, records and financial statements of the Association. "Available" shall mean available for inspection, upon request, during normal weekday business hours or under other reasonable circumstances.

ARTICLE XII CORPORATE SEAL

The Association shall have a seal in circular form and within its circumference the words: VALLEY COUNTRY CLUB ESTATES HOMEOWNERS ASSOCIATION, INC.

ARTICLE XIII
AMENDMENTS

Subject to the limitations that the Executive Board may not act on behalf of the Association to amend the Declaration to terminate the Common Interest Community or to elect members of the Executive Board or determine the qualifications, powers, duties or terms of Executive Board members, these Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of the votes of a quorum of Members present in person or by proxy; provided, however, that the written approval of HUD or VA shall be required for any amendments enacted during the Period of Declarant Control if, at the time such amendment is enacted, HUD has insurance or VA has a guarantee(s) on one or more First Mortgages.

ARTICLE XIV
CONFLICTS OF PROVISIONS

In the case of any conflict between the Articles of Incorporation and these Bylaws the Articles shall control; in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control; and in the case of any conflict between the Articles of Incorporation and the Declaration, the Declaration shall control.

ARTICLE XV
INDEMNIFICATION OF DIRECTORS AND OFFICERS

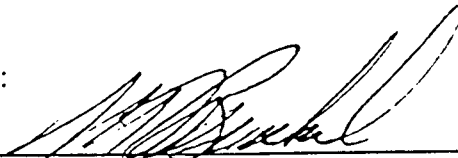
The Association shall indemnify every director, officer, agent and employee, and any former director, officer, agent and employee, against all loss, costs and expenses, including attorney's fees reasonably incurred in connection with any action, suit, or proceeding to which such person may be made a party by reason of being or having been such a director, officer, agent or employee of the Association, except for matters in which such person shall be finally adjudged to be liable for gross negligence or fraud. Any such indemnity shall be limited to and may only be paid out of the insurance proceeds provided by an insurer furnishing officers and directors errors and omissions insurance coverage and any other insurance protecting the Association from liability because of the negligent acts of its servants, including insurance covering motor vehicles or public liability, property damage, medical and other similar coverage, it being the intent and purpose of this provision to limit all payments or settlements in indemnification to the actual proceeds of insurance policies. No indemnification shall provided for acts constituting gross negligence, nor for fraud, nor for more reprehensible conduct. In the event of a settlement, the settlement shall be approved by the insurance carrier and paid for by the insurance carrier out of the insurance proceeds. The foregoing rights shall not be exclusive of other rights to which such director, officer, agent or employee may be entitled.

**ARTICLE XVI
FISCAL YEAR**

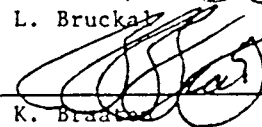
The fiscal year of the Association shall begin on the first day of January and end on the last day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we being all of the directors of VALLEY COUNTRY CLUB ESTATES HOMEOWNERS ASSOCIATION, INC., have hereunto set our hands this 28 day of October, 1994.

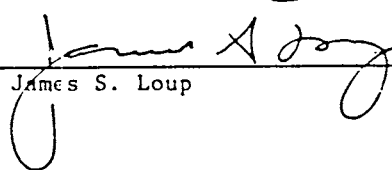
DIRECTORS:



Myles L. Bruckat



Brian K. Braaten



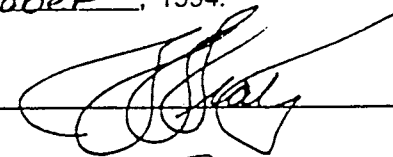
James S. Loup

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of VALLEY COUNTRY CLUB ESTATES HOMEOWNERS ASSOCIATION, INC., a Colorado non-profit corporation, and

That the foregoing Bylaws of said Association, as duly adopted at a meeting of the Executive Board thereof, held on the 28 day of October, 1994.

In witness whereof, I have hereunto subscribed my name and affixed the seal of said Association this 28 day of October, 1994.



BRIAN K. BRAATEN, Secretary

