

BYLAWS  
OF  
VALLEY MAINTENANCE CORPORATION

ARTICLE I

SECTION I: *Location*. The principal office of the Corporation shall be 137 Spring Valley Dr, Divide, CO 80814, and the books of the company shall be kept at said office or at such other place as the President or the Board of Directors may, from time to time, determine.

SECTION 2: *The Board*. The Board of Directors shall consist of seven (7) members, one of whom shall be chosen by said Board as its President, one or more as Vice-Presidents, one as Secretary, and one as Treasurer, which 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 such quorum shall be sufficient to pass any measure before such meeting.

The number of Board of Directors may be increased or decreased at any time by the unanimous approval of the existing Board of Directors. The Board of Directors may meet in or outside the State of Colorado. Four Directors of the Board shall be elected for two (2) year terms, three Directors shall be elected for two (2) year terms.

The Board of Directors shall be chosen from among the members at the annual meeting of the Corporation immediately preceding or contemporaneous with the expiration of each Director's respective term to be held at a location identified by the Board of Directors 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. In case of a vacancy on the Board of Directors, a majority of the remainder of the members of the Board shall fill such vacancy, and such appointment shall be valid until the next annual meeting of the membership. (Note: The principal office is the shed by System 1 tanks.)

ARTICLE II

SECTION 1: *Duties*. The duties of the president, vice-president, secretary, and treasurer shall be such as are usually imposed upon such officials of corporations, and as are required by law, and such as may be assigned to them respectively by the Board of Directors from time to time. Other officers, agents, and employees may be appointed, and their duties assigned, and compensation fixed by the Board of Directors.

SECTION 2: *Committees*. The Board of Directors or the president may, from time to time, appoint committees to assist the Board, which 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: *Annual Meeting*. An annual meeting of the members will be held each year on a date set by the board of directors. At least fifteen (15) days notice of the annual meeting shall be given to the members in accordance with Article I, Section 2. (Note: This matches language in Article I Section 2 and complies with statute that requires 10 days notice)

SECTION 2: *Regular Meetings of Directors.* By resolution, the Board of Directors may provide the time, place, or remote communication method, either within or without the State of Colorado, for the holding of regular meetings of Directors without any notice other than the resolution.

SECTION 3: *Special Meetings of Members.* Special meetings of the members for any purpose shall be called by the Board of Directors or by one-third (1/3) of the members. At least 10 days' notice in person or by mail of special meetings shall be given to members.

SECTION 4: *Special Meetings of Directors.* Special meetings of the Board of Directors may be called by any three Directors who shall provide at least two (2) days notice to the members of the time, place, or remote communications method, and subject matter of such meetings.

SECTION 5: *Proxies.* At all meetings of members or Directors, a member or Director may vote by proxy executed in writing by the member or Director or his/her duly authorized attorney in fact. Such proxy shall be filed with the secretary of the corporation before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy.

SECTION 6: *Informal Actions.* Any action required to be taken at a meeting of the members, or any other action which may be taken at a meeting of the members, may be taken without a meeting if a consent in writing, setting forth the action so taken is signed by all of the members entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the members, and may be stated as such in any articles or document filed with the Secretary of State of Colorado under the Colorado Nonprofit Act.

## ARTICLE IV

SECTION 1: *Use.* Water supplied by the Corporation may be used only for domestic use in single-family dwellings on the member's associated lot. Domestic use means water can only be used inside the home. Water cannot be used outside for irrigating lawns, gardens, etc.

SECTION 2: *Metering and Rates.* All water service shall be metered unless otherwise specified by the board of directors. Water rates, tap charges, and all other charges for water service shall be established by the Board of Directors from time to time, by Resolution. Any change in water rates, tap charges, and all other charges for water service shall be published and available to the me

SECTION 3: *Member Area.* The Board of Directors shall create a list of filings (Filings 1-7, 9, and 10) 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 different terms of membership prescribed if allowed by these bylaws as the Board of Directors shall decide such questions by majority vote.

SECTION 4: *Membership.* By becoming a member, such member agrees that the Corporation shall have the power to make through its Board of Directors (or membership if the Board of Directors deems it appropriate) by majority vote assessments on a monthly basis or yearly

basis or such other reasonable basis as may be fitting, sufficient to defray the repair maintenance, ownership, and operating costs of the water wells, and by becoming a member it shall be agreed that if such member shall not pay any such assessment, the same shall become a lien upon any property owner by said member in the membership area as defined by the list referred to in Article IV, Section 3, above, and said lien may be foreclosed in any court of equity as an equitable lien pursuant to rules and regulations of law pertaining to equitable liens.

By becoming a member, the member agrees 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, to include supplying water to the members.

An individual may become a member in the Valley Maintenance Corporation if such individual resides or owns property within the area set forth in the map referred to in Article IV, Section 3, above.

SECTION 5: *Other Remedies for Breach.* In addition to any other remedies provided for in these By-Laws or by law, the Corporation may sue for any amount due. The remedies provided in this section for collecting delinquent assessments and charges and forfeiting memberships and Certificates are cumulative and shall not be deemed to take away or affect any other right which the Corporation now or may hereafter have relative to the collection of delinquent assessments and charges and foreclosure of any lien against any membership. The delinquent member may pay all amounts due plus all costs in the matter, including attorneys' fees, to prevent collection activity.

## ARTICLE V

SECTION 1: *Authorization.* 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 conducting the business of the Corporation.

## ARTICLE VI

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

SECTION 2: *Records.* The Corporation shall keep records sufficient to comply with the requirements set forth in C.R.S. 7-136-101 and 38-33.3-317 as amended. The Corporation shall make its records available for inspection and copying to its members upon receiving thirty (30) days' notice.

SECTION 3: *Indemnification.* The corporation shall indemnify each director, officer, employee and volunteer of the corporation to the fullest extent permissible under the laws of the State of Colorado, and may in its discretion purchase insurance insuring its obligations hereunder or otherwise protecting the persons intended to be protected. The corporation shall have the right, but shall not be obligated, to indemnify any agent of the corporation not otherwise covered to the fullest extent permissible under the laws of the State of Colorado.

SECTION 4: *Liability of Director for Unlawful Distributions.* A director who votes for or assents to a distribution made in violation of the Colorado Revised Nonprofit Corporation Act or the articles of incorporation of the Association shall be personally liable to the Association for the amount of the distribution that exceeds what could have been distributed without violating the Colorado Revised Nonprofit Corporation Act or the articles of incorporation if it is established that the director did not perform the director's duties in compliance with the general standards of conduct for directors. A director who is liable under the preceding paragraph for an unlawful distribution is entitled to contribution: (i) from every other director who could be liable under the preceding paragraph for the unlawful distribution; and (ii) from each person who accepted the distribution knowing the distribution was made in violation of the Colorado Revised Nonprofit Corporation Act or the articles of incorporation, to the extent the distribution to that person exceeds what could have been distributed to that person without violating the Colorado Revised Nonprofit Corporation Act or the articles of incorporation.

SECTION 5: *Loans to Officers and Directors Prohibited.* No loans shall be made by the Association to any of its officers or directors. Any officer or director who assents to or participates in the making of any such loan shall be liable to the Corporation for the amount of such loan until the repayment thereof.

SECTION 6: *Conflicting Interest Transactions.* As a Director, there may be times when elements of a Directors' personal or professional life may come in to conflict with the mission and goals of the Corporation. If and when situations arise where a Director believes there may be a conflict or if a Director is advised by another Director that there is a potential conflict, it is incumbent upon the Director in question to make the potential conflict known to the entire Board of Directors. After discussion, if it is deemed there is a potential conflict, the remaining Board Members will be consulted to determine the appropriate action.

SECTION 7: *Resignation.* A Director may resign at any time with or without written notice. A Director may also be removed as a Director by a majority vote of the acting Directors for conduct or behavior that is determined to be contrary to the best interest of the Corporation.

## ARTICLE VII

SECTION 1: *Dissolution.* The Corporation's entire affairs may be wound up at any time by a vote of the members in accordance with Colorado Revised Statute.

SECTION 2: *Nonprofit Status.* The members understand that the Corporation exists solely for their mutual benefit and that the Corporation may not take on any other non-profit projects other than those within the scope of S501(c)(12) of the Internal Revenue Code of 1954, as amended.

## ARTICLE VIII

SECTION 1: *Amendments.* These Bylaws may be altered and amended at any time by the entire Board of Directors or by a vote of the majority of the Board of Directors at a meeting held for that purpose, fifteen (15) days' notice or personal service to each member of the Board by the president or secretary.

## ARTICLE IX

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

The foregoing is a true and accurate copy of the bylaws of Valley Maintenance Corporation as are in effect, this \_\_\_\_\_, day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
William Burton, VMC President

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Date

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ATTEST

\_\_\_\_\_  
Date