

BYLAWS

CONESTOGA RANCHES ASSOCIATION

I. **Objects of Association**

- A. This nonprofit Association is formed for the purpose of exercising all powers and rights and performing all duties and obligations provided by the Declaration of Protective Covenants as amended for Conestoga Ranches, Elbert County, Colorado, recorded in Book 562 at Page 314 of the real property records of said Elbert County, Colorado, or in any recorded amendment or supplement thereto, and including such adjacent or contiguous property, if any, as may be declared subject to the provisions of said Declaration. All said property shall be referred to herein as the "Conestoga Ranches". The above desired Declaration or Protective Covenants for Conestoga Ranches, and any recorded amendment or supplement thereto, shall be referred to herein as the "Covenants." It is the intention of the Association that these Covenants should totally supersede any previously recorded Covenants affecting the properties included in Conestoga Ranches. Further, it is intended that any previously recorded Covenants pertaining to properties included in Conestoga Ranches are hereby deemed repealed.
- B. All present or future owners, tenants or any other person who might use in any manner the facilities located within Conestoga Ranches are subject to the regulations set forth in these Bylaws. The mere act of occupancy within the Conestoga Ranches Development will signify that the bylaws are accepted and ratified and will be complied with.

II. **Membership, Voting, Quorum, Proxies**

- A. **Membership.** Ownership of a Lot within Conestoga Ranches is required in order to qualify for membership in this Association. Any person on becoming an owner of a Lot shall automatically become a member of this Association and be subject to these Bylaws; however, if a Lot is owned by more than one (1) person, the Owners of said Lot shall designate one of them to exercise such vote or, in the case of corporate ownership, an officer or director thereof shall be designated to exercise such vote. The Secretary of the Association shall prepare and make available to all Owners appropriate forms for designation of the person entitled to exercise each vote. Such membership shall terminate without any formal Association action whenever any person ceases to own a Lot, but such termination shall not relieve or release any such former owner from any liability or obligation incurred under or in any way connected with this Association during the period of such ownership and membership in this Association, or impair any rights or remedies which the Association or others may have against such former owner and member arising out of or in any way connected with ownership and membership and the covenants and obligations incident thereto. No certificates of stock shall be issued by the Association.
- B. **Voting.** Each Lot in Conestoga Ranches shall be entitled to one vote on all questions submitted to the membership. Questions submitted to the membership for vote shall carry, or be denied, by a majority vote of those present or by proxy.

- C. **Quorum.** The presence in person or by proxy of twenty percent (20%) shall constitute a quorum, except at the annual meeting for election of officers, where presence is required.
- D. **Proxies.** Votes may be cast in person or by proxy or where otherwise noted. Proxies must be filed with the Secretary before the appointed time of each meeting.

III. **Officers of Conestoga Ranches**

- A. **Number and Qualification.** The affairs of the Association shall be governed by a President, Vice President, Secretary and Treasurer composed of any four members of the Association.
- B. **Power and Duties.** Officers shall have the powers and duties necessary for the administration of the affairs of the Association. The Officers may do all such acts and things as are by law or by these Bylaws or by the Articles of Incorporation of the Association or by the Covenants directed to be exercised and done by the owners. The Officers shall have the following specific powers and duties:
 - 1. To administer and enforce all conditions, restrictions, easements, uses, limitations, charges, liens, obligations and other provisions of the Covenants.
 - 2. To make recommendations to the membership for its vote that annual assessments be increased or decreased, then levy and collect assessments to be paid by the lot owners toward the gross expenses of the Association. Notices and invoices for payment of assessments may be submitted to the members of the Association at such time as may be established by these Bylaws.
 - 3. To collect delinquent assessments by suit, foreclosure or otherwise, and to enjoin or seek damages from any owner as is provided in the Covenants or these Bylaws.
 - 4. To enter into contracts within the scope of their duties and powers.
 - 5. To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements of the Association and to permit examination thereof at any reasonable time by any of the members.
 - 6. In general, to carry on the administration of this Association and to do all of those things necessary and reasonable in order to carry out the purposes of the Association.
- C. **Election and Terms of Office.** The Officers of the Association shall be elected at the first annual meeting of the Association for a term of two years, commencing on the date of such meeting. The Officers elected at the first annual meeting shall establish a month and day during which elections shall be held at each annual meeting thereafter. The Officers shall hold office until their successors have been elected and qualified as active, paid members in good standing.

- D. **Meetings.** Meetings of the Officers may be called by the President or Vice President at such time and place as shall be determined.
- E. **Officers' Quorum.** At all meetings of the Officers, three of the four Officers present shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Officers.

IV. **Meetings of Members.**

- A. **Place of Meeting.** Meetings of the members of the Association shall be held at such place as the Officers may determine.
- B. **Regular Meetings.** Regular meetings may be held from time-to-time at the call of the President or Vice President; the Secretary shall give notice of such meetings by regular mail or phone before such meeting.
- C. **Annual Meeting.** The annual meetings of the Association shall be held on such day and month as may be determined by the Officers in accordance with the provisions of Article III, Section C of these Bylaws. Notices of such meetings shall be given by first class mail to such members and at such addresses as may be shown on the roster kept by the Secretary of the Association. The members may also transact such other business of the Association as may properly come before them at any annual meeting.

V. **Officers**

- A. **Designation and Election.** The officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the membership. They shall be elected at the annual meeting and hold office for a two-year term. One person may not concurrently hold any two offices.
- B. **Removal of Officers.** Upon an affirmative vote of a majority of the members of the Association, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Association members, or at any special meeting of the members called for the purpose.
- C. **President.** The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Officers. He or she shall have all of the general powers and duties which are usually vested in the office of the President of an Association, including, but not limited to, the power to appoint committees from among the members from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association or as may be established by the Officers or by the members of the Association at any regular or special meetings.
- D. **Vice President.** The Vice President shall have all the powers and authority and perform all the functions and duties of the President in the absence of the President or in the

event of his or her inability for any reason to exercise such powers and functions or to perform such duties.

- E. **Secretary.** The Secretary shall keep all the minutes of the meetings of the Officers and the minutes of all meetings of the members of the Association. He or she shall have charge of such books and papers as the Officers may direct; and he or she shall, in general, perform all the duties incident to the office of Secretary.

The Secretary shall compile and keep up to date a complete roster of the members of the Association and their last known addresses. Such list may initially be compiled from the names and addresses shown on the deeds under which each lot in the development is initially acquired from the developer. Where two or more persons are the joint owners of a lot, or where two or more persons are stockholders in a corporation owning a lot, or where the owner of a lot has acquired title by conveyance subsequent to the initial conveyance by the developer, or where the member shall change his address, then such persons, corporation, owner or member shall have the responsibility to notify the Secretary of the name and correct address of the person or owner qualified as a member of the Association. Notices of any meeting, assessment or other action by the Association given in accordance with such roster as may be reasonably maintained by the Secretary shall be valid for all purposes.

- F. **Treasurer.** The Treasurer shall have the responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He or she shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Officers. Withdrawals of such deposits shall be made only by checks signed by at least two officers of the Association.

- VI. **Indemnification of Officers and Directors.** The Association shall indemnify every Officer, his or her heirs and personal representatives, against all loss, costs and expenses, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he or she may be made a party by reason of his or her being or having been a Officer of the Association, except as to matters as to which he or she shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence, willful misconduct or criminal misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence, willful misconduct or criminal misconduct in the performance of his or her duty as such Officer in relation to the matter involved. The foregoing rights shall not be exclusive of any other rights to which such Officer may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing herein contained shall be deemed to obligate the Association to indemnify any member who is or

has been an Officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him solely as an owner of a lot in the Development.

VII. Profit and Compensation.

This Association is not organized for profit. No member, Officer or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, 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 Officer or member; provided, however always that (1) reasonable compensation may be paid to any member, manager of the Association, and (2) any member, manager or Officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

VIII. Amendments.

These Bylaws may be amended, altered or repealed and new Bylaws ^{and} may be adopted by the membership at any annual meeting of the members. Bylaws may be amended by a majority of the membership either present, or by proxy vote.

IX. Dissolution. That upon dissolution of the Conestoga Ranches Corporation, the assets shall be distributed to the members of the Corporation who are property owners at the time of dissolution.

Amended September, 1997

CONSENT TO ACTION IN LIEU OF
ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS OF
CONESTOGA RANCHES IMPROVEMENT ASSOCIATION

The undersigned, being the sole remaining member of the initial Board of Directors of Conestoga Ranches Improvement Association, does, pursuant to the provisions of C.R.S. 7-23-110, hereby consent to the taking of the following actions by the said Board of Directors, which actions are taken in lieu of the holding of the organizational meeting of the Board of Directors of said corporation.

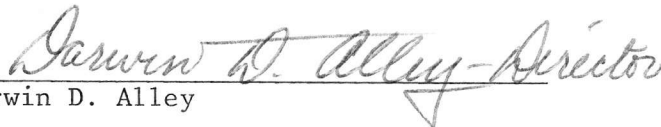
Since Mark J. Jackson is no longer associated with the developer of the Conestoga Ranches subdivision, or with the Association, the undersigned hereby determines that no other person shall be appointed to replace him and that the undersigned shall be the sole director of the corporation until the first meeting of the members of the Association is called and held.

The internal affairs of the Association shall be regulated and governed in accordance with the Bylaws attached hereto, which Bylaws are hereby approved, adopted and promulgated.

Darwin D. Alley shall be the President of the Association and Sonia Alley shall be the Secretary of the Association.

Since the Association will not have any active business or functions until the developer of Conestoga Ranches calls for the first meeting of the members of the Association, no regular or annual meetings of the Board will be held until the first meeting of the members unless the undersigned shall determine to call a special meeting.

Dated this 17th day of February, 1987.



Darwin D. Alley

SOLE DIRECTOR

BYLAWS OF
CONESTOGA RANCHES IMPROVEMENT ASSOCIATION

ARTICLE I

Objects of Association

1. This non-profit Association is formed for the purpose of exercising all powers and rights and performing all duties and obligations provided by the Declaration of Protective Covenants for Conestoga Ranches, Elbert County, Colorado, recorded in Book 378 at Page 367 of the real property records of said Elbert County, Colorado, or in any recorded amendment or supplement thereto, and including such adjacent or contiguous property, if any, as may be declared subject to the provisions of said Declaration. All said property shall be referred to herein as the "Development". The above described Declaration of Protective Covenants for Conestoga Ranches, and any recorded amendment or supplement thereto, shall be referred to herein as the "Covenants".

2. All present or future owners, tenants or any other person who might use in any manner the facilities located within the Development are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of any parcel of property in the Development or the mere act of occupancy of any vehicle, structure or area within the Development will signify that the Bylaws are accepted and ratified and will be complied with.

ARTICLE II

Membership, Voting, Quorum, Proxies

1. Membership. Ownership of a Lot within the Development is required in order to qualify for membership in this Association. Any person on becoming an owner of a Lot shall automatically become a member of this Association and be subject to these Bylaws; however, if a Lot is owned by more than one (1) person, the Owners of said Lot shall designate one of them to exercise such vote or, in the case of corporate ownership, an officer or director thereof shall be designated to exercise such vote. The Secretary of the Association shall prepare and make available to all Owners appropriate forms for designation of the person entitled to exercise each vote. Such membership shall terminate without any formal Association action whenever any person ceases to own a Lot, but such termination shall not relieve or release any such former owner from any liability or obligation incurred under or in any way connected with this Association during the period of such ownership and membership in this Association, or impair any rights or remedies which the Board of Directors of the Association or others may have against such former owner and member arising

out of or in any way connected with ownership and membership and the covenants and obligations incident thereto. No certificates of stock shall be issued by the Association, but the Board of Directors may, if it so elects, issue one membership card to the owner of a Lot. Such Membership card shall be surrendered to the Secretary whenever ownership of the Lot designated thereon shall terminate.

2. Voting. Each Lot in the Development shall be entitled to one vote on all questions submitted to the membership. Cumulative voting in the election of Directors of the Association shall not be permitted.

3. Quorum. The presence in person or by proxy of twenty percent (20%) of the members of the Association shall constitute a quorum.

4. Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

ARTICLE III

Board of Directors

1. Number and Qualification. Until the first meeting of the members of the Association, as provided by the Covenants and these Bylaws, the affairs of the Association shall be governed by the initial Board of Directors named in the Articles of Incorporation of the Association. In the event of the death, incapacity, resignation or removal of any member of the initial Board of Directors, the remaining Director may appoint a successor to serve during the remaining term of the initial Board of Directors. Beginning with the first meeting of the members of the Association, the affairs of the Association shall be governed by a Board of Directors composed of any three members of the Association.

2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association. The Board of Directors may do all such acts and things as are not by law or by these Bylaws or by the Articles of Incorporation of the Association or by the Covenants directed to be exercised and done by the owners. The Board of Directors shall have the following specific powers and duties:

(a) To administer and enforce all conditions, restrictions, easements, uses, limitations, charges, liens, obligations and other provisions of the Covenants.

(b) To fix, determine, levy and collect the assessments to be paid by the lot owners toward the gross expenses of the Association, and to adjust, decrease or increase the amount of the assessments. Notices and invoices for payment of assessments may be submitted to the members of the Association at such intervals, not less frequently than monthly, as may be established by the Board.

(c) To collect delinquent assessments by suit, foreclosure or otherwise, and to enjoin or seek damages from any owner as is provided in the Covenants.

(d) To enter into contracts within the scope of their duties and powers.

(e) To establish a bank account for the common treasury and for any separate funds which are required or may be deemed advisable.

(f) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements of the Association and to permit examination thereof at any reasonable time by any of the members.

(g) In general, to carry on the administration of this Association and to do all of those things necessary and reasonable in order to carry out the purposes of the Association.

3. Election and Term of Office. The Board of Directors of the Association shall be elected at the first annual meeting of the Association for a term of one year, more or less, commencing on the date of such meeting. The Board of Directors elected at the first annual meeting shall establish a month and day during which elections shall be held at each annual meeting thereafter. The Directors shall hold office until their successors have been elected and qualified.

4. Organizational Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days after the commencement of their term of office at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

5. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail or telephone, at least three (3) days prior to the day named for such meeting.

6. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days notice to each Director, given personally or by mail or telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Directors.

7. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice.

Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

8. Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called, may be transacted without further notice.

ARTICLE IV

Meetings of Members

1. Place of Meeting. Meetings of the members of the Association shall be held at such place as the Board of Directors may determine.

2. Annual Meetings. The first meeting of the members of the Association shall be held at the call of the initial Board of Directors not later than one month after the time that Mile Hi Marketing, Inc., the developer of the Development, or its successors or assigns, shall notify the Association of its obligation or desire to relinquish control of the Association, in accordance with the provisions of paragraph 12 of the Covenants. Notice of the meeting shall be given by first class mail to each member under the name and at the address set forth in the deed under which said members acquired from Sun Country Ventures title to their lot, or at such other address as may have been furnished to the Association or as may be known by it. At such meeting, there shall be elected by ballot the members of a Board of Directors in accordance with the provisions contained herein. Thereafter, the annual meetings of the Association shall be held on such day and month as may be determined by the Board of Directors in accordance with the provisions of Article III, paragraph 3, of these Bylaws. Notices of such meetings shall be given by first class mail to such members and at such addresses as may be shown on the roster kept by the Secretary of the Association. The members may also transact such other business of the Association as may properly come before them at any annual meeting.

ARTICLE V

Officers

1. Designation. The officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by and from the Board of Directors.

2. Election. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors and shall hold office at the pleasure of the Board. One person may hold concurrently any two offices, except the offices of President and Secretary. The office of Vice President need not be filled.

3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of an Association, including, but not limited to, the power to appoint committees from among the members from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board or by the members of the Association at any regular or special meetings.

5. Vice President. The Vice President shall have all the powers and authority and perform all the functions and duties of the President in the absence of the President or in the event of his inability for any reason to exercise such powers and functions or to perform such duties.

6. Secretary. The Secretary shall keep all the minutes of the meetings of the Board of Directors and the minutes of all meetings of the members of the Association. He shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

The Secretary shall compile and keep up to date a complete roster of the members of the Association and their last known addresses. Such list may initially be compiled from the names and addresses shown on the deeds under which each lot in the Development is initially acquired from the developer. Where two or more persons are the joint owners of a lot, or where two or more persons are stockholders in a corporation owning a lot, or where the owner of a lot has acquired title by conveyance subsequent to the initial conveyance by the developer, or where any member shall change his address, then such persons, corporation, owner or member shall have the responsibility to notify the Secretary of the name and correct address of the person or owner qualified as a member of the Association. Notices of any meeting, assessment or other action by the Association given in accordance with such roster as may be reasonably maintained by the Secretary shall be valid for all purposes.

7. Treasurer. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate

accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors. Withdrawals of such deposits shall be made only by checks signed by at least two officers of the Association.

ARTICLE VI

Indemnification of Officers and Directors

The Association shall indemnify every Director or Officer, his heirs and personal representatives, against all loss, costs and expenses, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or Officer of the Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence, willful misconduct or criminal misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence, willful misconduct or criminal misconduct in the performance of his duty as such Director or Officer in relation to the matter involved. The foregoing rights shall not be exclusive of any other rights to which such Director or Officer may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing herein contained shall be deemed to obligate the Association to indemnify any member who is or has been a Director or Officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him solely as an owner of a lot in the Development.

ARTICLE VII

Profit and Compensation

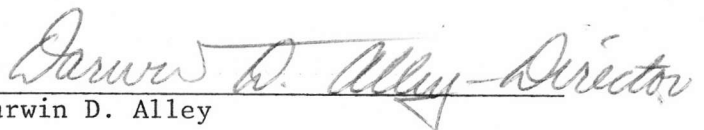
This Association is not organized for profit. No member, member of the Board of Directors, Officer or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part 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 member of the Board of Directors, Officer or member; provided, however, always that (1) reasonable compensation may be paid to any member, manager or officer for services rendered in effecting one or more of the purposes of the Association, and (2) any member, manager or Officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE VIII

Amendments

These Bylaws may be amended, altered or repealed and new Bylaws may be adopted by the Board of Directors at any regular or special meeting of the Board of Directors.

IN WITNESS WHEREOF, the undersigned member of the initial Board of Directors of Conestoga Ranches Improvement Association has hereunto set his hand this 17th day of February, 1987.



Darwin D. Alley

SOLE DIRECTOR