

**BYLAWS OF
RCR-NEWTON PROPERTY OWNERS ASSOCIATION, INC.**

**ARTICLE I
Name and Location**

The name of the Association is RCR-NEWTON PROPERTY OWNERS ASSOCIATION, INC. The principal address of the Association shall be 850 Newton Road, Pueblo, Colorado 81005.

**ARTICLE II
Purpose and Definitions**

The RCR-NEWTON PROPERTY OWNERS ASSOCIATION (“the Association”) is formed to further the common interests of, and act on behalf of, Owners of property in RCR-Newton pursuant to the Declaration governing each of their respective properties: Declaration of Covenants, Conditions, Restrictions, and Easements for Red Creek Ranch recorded May 24, 1994, at Book 2735, Page 183, Reception #1045619 of the records of Pueblo County, Colorado and the Declaration of Covenants, Conditions, Restrictions and Easements for Red Creek Ranch, Phase V recorded March 14, 1996, at Book 2874, Page 422, Reception #1113858 of the records of Pueblo County, Colorado, together with any amendments thereto. As used in these Bylaws, “the Declaration” shall refer to the Declaration specific to its respective properties.

All present or future Owners or other persons that might use in any manner the property subject to the Declaration are subject to the provisions of these Bylaws. Acquisition of any property subject to the Declaration shall constitute acceptance and ratification of these Bylaws and shall be an agreement to comply with the Declaration and these Bylaws.

The terms used in these Bylaws are defined by the definition of terms in the Declaration and any modifications to the Declaration or by Colorado law.

The actions of the Association are governed by the Declaration, the Colorado Common Interest Ownership Act, C.R.S. 38-33.3-101, et seq., and the Colorado Revised Non-Profit Corporation Act, C.R.S. 7-90-101, et seq.

**ARTICLE III
Membership and Voting Rights**

Every Owner of a Lot identified on Attachment A to these Bylaws, or any subsequent division of said Lots, shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot except as provided in the Declaration.

Members shall have the right to cast votes for the election of the Board of Directors and

on such other matters to be voted on by the Members at meetings as provided in the Association documents. One vote is allocated to each Lot, and multiple Owners of each Lot may cast only one vote for each Lot owned. In no event will more than one vote be counted with respect to any one Lot.

ARTICLE IV

Association Meetings and Members

Section 1. Annual Meetings. Regular annual meetings of the Members shall be held each year in the County of Pueblo, Colorado. The date, time and location of annual meetings will be designated by the Board.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President, a majority of the Board of Directors, or by written request of Members having 20 percent of the votes in the Association. No business other than that specified in the call for meeting and appearing on the agenda required in Section 3 of this article shall be transacted at any special meeting of Members.

Section 3. Notice of Meetings. Written notice of each annual meeting of the Members shall be given by, or at the direction of the Secretary or person authorized to call the meeting, by hand delivering or by mailing a copy of such notice, postage prepaid, at least 30 days before such meeting to each Member at the address for purpose of notice appearing in the records of the Association. Written notice of special meetings shall be given as above but at least 10 days in advance of the meeting. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, and any proposal to remove an officer or member of the Board of Directors..

Section 4. Quorum. A quorum is deemed present throughout any meeting of the Association if Members entitled to cast 20 percent of the votes which may be cast for election of the Board of Directors are present in person or by proxy at the beginning of the meeting. If a quorum is not present, the Members present may vote to adjourn the meeting.

Section 5. Proxies. At all meetings of the Association, votes may be cast in person or by a proxy designating an Owner's right to vote to another Member. Proxies may be delivered to the Secretary at any time prior to a meeting, including the day of the meeting. The Secretary shall record the receipt of all proxies and their termination dates. Proxies may contain a termination date or be terminated by a Member at a meeting by notice of revocation to the person presiding over the meeting. A proxy is void if it is not dated and shall terminate eleven (11) months after its date, unless a shorter term is stated therein.

**ARTICLE V.
Board of Directors**

Section 1. Number. The affairs of this Association shall be managed by a Board of five Directors who shall be Members of the Association.

Section 2. Term of Office. At the first meeting after formation of the Association, two (2) directors shall be elected for a term of one (1) year and three (3) directors shall be elected for a term of two years. Terms for Directors elected thereafter shall be for two (2) years.

Section 3. Removal. Subject to Section 1 of this Article, any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for his services on the Board. However, any Officer or Director may be employed in any other capacity on behalf of the Association and may receive compensation as shall be determined by the Board. Any Director may be reimbursed for his actual expenses incurred in the performance of his duties when approved by the Board.

**ARTICLE VI.
Nomination and Election of Directors**

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee appointed by the Board of Directors and by Members from the floor at the annual meeting. The membership of the Nominating Committee shall be determined by the Board of Directors and appointments made no later than 30 days before the date of each annual meeting. Directors may not serve on the Nominating Committee. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot at the annual meeting. Each Lot is entitled to one vote for each vacancy, and the ballot shall indicate the Lot number for which the vote or proxy is cast and the number of vacancies being voted upon. In the event the number of nominations is equal to or less than the number of vacancies, the vote may be done by a show of hands without written ballot.

**ARTICLE VII.
Meetings of Directors**

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice at a time agreed upon by the Board.

Section 2. Special Meetings shall be held when called by the President of the Association or at the request of any two Directors. Three days' written notice or two days' oral notice of the meeting to each director is required.

Section 3. Quorum. Three 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 an act of the Board.

Section 4. Attendance. All meetings shall be open to any Association Member except meetings allowed by law to be closed for privacy reasons. However, in the interest of keeping Board meetings to a reasonable length of approximately 1-1/2 hours, only agenda items will be discussed. The agenda for each monthly meeting of the Board will be made available from the Secretary upon request. Any Member may request, in writing to the Board, to have an item included on the agenda and will have time as determined by the Board to present the item. The Board will determine how the petitioning Member's request or concern will be handled.

ARTICLE VIII Powers and Duties of the Board of Directors

The Board of Directors shall exercise all powers, duties and authority vested in or delegated to the Association by the Declaration, the Articles of Incorporation, these Bylaws or by Colorado law and which are not specifically reserved to the Members by other provisions of these Bylaws or the Declaration. The Board of Directors may, by resolution, delegate portions of its authority to an executive committee or to other committees, to officers of the Association or to agents and employees of the Association, but such delegation of authority shall not relieve the Board of Directors of ultimate responsibility for the management of the affairs of the Association.

The Board of Directors shall have the power and duty to:

- a. Adopt and amend Bylaws and Rules and Regulations.
- b. Hire and terminate managing agents and other employees, agents and independent contractors
- c. Supervise all officers, agents and employees of the Association and see that their duties are properly performed
- d. Make contracts and incur liabilities and direct the disbursement of all monies of the Association pursuant to the budget;
- e. Regulate the use, maintenance, repair, and improvement of the roads and any other common property it may acquire;
- f. Grant easements, leases, licenses and concessions through or over the common elements, including the Association roads;

- g. Impose and receive payments, fees or charges for the use of Association property and roads;
- h. Adopt and amend budgets for revenues, expenditures, and reserves; set common and special assessment amounts; and notify Members of same, all as required by the Declaration;
- i. Prepare or cause to be prepared reports of actions taken by the Board or its committees for submission to the Members at the annual Association meeting;
- j. Collect assessments for common expenses and pursue collection of delinquent assessments to include enforcement of the Association's lien rights or other legal action;
- k. Issue or cause to be issued by an officer upon demand by any person a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for such certificates. If a certificate states that an assessment has been paid, the certificate shall be conclusive evidence of such payment;
- l. Cause officers or employees having fiscal responsibilities to be bonded if deemed appropriate;
- m. Review at each monthly meeting the financial status of the Association as presented in a written financial statement presented by the Treasurer;
- n. Provide for the indemnification of and liability insurance for officers and directors;
- o. Maintain, to the extent reasonably available, general liability insurance against claims and liabilities arising out of the ownership and use of the roads pursuant to C.R.S. 38-33.3-313(1)(b), et seq.
- p. Cause to be kept by the Treasurer correct books of account of all its business, and cause to be kept by the Secretary all other books and records, all as required by Colorado law.

ARTICLE IX

Officers and Their Duties

Section 1. Enumeration of Offices. The officers of this corporation shall be a president and vice-president, a secretary and a treasurer and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this corporation shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign or shall be removed or otherwise disqualified to serve.

Section 4. Special Appointment. The Board may appoint committees or individuals as the affairs of the corporation may require. These appointees shall perform such duties as the Board may from time to time determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by vote of the majority of the directors. Any officer may resign at any time by giving notice to the Board, the president and the secretary. Such resignation shall take effect on the date of receipt of such notice or any later time specified therein. The acceptance of such resignation shall not be necessary to make it effective.

Section 6. President Pro Tem. In the absence, inability or refusal to act of both the president and the vice-president, the Directors shall elect a president pro tem who shall perform all the duties of the office.

Section 7. 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 replaces.

Section 8. Temporary Absences. In case any officer not a director shall for absence, sickness or inability be unable to perform the function of his office, the Board of Directors may authorize any other qualified person to perform the duties of such officer during the period of such absence, sickness or inability.

Section 9. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 10. Duties. The duties of the officers are as follows:

President

a. The President shall preside at all meetings of the Board of Directors and meetings of the Members; shall see that orders and resolutions of the Board are carried out; shall co-sign all promissory notes; may co-sign all leases, mortgages, deeds and other written instruments; may call special meetings of the Board of Directors on his own volition and he shall do so at the written request of two (2) members of the Board; shall make full report of the affairs of the corporation to the Board and shall present same at each annual meeting of the Members; shall perform such other executive duties and functions as ordinarily fall to the chief officer of a corporation.

Vice-President

b. The Vice-President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act; shall maintain a current file on equipment and activities of the Association; and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

c. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of the annual and special meetings of the Members of the Association; keep a current record showing the Members together with their Lot numbers, all addresses and telephone numbers or other contact information and specifying the address to be used for notification purposes; shall attest with his signature all official documents; shall keep all the books and records required to be kept in accordance with the statutes of the State of Colorado; shall make a report of the business transacted by him annually or sooner if so required by the Board of Directors; and shall perform such other duties as may be required by the Board. If required by the Board, he may give bond in such amount and with such sureties as so directed for the faithful performance of the duties of his office, and the restoration to the Association, in case of death, resignation or removal from office, of all books, papers, vouchers, money or other property of whatever kind, in his possession, belonging to the Association.

Treasurer

d. The Treasurer shall keep or cause to be kept proper books of account of the financial transactions of the Association and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of same to each Member. A monthly financial statement will be presented at each Board meeting and at any time to the President on demand. If required by the Board of Directors, he may give bond in such amount and with such sureties as so directed for the faithful performance of the duties of his office, and the restoration to the corporation, in case of death, resignation or removal from office, of all books, papers, vouchers, money or other property of whatever kind, in his possession, belonging to the corporation.

If a financial management agent is not hired by the Board, the Treasurer shall receive and deposit in appropriate bank accounts all monies of the corporation and shall disburse such funds as directed by resolution of the Board of Directors, keep proper books of account; shall carefully examine all bills and accounts due against the corporation and if found to be correct, direct their payment. All checks of the corporation shall require two (2) signatures, the signature of the Treasurer and of one other officer.

If a financial management agent is employed, the Treasurer shall be in communication with the management agent so as to generally oversee the disbursement of the Association funds.

ARTICLE X
Books and Records; Fiscal Year

The books, records and papers of the Association shall at all times, during reasonable hours, be subject to inspection by any Member. The Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member in person. The Board may institute a website to facilitate access to public information and matters of interest to the Members. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin the date of the District Court's order establishing the existence of the RCR-Newton Property Owners Association.

ARTICLE XI.
Amendment of the Bylaws and Declaration

Section 1. Amendment of the Bylaws by the Board. A majority of a quorum of Directors present in person or by proxy at a regular or special meeting of the Board of Directors may vote at any time to add, change, or delete a provision of these Bylaws, except as restricted by the Declaration, these Bylaws or by Colorado law (C.R.S. 7-130-201, et seq.).

Section 2. Amendment of the Bylaws by the Members. The Members may also amend the Bylaws if such action is taken pursuant to applicable Colorado law (C.R.S. 7-130-103 and 7-130-104).

Section 3. Amendment of the Declaration. Should the Declaration be amended pursuant to its provision for amendment by Members or by order of court as allowed by Colorado law, the President, or other officer designated by the President, may prepare, execute, certify, and record such amendment on behalf of the Association.

Section 4. Notification of Amendment. The Board will make available copies of any amended Association documents to all current Lot Owners.

ARTICLE XII
Limits of Certain Liabilities of the Directors

Section 1. Personal Liability. There shall be no personal liability, either direct or indirect, of any Director or Officer to the Association or to its Members for monetary damages for any breach or breaches of fiduciary duty as Director or Officer, except that this provision shall not

eliminate the liability of a Director or Officer to the Association or its Members for monetary damages for any breach, act, omission or transaction to which the Colorado Non-Profit Corporation Act expressly prohibits the elimination of liability.

Section 2. Limitation of Indemnification. This provision shall not limit the rights of Directors or Officers for indemnification or other assistance from the Association. This provision shall not modify, restrict or otherwise diminish the provisions of C.R.S. 13-21-117(2)(b) concerning elimination of liability of Directors except for willful and wanton acts or omissions), any amendment or successor provision thereto, or any law limiting or eliminating liabilities.

Section 3. Repeal or Modification. Any repeal or modification of the foregoing provisions of this Articles by the Members of the Association or any repeal or modification of the provisions of the Colorado Non-Profit Corporation Act which permits the elimination of liability of Directors by this Article shall not adversely affect any elimination of liability, right or protection of a Director or Officer with respect to any breach, act, omission or transaction of such Director or Officer occurring prior to the time of such repeal or modification.

ARTICLE XIII Non-Profit Corporation

This Association is not organized for profit. No Member of the Association, member of the Board of Directors, or a person from whom the Association may receive any property or funds shall receive or lawfully be entitled to receive any pecuniary profit from the operation of the Association, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any Director, Officer or Member; provided, however, any Member, Director or Officer may, from time to time, be reimbursed for actual and reasonable expenses incurred in connection with the administration of the affairs of the Association as directed by the Board of Directors. Nothing in this section shall prohibit the Association from entering into agreements for the purpose of generating funds to pay for improvements to the Association common elements or providing other benefits to the Members of the Association as may be provided by Colorado law.

