

NONPROFIT

ARTICLES OF INCORPORATION
OF

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VILLAS AT VALLEY COUNTRY CLUB HOMEOWNERS ASSOCIATION, INC.

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 VILLAS AT VALLEY COUNTRY CLUB HOMEOWNERS ASSOCIATION, INC., hereafter called the "Association."

ARTICLE II
PRINCIPAL OFFICE

The principal office of the Association is VVCC LLC, 10065 East Harvard Avenue, Suite 900, Denver, Colorado 80231.

ARTICLE III
DURATION

The period of duration of the corporation shall be perpetual.

ARTICLE IV
REGISTERED AGENT

VVCC LLC, whose address is 10065 East Harvard Avenue, Suite 900, Denver, Colorado 80231, 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, including all Limited Common Elements (all

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as defined in the Declaration, as hereafter defined), and for maintenance, preservation and architectural control of the Units 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 Villas at Valley Country Club, 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 total number of Units then existing within the Common Interest 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 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 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 $\frac{1}{3}$ %) 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 five (5) 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 five (5) 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>
Ron Wedgle	10065 East Harvard Avenue, Suite 900 Denver, Colorado 80231
Jim Loup	10065 East Harvard Avenue, Suite 900 Denver, Colorado 80231
Tony Feist	8480 East Orchare Road, Suite 4200 Englewood, Colorado 80111
Frank Meguet	10065 East Harvard Avenue, Suite 200 Denver, Colorado 80231
Jim Wishmier	8480 East Orchard Road, Suite 4200 Englewood, Colorado 80111

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 11th day of April, 1994.



Address of incorporator:
7730 East Belleview Avenue, Suite 206
Englewood, Colorado 80111