

Revised 8/31/04
Approved copy

**THE
BYLAWS
OF
COUNTRY CLUB ESTATES HOMEOWNERS ASSOCIATION**

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**BYLAWS
OF
COUNTRY CLUB ESTATES HOMEOWNERS ASSOCIATION**

ARTICLE ONE: OBJECT

1.1 Association. COUNTRY CLUB ESTATES HOMEOWNERS ASSOCIATION ("Association"), is a nonprofit corporation, organized under the Colorado Nonprofit Corporation Act, with its principal office at the address of its Registered Agent, on file with the Secretary of State of the State of Colorado, Denver, Colorado. These Bylaws are adopted for the administration, regulation and management of the affairs of the Association.

1.2 Purpose. The Purpose for which the Association is formed is to govern the residential community situated in COUNTRY CLUB ESTATES, as subdivision in the County of Boulder, State of Colorado ("The Properties"), which is subject to the provisions of THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF COUNTRY CLUB ESTATES ("Declaration"), as amended from time to time, recorded in the office of the County Clerk and Recorder, Boulder County, Boulder, Colorado.

1.3 Terms Defined in Declaration. Terms used in these Bylaws which are defined in the Declaration shall have the same meaning and definition as in the Declaration.

1.4 Controlling Laws and Instruments. These Bylaws are controlled by and shall always be consistent with the provisions of the Colorado Nonprofit Corporation Act , the Declaration and the Articles of Incorporation of the Association filed with the Secretary of State of Colorado as any of the foregoing may be amended from time to time.

ARTICLE TWO: OFFICES

2.1 Principal Office. The Board of Directors, in its discretion, may fix and may change, from time to time, the location of the principal office of the Association.

2.2 Registered Office and Agent. The Colorado Nonprofit Corporation Act requires that the Association have and continuously maintain in the State of Colorado a registered office and a registered agent whose business office is identical with such registered office. The registered office need not be the same as the principal office of the Association. The initial registered office and the initial registered agent are specified in the Articles of Incorporation of the Association but may be changed by the Association at any time, without amendment to the Articles of Incorporation by filing a statement, as specified by law, in the Office of the Secretary of State of Colorado.

ARTICLE THREE: MEMBERSHIP AND VOTING RIGHTS

3.1 Membership. Every Person who is a record Owner of a fee interest in any Lot which is subject by covenants of record to assessment by the Association shall be a Member of the Association, including contract sellers. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Ownership of such Lot shall be the sole qualification for such membership. Where more than one person holds interest in any Lot, all such persons shall be Members.

3.2 Voting Rights. The Association shall have two classes of voting memberships:

Class A. Class A Members shall be all owners, with the exception of the Declarant and shall be entitled to one vote for each Lot owned, provided, however, the Declarant shall be a Class A Member after the conversion of the Class B Membership to Class A membership in accordance with this Paragraph and shall thereafter be entitled to one vote for each Lot owned.

The vote for a Lot which is owned by more than one Owner may be exercised by any one of them, unless an objection or protest by any other holder of an interest in the Lot is made prior to the completion of the vote, in which case the vote for such Lot shall be exercised as the persons holding such interest shall determine between themselves. Should the joint owners of a Lot be unable, within a reasonable time, to agree upon how they will vote any issue, they shall be passed over and their right to vote on such issue shall be lost. 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, its successors and assigns; the Class B Member shall be entitled to three votes for each Lot owned. Class B Membership may be converted to Class A Membership at the option of the Declarant by its written notice to the Secretary of the Association, but in any event shall be converted to Class A Membership without further act or deed not later than:

- (a) upon that date when the right to build seventy-five percent of the total number of Dwelling Units allowed to be built under the zoning then in force on the property described on Exhibits A and C of the Declaration has been allocated and conveyed to purchasers other than Declarant; or
- (b) seven years following the recording of the Declaration in the Boulder County, Colorado, records, whichever shall first occur.

ARTICLE FOUR: MEETINGS OF THE MEMBERS

4.1 Place of Meetings. Meetings of the Association shall be held at such place within Boulder County as the Board of Directors may determine.

4.2 Annual Meetings. The first Annual Meeting of the Association shall be held within one year from the date of incorporation of the Association, and each subsequent regular Annual Meeting of the Association shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 P.M., provided, however, the date of the first Annual Meeting after the conversion of the Class B Membership to Class A Membership in accordance with Paragraph 3.2 hereof may be set by the Board of Directors and the Annual Meeting of the Association shall take place on the time day of the same month thereafter at the hour of 7:00 P.M. If the day for the Annual Meeting of the Association is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday. At such meetings, the Members may transact such business of the Association as may properly come before the meeting.

4.3 Special Meetings. Special meetings of the Association may be called at any time by the President, or by the Board of Directors, or upon written request of the Members of which at least twenty-five percent of the Class A votes in the Association are allocated.

4.4 Notice of Meetings. Written notice of each meeting of the Association shall be given by, or at the direction of, the President or Secretary of the Association by hand delivery or mailing a copy of such notice, postage prepaid, or a combination thereof, at least fifteen days before such meeting to each member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a Special Meeting, the purpose of the meeting.

4.5 Quorum. The presence at a meeting of Members of the Association entitled to cast, or of proxies entitled to cast, twenty percent of the votes in the Association shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. An affirmative vote of a majority of the votes present at which a Quorum is in attendance in person or by proxies shall be necessary to transact business and to adopt decisions binding on all Members.

If such Quorum shall not be present or represented by proxy at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.

4.6 Proxies. At all meetings of the Association, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association at or before the time of such meeting. Proxies may be given only to other Members of the Association. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her Lot. No proxy shall extend beyond a period of sixty days.

4.7 Cumulative Voting Not Permitted. Cumulative voting in the election of Directors is not permitted.

ARTICLE FIVE: THE BOARD OF DIRECTORS

5.1 The Board of Directors during the Declarant Control Period. Initially three Directors shall be selected by the Declarant, acting in its sole discretion, and shall serve at the pleasure of the Declarant until the conversion of the Class B Membership to Class A Membership as provided for in Paragraph 3.2 hereof, unless the Declarant shall earlier surrender this right to select Directors. The names of the initial Directors selected by the Declarant are set forth in the Articles of Incorporation.

Not later than the time of the said conversion of the Class B Membership to Class A Membership, the Board shall call a Special Meeting to be held at which Members shall elect three Directors to serve until the next Annual Meeting of the Association. Upon such election the Directors selected by the Declarant shall submit their resignations.

5.2 The Board of Directors After the Declarant Control Period. At the first Annual Meeting of the Association after the said conversion of the Class B Membership and at each Annual Meeting of the Association thereafter, Directors shall be elected.

The initial terms of the elected Directors shall be fixed at the time of their election as they among themselves shall determine. Initially the term of one Director shall be fixed at one year; the term of one Director shall be fixed at two years; and the term of one Director shall be fixed at three years. At the expiration of the initial term of office of each respective member of the Board of Directors, a successor shall be elected to serve for a term of three years. Directors shall continue in office until their successors have been elected, unless a Director resigns, is removed, or becomes disqualified to be a Director.

The number of Directors and their terms may be changed by amendment to these Bylaws.

As amended by a vote of the Members on October 14, 1998, the number of elected Directors shall be increased from three to a minimum of five, maximum of nine, effective November 1, 1998. The term for each Director shall be fixed at one year. There are no term limits for Directors.

5.3 Qualifications/Nomination. An elected Director must be an Owner of a Lot within The Properties or be an officer of a corporate Owner of a Lot, or a partner in a partnership owning a Lot, or a Trustee of a Trust Owning a Lot within The Properties. If a Director ceases to be an Owner of a Lot, or a Officer, Partner Or a Trustee or a Corporate of an entity which owns a Lot, such Director's term as Director shall immediately terminate, and a new Director shall be selected as promptly as possible to take such Director's place. A Director may be reelected, and there shall be no limit as to the number of terms a Director may serve.

Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the Annual Meeting. The Nominating Committee shall consist of a Chairperson, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may only be made from among the Members.

5.4 **Election.** Election to the Board of Directors shall be by 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.

5.5 **Resignation/Removal of Directors.** Any Director may resign at any time by giving written notice to the Secretary of the Association, stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association.

5.6 **Vacancies in Directors.** Any vacancy occurring in the Board of Directors shall be filled by an affirmative vote of the majority of the remaining Directors, though less than a quorum of the Board of Directors. A Director elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of his or her predecessor in office. A Directorship to be filled by reason of an increase in the number of Directors shall be filled by only by vote of the Membership.

5.7 **Compensation.** Directors shall be compensated for services rendered to the Association. Compensation shall consist of a waiver of the currently prescribed Annual Assessment for Common Expenses for up to one Lot the Director owns within The Properties. Special Assessments shall not be waived as part of the Directors' compensation. Qualification for the waiver shall be made in arrears, and any Director shall be deemed qualified when two-thirds of the Regular Meetings of the Board of Directors have been attended by said Director during the previous calendar quarter.

Directors may, at their discretion, forego said compensation, even if qualified to receive such compensation, by written notification to the Secretary of the Association.

Any Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties if approved and reported in accordance with the established policies of the Association.

ARTICLE SIX: MEETINGS OF THE BOARD OF DIRECTORS

6.1 **Regular Meetings.** Regular meetings of the Board of Directors shall be held as the needs of the Association dictate, but at least quarterly upon seven days' notice, at such place and hour as may be fixed from time to time by resolution of the Board.

6.2 **Special Meetings.** Special Meetings of the Board of Directors shall be held when called by the President of the Board of Directors, after not less than three days' notice to each Director.

6.3 **Purpose of Meetings.** Neither the business to be transacted at, nor the purpose of, any Regular or Special Meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

6.4 **Quorum.** A majority of the number of Directors shall constitute a quorum for the transaction of business. 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 Board.

6.5 **Proxies.** A Director shall not be entitled to vote by proxy at any meeting of the Directors.

6.6 **Waiver of Notice.** A waiver of notice of any meeting of the Board of Directors, signed by a Director, whether before or after the meeting, shall be equivalent to the giving of notice of the meeting to such Director. Attendance in person of a Director at a meeting shall constitute waiver of notice of such meeting except when the Director attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

6.7 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 SEVEN: POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.1 Powers. The Board Of Directors shall have the power to:

- (a) administer and enforce the covenants, conditions, restrictions, easements, uses, limitations obligations and all other provisions set forth in the Declaration; and
- (b) establish, make and enforce compliance with such reasonable Rules and Regulations as may be necessary to govern the use of the Common Areas and facilities located thereon, and the personal conduct of the Members and their Guests thereon, and the right to amend the same from time to time, and establish penalties for the for the violation of same; and
- (c) 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; and
- (d) declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three consecutive regular meetings of the Board of Directors; and
- (e) hire and terminate a managing agent or such other employees as they deem necessary, and to prescribe their duties. All of the powers and duties granted to the Board hereunder may be delegated to a managing agent; provided, however, that such delegation shall not relieve the Board of Directors of any responsibility therefore; and
- (f) suspend the voting rights 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 days for infraction of published Rules and Regulations; and
- (g) enter into, make, perform, enforce, cancel and vacate contracts, agreements, licenses, leases, easements and/or rights of way of every kind and description.

7.2 Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement therefore to the Members at the Annual Meeting of the Association, or at any Special Meeting when such statement is requested in writing by Members representing at least twenty-five percent of the votes of the Class A Membership; and
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed; and
- (c) as more fully provided in the Declaration, to:
 - (i) establish the amount of the Annual Budget of the Association and the amount of the Annual Assessment for Common Expenses; and
 - (ii) fix the amount of the Individual Assessments; and
- (d) Collect all assessments as levied by the Board of Directors from the owners as are authorized in the Declaration; from the assessments collected, provide for the maintenance, repair and

replacement of the Common Areas as required by the Declaration, maintain all policies of insurance and provide for such other expenses together with the establishment of necessary reserves as are required by the Declaration or are deemed necessary by the Board of Directors in their discretion; and

- (e) Prepare, record and foreclose the lien against any Lot for which assessments are not paid or bring an action at law against the Owner personally obligated to pay the same; and
- (f) establish a reasonable late fee for nonpayment of assessments in accordance with the Declaration, as the Board, in its discretion, may determine from time to time and uniformly apply; and
- (g) procure and maintain adequate liability insurance protecting the Association and hazard insurance on insurable improvements located on the Common Areas in accordance with the Declaration and such other insurance Policies as the Board deems necessary or advisable; and
- (h) keep in good order, condition and repair all of the Common Areas in accordance with the Declaration; and
- (i) institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or an Owner on matters affecting The Properties; and
- (j) enjoin or seek damages from, or assess Fines and Individual Assessments against an Owner for violation of the provisions of the Declaration, the Bylaws, the Articles or Rules and Regulations of the Association as more fully provided for in the Declaration; and
- (k) furnish upon demand and for a reasonable charge a Certificate to an Owner or such Owner's First Mortgagee, signed by an officer of the Association setting forth whether the assessments on a specified Lot have not been paid. A properly executed Certificate of the Association as to the status of the assessments on a Lot is binding on the Association as of the date of its issuance; and
- (l) cause all officers or employees having fiscal responsibilities to be bonded, in accordance with the Declaration; and
- (m) enter upon a lot when necessary without being guilty of trespass in the performance of its duties as outlined in the Declaration; and
- (n) borrow money, providing such security as is necessary, providing that such borrowing has the prior written approval of Members who are entitled to cast at least sixty-seven percent of the votes of each Class of Membership; and
- (o) exercise any other powers conferred by the Declaration; Articles or Bylaws; and
- (p) exercise all other powers necessary for the proper governing and operation of the Association.

ARTICLE EIGHT: OFFICERS AND THEIR DUTIES

8.1 Enumeration of Officers. The officers of this Association shall be President, Vice-President, Secretary and Treasurer, who shall at all times be members of the Board of Directors, and Member-at-Large and such other officers as the Board may from time to time by resolution create.

8.2 Election of Officers. The election of officers shall take place at the first Regular Meeting of the Board of Directors following each Annual Meeting of the Association.

8.3 Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one year or until their successors are appointed, whichever is later unless he or she shall sooner resign, or be removed, or otherwise disqualified to serve.

8.4 Special Appointments. The 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.

8.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Board whenever in the Board's judgment the best interest of the Association will be served thereby. Any officer may resign at any time by giving written notice to the Secretary of the Board. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein. The acceptance of such resignation shall not be necessary to make it effective.

8.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

8.7 Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of the other offices except in the case of special offices created pursuant to Paragraph 8.4 hereof.

8.8 Duties. The duties of the officers are as follows:

- (a) **President.** The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall direct, supervise coordinate and have general control over the affairs of the Association, and shall have the powers generally attributable to the chief executive officer of a corporation. The President shall preside at all meetings of the Board of Directors.
- (b) **Vice-President.** The Vice President may act in the place of the President in the case of the President's absence or inability to act, and shall perform such other duties and have such authority as is from time to time delegated by the Board of Directors or by the President.
- (c) **Secretary.** The Secretary shall be the custodian of the records and the seal of the Association; shall see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law; shall see that the books, reports and other documents and records of the Association are properly kept and filed; shall take or cause to be taken and shall keep minutes of the meetings of the Board of Directors; shall keep at the principal office of the Association a record of the names and addresses of the Members; and, in general, shall perform such other duties as may, from time to time, be assigned by the Board of Directors or by the President.
- (d) **Treasurer.** The Treasurer shall have charge and custody of, and be responsible for, all funds of the Association; shall deposit all such funds in the name of the Association in such depositories as shall be designated by the Board of Directors; shall cause such funds to be disbursed in payment of valid obligations of the Association; shall keep correct and complete financial records and books of account and records of financial transactions and of the financial condition of the Association, and shall submit such reports thereof as the Board of Directors may, from time to time, require; shall cause an annual audit of the Association's books to be made by an accountant at the completion of each fiscal year, if so directed by the Board of Directors or if requested to do so by a mortgagee in accordance with Paragraph 12.3 hereof; and shall prepare an annual budget and a statement of income and expenditures to be presented at the Association's Annual Meeting and such other duties as may from time to time be assigned by the Board of Directors or by the President.

- (e) Member-at-Large. The Member-at-Large shall be a voting member of the Board of Directors. He or she shall perform such duties and have such authority as is from time to time delegated by the Board of Directors or by the President.

ARTICLE NINE: COMMITTEES

The Board of Directors shall appoint a Design Review Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE TEN: AMENDMENTS

These Bylaws may be amended, at an Annual or Special Meeting of the Association, by a vote of a majority of a quorum of Members present in person or by proxy.

If The Properties have been or are to receive Veterans Administration and/or Federal Housing Administration approval, then as long as there are Class B Memberships such agencies shall have the right to veto amendments.

ARTICLE ELEVEN: NOTICE AND HEARING PROCEDURE

The Board shall not impose an Individual Assessment, suspend voting rights, or infringe upon any other rights of a Member or other occupant for violations of Rules and Regulations of the Association or of the Declaration unless and until the following procedure is followed:

- (a) Demand. Written demand to cease and desist from the alleged violation shall be served upon the alleged violator specifying:
 - (i) the alleged violation;
 - (ii) the action required to abate the violation;
 - (iii) a time period, not less than ten days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any additional similar violation may result in the imposition of a sanction after Notice and Hearing, if the violation is not continuing.
- (b) Notice. At any time within twelve months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule is subsequently violated, the Board or its delegate shall serve the violator with written notice of a Hearing to be held by the Board. The notice shall contain:
 - (i) the nature of the alleged violation;
 - (ii) the time and place of the Hearing, which time shall not be less than ten days from the giving of the Notice;
 - (iii) an invitation to attend the Hearing and produce any statement, evidence, and witness on his or her behalf; and
 - (iv) the proposed sanction to be imposed.
- (c) Hearing. The Hearing shall be held pursuant to this Notice affording the Member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of Notice and the invitation to be heard shall be placed in the Minutes of the Meeting. Such proof shall be deemed adequate if a copy of the Notice, together with a statement of the date and manner of

delivery, is entered by the officer, Director, or agent who delivered such Notice. The Notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The Minutes of the Meeting shall contain a written statement of the results of the Hearing and the sanction, if any, imposed. The decision of the Board shall be final.

However, in no event shall the Board suspend a Member's right to use The Properties, or his voting rights infraction of the Association's Rules and/or Regulations for a period in excess of sixty days.

The procedures shall not be necessary in order to impose any sanction or penalty for nonpayment of delinquent assessments.

ARTICLE TWELVE: MISCELLANEOUS

12.1 Proof of Ownership/Voter Designation. Every person becoming a owner of a Lot shall immediately furnish to the Board of Directors a photocopy of the recorded instrument vesting in that person such ownership, which instrument shall remain in the files of the Association. A Member shall not be deemed to be in good standing nor shall he or she be entitled to vote at any Annual or Special Meeting of the Association unless this requirement is first met.

12.2 Character of Association. This Association is not organized for profit. No Member, Member of the Board of Directors, or Officer shall receive pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be distributed to, or inure to the benefit of, any Director, Officers or Members. A reasonable salary may be paid to any Member who is in the employ of the Association for his or her services as such employee; and any Member, Manager, Director or Officer may, from time to time, be reimbursed for his or her actual expenses incurred in connection with the administration of the affairs of the Association approved in accordance with the policies of the Association.

12.3 Inspection of Records/Audits. The Association shall make available to Owners and their mortgagees current copies of the Declaration, Articles of Incorporation, Bylaws and the other Rules and Regulations governing The Properties and the books, records and financial statements of the Association. "Available" means available for inspection upon request during normal business hours or other reasonable circumstances at the office of the Association. Copies may be purchased at a reason cost.

Upon ten days' notice to the Association, and upon payment of reasonable fee, any Owner or such Owner's First Mortgagee shall be furnished a statement of his or her accounting, setting forth the amount of any unpaid assessments or other charges due and owing by such Owner and/or an estoppel certificate.

Any Mortgagee shall be entitled, upon written request, to an Annual Financial Statement for the immediately preceding fiscal year, at it's expense, to the party so requesting. Any Financial Statements so requested shall be furnished within a reasonable time following such request.

The Association shall also be required to make available to prospective purchasers current copies of the Declaration, Bylaws, Articles of Incorporation, and other Rules and Regulations governing The Properties and the most recent annual audited financial statement, if such is prepared.

12.4 Indemnification. The Association shall indemnify every present and former director, officer, agent, or employee against loss, costs, and expenses, including attorneys' fees reasonably incurred in connection with any action, suit or proceeding in which such person may be made a party by reason of being, or having been, such director, officer, agent or employee of the Association, except as to matters concerning which such person shall be finally adjudged to be liable for gross negligence or fraud. Any such indemnification 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 or similar protection 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 Paragraph to limit all payments or settlements

in indemnification to the actual proceeds of insurance policies received by the Association, provided, however, any deductible shall be paid by the Association.

No officer, director, agent or employee of the Declarant, its successors and assigns, nor any managing agent who is an independent contractor, shall be protected by these indemnification provisions nor by any insurance policies obtained by the Association in relation thereto.

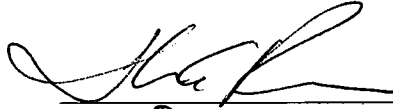
In the event of a settlement, the settlement shall be approved by the Board of Directors, and paid by the insurance carrier out of the insurance proceeds.


12.5 Corporate Seal. The Board of Directors shall adopt a seal which shall have inscribed thereon the name of the Association and the words "Seal" and "Colorado".

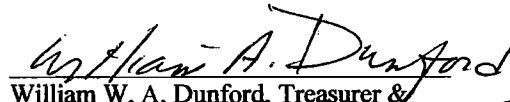
12.6 Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year, unless changed by the Board of Directors. The first year shall begin on the date of incorporation.

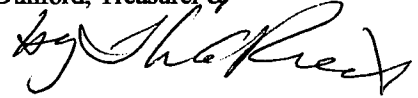
IN WITNESS WHEREOF, the undersigned have hereto set their approval this 11th day of September, 2004.

COUNTRY CLUB ESTATES
HOMEOWNERS ASSOCIATION


Thomas Rieck, President & Director


Michael Kaumans, Vice President &
Director


William W. A. Dunford, Treasurer &
Director

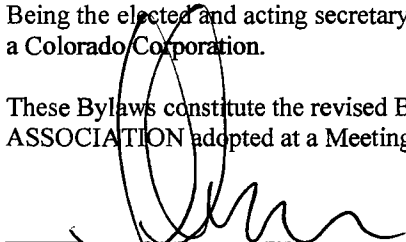


CERTIFICATION

I do hereby certify:

Being the elected and acting secretary of COUNTRY CLUB ESTATES HOMEOWNERS ASSOCIATION, a Colorado Corporation.

These Bylaws constitute the revised Bylaws of COUNTRY CLUB ESTATES HOMEOWNERS ASSOCIATION adopted at a Meeting of the Board of the 11th day of September, 2004.


Allison Appelhans, Secretary & Director