

**BYLAWS OF
RED CREEK RANCH PROPERTY OWNERS ASSOCIATION, INC.**

**ARTICLE I.
Officers, Registered Agent**

Section 1. Principal Office. The principal office of the corporation shall be located at 7560 Highway 96 West, Pueblo, Colorado 81005. The corporation may have such other or additional offices in the State of Colorado as may be established from time to time by resolution of the Board of Directors.

Section 2. Registered Agent. Until a successor is named by an appropriate resolution of the Board of Directors, the Registered Agent shall be Joe O'Brien, and the Registered Office for the corporation shall be 3725 Beckett Drive, Colorado Springs, CO 80906.

**ARTICLE II.
Membership**

Section 1. Membership. Memberships and the qualifications for being members are set forth in item Five of the Articles of Incorporation of Red Creek Ranch Property Owners Association, Inc.

Section 2. Dues. As more fully provided in the Declaration of Covenants Conditions, Restrictions and Easements adopted by Red Creek Ranch, Inc. (the "Declaration"), each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Annual assessments shall initially be \$150.00 per lot, and shall be payable by each member of the Corporation in advance on or before the first day of January of each year, commencing with the year 1994. The Board of Directors shall have the right to suspend or change such annual assessments from time to time. If, under existing circumstances, the Board of Directors deems it necessary or advisable to have a special assessment at any time for emergencies, then, upon thirty days' written notice, the members shall pay such special assessment to the Corporation. Such special assessment shall not, in any calendar year, exceed one-half of the amount of the members' common assessment for that year, unless amounts above such limits are agreed to by two-thirds of the members. Special assessments in any calendar year may not exceed three times the amount of the annual dues unless such amounts are agreed to unanimously by all members. In no event may the total of all annual assessments and special assessments exceed \$300.00 per lot per year or such greater maximum as is permitted by law to remain exempt under the Colorado Common Interest Ownership Act.

Red Creek Ranch, Inc. or its successors shall not be required to pay any assessments during the development and sale of lots and undeveloped lots for sale until Red Creek

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Ranch, Inc. has sold seventy-five percent of all lots in the Property. If Red Creek Ranch, Inc. should retain and build on a lot for personal use, then it shall be assessed the annual assessments on the same basis as other lot owners.

Section 3. Control By Declarant. Until sixty days after the sale of seventy-five percent of all of the lots in the Property, there shall be no meeting of members of the Association unless a meeting is called by the Declarant. The Declarant shall have all the powers, authority, rights and duties to completely manage, in accordance with these Bylaws, the Association through a Board of Directors of its choosing until such time as the management has been turned over to the members as provided in the Articles of Incorporation, these Bylaws and the Declaration, including the authority to impose assessments on the owners. "Declarant" as used in the Bylaws refers to the Declarant named in the Declaration, its successors and assigns.

ARTICLE III. Meetings

Section 1. Annual Meetings. The annual meeting of members shall be held at the principal office of the corporation on the first Saturday in June at such time as set by the Board of Directors. If the day so designated falls upon a legal holiday, then the meeting shall be held upon the first secular day thereafter. The Secretary shall serve personally, or by mail, a written notice thereof, addressed to each member at his address shown on the records in the office of the Secretary of the corporation, or in lieu of any address being recorded in the office of the Secretary by the member, at the member's last known address as determined by the Secretary; but at any meeting at which all members present have waived notice in writing, the giving of notice as above required may be dispensed with.

Section 2. Quorum. The presence, in person or by proxy, of a majority of the members shall be necessary to constitute a quorum for the transaction of business, but a lesser number may adjourn to some future time.

Section 3. Special Meetings. Special meetings of members other than those regulated by Statute may be called at any time by a majority of the directors. Notice of such meeting, stating the purpose for which it is called, shall be served personally or by mail, not less than five (5) days before the date for such meeting. If mailed, it shall be directed to a member at his address as it appears on the records in the office of the Secretary of the corporation; but at any meeting at which all members shall be present, or of which members not present have waived notice in writing, the giving of notice as above described may be dispensed with. The Board of Directors shall also, in like manner, call a special meeting of members whenever so requested in writing by members representing not less than one-third (1/3) of the total membership, subject to Article II, Section 3 above. No business other than that specified in the call for the meeting shall be transacted at any special meeting of members.

Section 4. Voting. Each member shall have one vote for each lot owned in the Red Creek Ranch development, shown on the records of the Clerk and Recorder of Pueblo County, Colorado. If title to a lot is held by more than one person or entity, the member-

ship relating to that lot shall be shared by all such persons in the same proportionate interest by which the title to the lot is held. The person entitled to cast the vote for the lot shall, if requested by the Association, be designated by a certificate of appointment signed by the persons sharing such interest and filed with the Secretary of the Association. Such certificate shall be valid until revoked, or until superseded by a subsequent certificate, or until a change in the ownership of the lot concerned. A certificate designating the person entitled to cast the vote of a lot may be revoked by any owner thereof.

ARTICLE IV. Directors

Section 1. Number. The number of initial directors of the Corporation shall be one. When seventy-five percent of the lots have been sold within the subdivision, then the number of directors shall be increased to five. Directors need not be members of the Corporation. Directors shall be elected biannually.

Section 2. Term of Office. The term of office of each of the directors shall be two years, and thereafter until his successors have been elected.

Section 3. Duties of Directors. The Board of Directors shall have the control and general management of the affairs and business of the corporation. Such Directors shall in all cases act as a Board, and they may adopt such rules and regulations for the conduct of their meetings and the management of the corporation as they may deem proper, not inconsistent with these Bylaws and the laws of the State of Colorado.

Section 4. Directors' Meetings. Regular meetings of the Board of Directors shall be held immediately following the annual meeting of the members, and at such other times as the Board of Directors may determine. Special meetings of the Board of Directors may be called by the President at any time, and shall be called by the President or the Secretary upon the written request of two (2) Directors.

Section 5. Notice of Meetings. Notice of meetings other than the regular annual meetings shall be given by service upon each Director in person or by mailing to him at his last known post office address, at least two (2) days before the date therein designated for such meeting, including the day of mailing, or a written or printed notice thereof specifying the time and place of such meeting, and the business to be brought before the meeting, and no business other than that specified in such notice shall be transacted at any special meeting. At any meeting at which every member of the Board of Directors is present, although held without notice, any business may be transacted which might have been transacted if the meeting had been duly called.

Section 6. Quorum. At any meeting of the Board of Directors, two (2) of the Board shall constitute a quorum for the transaction of business; but in the event of a quorum not being present, a lesser number may adjourn the meeting to some future time, not more than ten (10) days later.

Section 7. Voting. At all meetings of the Board of Directors, each Director is entitled to one vote.

Section 8. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of Directors shall be filled by the affirmative vote of a majority of the Directors then in office or by an election at an annual meeting or at a special meeting of members called for that purpose. A Director chosen to fill a position resulting from an increase in the number of Directors shall hold office until the next annual meeting of members and until his successor has been elected and shall qualify.

Section 9. Removal of Directors. Any one or more of the Directors may be removed either with or without cause, at any time by a vote of the members representing 51% of the total membership at any special meeting called for that purpose, subject to Article II, Section 3 above.

ARTICLE V. Officers

Section 1. Number. The officers of the corporation shall be: President; Vice-President; Secretary; and Treasurer. Any two (2) offices may be held by one person, except that the President shall not be a Vice-President; nor shall the President be the Secretary. The Secretary shall not be a president or vice-president.

Section 2. Election. All officers of the corporation shall be elected annually by the Board of Directors at its meeting held immediately after the meeting of the members, and shall hold office for the term of two (2) years or until their successors are duly elected.

Section 3. Duties of Officers. The duties and powers of the officers of the corporation shall be as follows:

PRESIDENT

The President shall preside at all meetings of the Board of Directors and members.

He shall present at each by-annual meeting of the members and directors a report of the condition of the business of the corporation.

He shall cause to be called regular and special meetings of the members and Directors in accordance with these Bylaws.

He shall sign and make all contracts and agreements in the name of the corporation.

He shall see that the books, reports, statements and certificates required by Colorado statute are properly kept, made and filed according to law.

He shall sign all certificates of membership, notes, checks, drafts or bills of exchange, warrants or other orders for the payment of money duly drawn by the Treasurer.

He shall enforce these Bylaws and perform all the duties incident to the position and office, and which are required by law.

VICE PRESIDENT

During the absence and inability of the President to render and perform his duties or exercise his powers as set forth in these Bylaws or in the acts under which this corporation is organized, the same shall be performed and exercised by the Vice President; and when so acting, he shall have all the powers and be subject to all the responsibilities hereby given to or imposed upon such President.

SECRETARY

The Secretary shall keep the minutes of the meetings of the Board of Directors and of the members in appropriate books.

He shall give and serve all notices of the corporation.

He shall be custodian of the records and of the seal, and affix the latter when required.

He shall keep the membership books in the manner prescribed by law, so as to show at all times names of the members thereof, alphabetically arranged, their respective places of residence, their post office address, and the time at which each person became a member.

He shall present to the Board of Directors at their stated meetings all communications addressed to him personally by the President or any officer or member of the corporation.

He shall attend to all correspondence and perform all of the duties incident to the office of Secretary.

TREASURER

The Treasurer shall have the care and custody of and be responsible for all the funds and securities of the corporation, and deposit all such funds in the name of the corporation in such bank or banks, trust company or trust companies or safe deposit vaults as the Board of Directors may designate.

He shall sign, make and endorse in the name of the corporation all checks, drafts, warrants and orders for the payment of money and pay-out and dispose of same and receipt therefor, under the direction of the President and/or the Board of Directors.

He shall exhibit at all reasonable times his books and accounts to any director or member of the corporation upon application at the office of the corporation during business hours.

He shall render a statement of the condition of the finances of the corporation at each regular meeting of the Board of Directors, and at such other times as shall be required of him, and a full financial report at the annual meeting of the members.

He shall keep at the office of the corporation correct books of account of all its business and transactions and such other books of account as the Board of Directors may require.

He shall do and perform all duties pertaining to the office of treasurer.

Section 4. Vacancies. All vacancies in any office shall be filled by the Board of Directors without undue delay at its regular meeting or at any special meeting.

Section 5. Compensation of Officers. Each officer shall receive such salary or compensation as may be determined by the Board of Directors.

Section 6. Removal of Officers. The Board of Directors may remove any officer, by a majority vote, at any time with or without notice or cause.

ARTICLE VI. Bills and Notes

Section 1. How Made. All bills payable, notes, checks, or other negotiable instruments of the corporation shall be made in the name of the corporation, and shall be signed by two (2) of the officers of the corporation. Any two (2) officers shall have the power to make any bill payable, note, check, draft or other negotiable instrument, or endorse the same in the name of the corporation, or contract or cause to be contracted any debt or liability in the name or on behalf of the corporation, except as herein expressly prescribed and provided.

ARTICLE VII. Consent Minutes

Section 1. Consent. Any action required by law or which may be taken at a meeting of the directors, any executive committee meeting or meeting of the members of the corporation, may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all of the Directors, persons sitting on the executive committee, or members entitled to vote with respect to the subject matter thereof.

ARTICLE VIII.

Gender

Section 1. Amendments. These Bylaws may be altered, amended, repealed, or added to by an affirmative vote of a majority of the Board of Directors.

Section 2. Gender. Pronouns stated in these Bylaws shall be deemed to include the masculine, feminine, and neuter genders.

APPROVED AND ADOPTED as of

February 4, 1994.

RESOLVED
AND ADOPTED

BY THE BOARD OF DIRECTORS OF
SHEEP RANCH PROPERTY OWNERS
ASSOCIATION, INC.

By: _____

Secretary