

Valley-Hi Ranch Estates

CONSTITUTION AND BY-LAWS OF THE VALLEY-HI RANCH ESTATES HOMEOWNERS ASSOCIATION INC

ARTICLE I - TITLE AND LOCATION

Section I. In accordance with the Articles of Incorporation hereby filed with the Secretary of the State of Colorado, the name of this non-profit Colorado Organization shall be: VALLEY-HI RANCH ESTATES HOMEOWNERS ASSOCIATION INC.

Section II. The headquarters of this organization, shall be located at the incumbent Secretary's office, Valley-Hi Ranch Estates, Evergreen, County of Jefferson, State of Colorado.

ARTICLE II - PURPOSE

In accordance with the Articles of Incorporation, the objects of this Association shall be to represent the interests of the property owners, to protect and enhance the value of the area, to enforce protective covenants, also to have and exercise the rights and powers provided for in said Articles of Incorporation.

ARTICLE III - MEMBERSHIP

Regular membership in this Association shall be restricted to owners of lots located within Valley-Hi Ranch Estates, Filing I or II, as filed for record in the office of the Clerk and Recorder, County of Jefferson, State of Colorado. Any person whose name appears on the deed or contract as owner, part owner, wife or husband of an owner or part owner, excluding corporate and business interest, shall be entitled to membership in the Association as a matter of right; however, voting privileges shall be limited to two persons whose names appear as so listed. No additional vote shall be gained by any person or group by virtue of holding more than one lot or parcel of land.

ARTICLE IV - VOTING POWERS OF MEMBERSHIP

Members in good standing shall have a vote on all questions regarding changes in the Constitution, By-Laws, and in the election of officers for the Association. One additional vote shall be allowed for each resident homeowner. In no case, shall more than two votes per membership be allowed. Any member in good standing may appoint, in writing, another member of the Association to act as his proxy in voting in his stead. No proxy shall be in force and effect for any longer than one meeting following its date of issue.

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ARTICLE V - OFFICERS & BOARD OF DIRECTORS

Section I. The elective officers of this Association shall consist of the following: a President, a Vice-President-Treasurer, Secretary, Chairman of the Architectural Committee and 1 (one) Director at Large.

Section II. All of the above elected officers shall constitute the Board of Directors and shall act as the governing body of this Association.

ARTICLE VI - FINANCE

Section I. Financing of this Association shall be derived from dues, donations, gratuities, assessments, and other such sources as may be legally accepted and approved by the Board of Directors.

Section II. All funds of this Association shall be deposited in a bank approved by the Board of Directors, and all checks shall be signed by any two of the elected officers.

Section III. Each homeowner member of the Association shall pay such annual membership dues as are herein defined. Non-homeowner members shall pay half the dues of the homeowner member. Said membership annual dues shall be due and payable to the Vice-President-Treasurer prior to the annual meeting. Annual membership dues in excess of Sixty Dollars (\$60.00) shall not be levied without prior consent of a simple majority vote of the members present at any duly constituted regular or special meeting. Within the aforesaid maximum, the Board of Directors shall have sole discretionary power to set and/or alter the amount of the annual dues. All members delinquent in the payment of their dues or other payments shall be considered "not in good standing".

Section IV. Special Assessments may be made at any regular or special meeting upon approval by a 2/3 majority vote.

ARTICLE VII - AMENDMENTS TO THE CONSTITUTION AND BY-LAWS

Any member of the Association may propose an amendment to this Constitution or By-Laws by submitting a copy of said proposed amendment to any member of the Board of Directors to be considered at that group's next meeting. Once submitted to the Board of Directors, notice to the membership shall be given and the proposed amendment presented and voted on at the next scheduled meeting of the Association, with approval by a simple majority vote.

ARTICLE VIII - QUORUM

It shall be necessary to have a minimum of twenty-five (25%) percent of the voting membership present at any meeting to constitute a quorum.

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ARTICLE IX - MEETINGS

Section I. This Association shall hold a regular meeting once a year, at such time and place as shall be determined by the Board of Directors. The meeting shall be held no later than December 31st of each year. A fifteen (15) day written notice shall be given to all members, notifying them of the annual meeting.

Section II. A special meeting may be called by the President or a majority of the board of Directors, or by petition of twenty-five (25%) percent of the members in good standing. A seven (7) day written notice shall be given to all members of any proposed special meeting.

Section III. The Board of Directors shall meet on call of the President, or, in case of his absence, the Vice-President-Treasurer of the Association.

Section IV. The conduct of all meetings shall be according to Robert's Rules of Order.

ARTICLE X - ELECTIONS

Section I. All officers shall be elected and installed at the annual meeting, no later than December 31st of each year for a term of one year, or until a qualified successor has been elected.

Section II. All officers shall be elected by a majority vote at the annual meeting.

Section III. All members in good standing shall be eligible to vote at any and all elections.

Section IV. All proxy votes shall be included at the time the ballots are counted.

ARTICLE XI - NOMINATIONS

Section I. Nominations for the offices of the Valley-Hi Ranch Estates Homeowners Association Inc., shall be made by a nominating committee as appointed by the President of the Association. Additional nominations may be made from the floor.

Section II. Any member in good standing may be nominated for an office of the Valley-Hi Ranch Estates Homeowners Association Inc.

ARTICLE XII - DUTIES OF OFFICERS

Section I. The President shall preside at all regular and special meetings, shall serve as the Chairman of the Board of Directors, shall direct all approved activities and shall represent Valley-Hi Ranch Estates Homeowners Association Inc. on

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all occasions whenever necessary. If a vacancy should occur, temporary or permanent in an elected office, the President shall fill the vacancy by temporary or permanent appointment. The President shall be empowered to appoint committees as necessary, with the approval of the Board of Directors. The President shall be an ex officio member of all committees.

Section II. The Vice-President-Treasurer shall act as presiding officer during the absence or inability of the President, act as Chairman of the Board of Directors in the President's absence, represent this Association whenever called upon. Also receive all finances of the Association, bank all funds, pay all accrued bills as approved by the Board of Directors, account for all property of the Association and perform such other duties as may be required.

Section III. The Secretary shall keep a permanent record of the proceedings of all meetings, keep an official roster of the membership, and perform such other duties as may be required.

Section IV. The Director-at-Large (1) shall serve to represent the entire membership of Valley-Hi Ranch Estates Homeowners Association Inc. and shall perform such other duties as may be required.

ARTICLE XIII - BOARD OF DIRECTORS

Section I. The Board of Directors shall act as the Executive Committee between meetings of the Association with full power to conduct business; it shall approve all expenditures of the Association funds. Three (3) Directors shall constitute a quorum for the transaction of said business as may come before it. Each member of the Board of Directors shall be deemed to have one vote. A Three (3) vote majority of the Board of Directors shall be required to approve any business that is within the province of the Board of Directors to include the enforcement of the covenants. No legal action shall be undertaken, no expense authorized, no employee employed or discharged, and no contractual agreement entered into without the approval of all five (5) of the Board of Directors.

Section II. No Director shall be paid a salary or be compensated as such for service rendered, with the exception that, by resolution of the Board of Directors, reimbursement may be offered for any reasonable expenses incurred on behalf of the Association.

Section III. The Association shall indemnify every Director or officer, their heir, executors and administrators, against any expenses reasonably incurred by them in connection with any action, suit or proceeding, whether filed in Colorado or any other state or the Courts of the United States, to which they may be made a party by reason of their being or having been a Director or Officer of the Association,

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except in relation to matters as to which they shall be finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct. Indemnification shall be provided only in connection with such matters as to which the Association is advised by counsel that the person to be indemnified did not commit such a breach of duty, and shall not be exclusive of other rights to which they may be entitled.

ARTICLE XIV - STANDING COMMITTEES

Architectural Control Committee shall consist of three (3) members. The Committee shall review building plans and investigate violations of the covenants one through five (1 - 5), eight (8) and twelve through twenty-seven (12 - 27) and make recommendations to the Board of Directors.