

Policy #020

BY-LAWS OF SPRING VALLEY PROPERTY OWNERS AND RECREATIONAL CORPORATION

January 1, 2023

ARTICLE I

SECTION 1: The principal office of the Corporation shall be 1440 Spring Valley Drive, Divide, Colorado, 80814 and the books of the company shall be kept at the said office or at other place as the President of the Board of Directors may, from time to time, determine. The mailing address of the corporations is P.O. Box 513, Divide Colorado, 80814.

SECTION 2: The Board of Directors shall consist of seven (7) members that are property owners and maintain full-time, primary residence, of whom shall be chosen by said board as its President, one or more as Vice-Presidents(s), and one as Secretary, and one as Treasurer. The President may not hold another office simultaneously on this Board. The Secretary and Treasurer positions must be held by separate board members. The Board of Directors shall have full power and authority to manage and control the affairs and business of the Corporation, and at any meeting of the Board of Directors, a majority of the whole number of directors shall constitute a quorum for the transaction of business, and a majority of the votes of those directors present at which a quorum is present shall be sufficient to pass any measure at each meeting. For purposes of determining a quorum and for purposes of casting a vote, a director may be deemed to be present and to vote if the director grants a signed, written proxy to another director who is present at the meeting. The proxy must direct a vote to be cast with respect to a particular proposal that is described with reasonable specificity in the proxy. The number of members of the Board of Directors may be increased or decreased at any time by the unanimous approval of the members of the existing Board of Directors. The Board of Directors may meet in or outside the State of Colorado. Terms of office shall be for two (2) years for all members of the Board. The same proportion of Directors will be elected each year (4 Directors in even years and 3 Directors in odd years).

SECTION 3: The new Board of Directors shall be announced at the annual meeting of the Corporation, (chosen by members casting ballots prior to the annual meeting of the Corporation), immediately preceding or contemporaneous with the expiration of each member's respective term, to be held at its principal office or location chosen by the Board on a date to be designated by the Board of Directors each year, and it shall be the duty of the Secretary to give fifteen(15) days notice in person or by mail to the membership of such annual meeting of the membership.

SECTION 4: In case of a vacancy on the Board of Directors, a majority of the remainder of the members of the Board may fill such vacancy.

SECTION 5: Removal. Any member of the Board of Directors of the corporation may be removed by the Board of Directors only with or for cause at a meeting called for and stating that purpose. Any member of the Board of Directors elected by the Board may be removed with or without cause by majority of the directors of the corporation present at a meeting at which a quorum is present.

ARTICLE II

SECTION 1: The duties of the President, Vice-President, Secretary and Treasurer shall be such as are usually imposed upon such officials of corporations, and are required by law, and such as may be assigned to them respectively by the Board of Directors from time to time.

SECTION 2: Other officers, agents, and employees may be appointed, their duties assigned and compensation fixed by the Board of Directors.

SECTION 3: The Board of Directors or the President, may, from time to time, appoint Committees to assist the Board; such committees shall report to and advise the Board. The Board shall not be bound by the recommendations of any committees so appointed.

ARTICLE III

SECTION 1: The Board of Directors shall draw a rough map enclosing the area in which any member must reside or own property in order to be entitled to become a member of this Corporation. Such area may be extended or decreased as the Board of Directors shall decide by majority vote.

SECTION 2: Members agree that the Corporation's Board of Directors shall have the right to prescribe regulations and methods of enforcing such regulations with respect to the projects undertaken by the Corporation.

SECTION 3: An individual becomes a member in the Spring Valley Property Owners and Recreational Corporation if such individual owns property within the area set forth in the map referred to in Article III, Section 1, above, and by paying annual membership dues as shall be set each year by the membership at the Corporation's annual meeting. Upon payment of such annual membership dues, the Board of Directors shall record evidence of membership for the member in such form as the Board of Directors shall deem necessary and sufficient. Notwithstanding any of the foregoing to the contrary, there shall be allowed a maximum of one vote cast for each lot or parcel of property owned by a member regardless of the number of members per lot or parcel. An individual member who owns more than one lot or parcel within the above described geographical area may exercise a vote for each such lot or parcel owned by him or her on which all annual membership dues have been paid.

Individuals renting property for six (6) months or more within the designated areas set forth in Section 1 above may become an Associate Member with written annual permission of the property owner and following payment of their annual membership dues. Associate Members may use association common areas and facilities and may participate in Association related activities. Associate Members do not have voting rights on Association matters.

SECTION 4: Individuals may be denied membership in the Corporation and subjected to negative sanctions for non-compliance of rules, regulations or covenants, or by failing to pay their annual membership dues as articulated in written Association Policies.

ARTICLE IV

SECTION 1: The Corporation (general membership) shall administer the common property and the affairs and business of the Corporation, for the benefit of the property owners identified on the map developed pursuant to Article III, Section 1. With respect to the common property and the affairs and

business of the Corporation, the Board of Directors, on an annual basis, shall develop for approval of property owners at the Corporation's Annual Meeting a budget for the revenues, expenditures and reserves associated with administering the Corporation. And in connection therewith, the Corporation, through its Board of Directors, shall have the authority to proportionately assess and collect the membership dues for the expenses from the lot owners on terms not incompatible with such budget.

SECTION 2: The Board of Directors may by majority vote, dispose of or sell any part or all of the property of the Corporation on such terms as it deems advisable, except the Board of Directors shall not sell all of the property of the Corporation, at any one time, without the consent of the majority of the membership; but it may buy and sell machinery and personal property in the ordinary course of conduction of the business of the Corporation.

ARTICLE V

SECTION 1: The Board of Directors may pay fixed salaries to the employees and do all other things reasonable and proper in conducting its business but said business shall not be conducted for profit.

ARTICLE VI

SECTION 1: The Corporation's entire affairs may be wound up at any time the Board of Directors decide by three-fourths majority vote that it is no longer necessary for the said Corporation to exist, and at that time or later may decide what should be done with any funds on hand, whether to donate same to some charity or otherwise dispose of the same, except any such decision must be in accordance with the law.

SECTION 2: The members understand that the Corporation exists for their mutual benefit and that the purpose for which the Corporation is formed are: for pleasure, social and recreational purposes; to administrate, regulate or otherwise enforce architectural requirements and protective covenants which may apply to developments or subdivisions of real property and improvements within a geographical area which may be from time to time designated by the Board of Directors; to maintain the common property and the affairs and business of the Corporation, and to do any other act or thing incidental to or connected with the foregoing purposes or in the advancement thereof, but not for the pecuniary profit or financial

gain of its Directors, Officers or Members.

ARTICLE VII

SECTION 1: These By-Laws may be altered and amended at any time by the entire Board of Directors or by vote of the majority of the Board at a meeting held for that purpose, fifteen (15) days notice of such meeting having been given in writing either by mail or personal service to each member of the Board by the President or Secretary.

ARTICLE VIII

SECTION 1: The presence, in person or by proxy, of one-twentieth (1/20) of the voting members of the Corporation at the annual meeting of the members of the Corporation shall constitute a quorum for the conduct of any and all business.

The forgoing is a true and accurate copy of the By-Laws of Spring Valley Property Owners and Recreational Corporation as are in effect the ____ day of _____, 20 ____

Mike Johnson– President

Caroline Trani– Secretary

STATE OF COLORADO)
) ss
County of Teller)

The foregoing instrument was acknowledged before me by _____

on this ____ day of _____, 2009

Witness my hand and official seal.

Notary Public

My commission expires _____