

BY-LAWS

RED APPLE LANDOWNERS ASSOCIATION, INC.

Article I

OFFICERS

Section 1. The Executive Officers of the Corporation shall be a President, a Vice-President, and a Secretary-Treasurer. The first officers shall hold office for one year and thereafter be elected annually by the Board of Directors. Officers of the Corporation after the first two years shall be members of the Corporation and members of the Board of Directors, except for agents of the Developers as provided in the Articles of Incorporation.

Section 2. The Officers shall perform such duties as may be assigned to them by the Board. In the case of absence or disability of the President, the Vice-President shall perform the duties of that Officer. The Secretary-Treasurer shall have custody of all receipts, disbursements, funds, and securities of the Corporation and shall perform all duties incident to the office of Treasurer, subject to the control of the Board of Directors and the President.

Article II

BOARD OF DIRECTORS

Section 1. Number of Members: The business of the Corporation shall be managed by a Board which shall consist of not less than four nor more than eight members. The first Board of Directors need not be members of the Corporation. Thereafter, all of the Board members shall consist of members of the Corporation except as provided for in the Articles of Incorporation.

Section 2. Executive Committee: The Board of Directors may elect from their number an Executive Committee consisting of not less than two members of the Board, which Committee shall have all the powers of the Board between meetings, regular or special.

Section 3. Meetings: The Board shall meet for the transaction of business at its discretion. Special meetings of the Board may be called by the President or by any two members of the Board, provided reasonable notice of such meeting shall be given to each member of the Board.

Section 4. Quorum: The Directors shall act only as a Board, and the individual Directors shall have no power as such. A majority of the Directors in office shall constitute a quorum for the transaction of business.

Section 5. Terms and Vacancies of the Board: The first Board of Directors named in the Articles of Incorporation shall serve for the terms set forth in the Articles of Incorporation. Thereafter, they shall be elected for like terms by the members of the Corporation. A vacancy in the membership of the Board shall be filled by a majority vote of the Board.

Article III

MEETINGS OF MEMBERS

Section 1. Annual Meetings: There shall be an annual meeting of the members of the Corporation at such place as may be designated on the third Tuesday in January of each year, or if a legal holiday, then on the next succeeding business day, at 6:00 p.m., for the transaction of business.

Section 2. Special Meetings: Special meetings of the members shall be held whenever called by the Board of Directors or by at least ten members of the Corporation. Notice of each special meeting, stating the time, place, and in general terms the purpose or purposes thereof, shall be sent by mail to the last known address of all members at least ten days prior to the meeting.

Section 3. Proxy: Every member may cast one vote, either in person or by proxy, for each lot owned in fee simple by that particular member, solely or jointly. If the several owners of a lot cannot agree on a vote, their vote may be split according to their ownership.

Section 4. Quorum: At any meeting of the members a quorum shall consist of members owning, jointly or solely in fee simple, or members representing the corporation owning in fee simple, a majority of the lots in the Red Apple Orchards Subdivision present either in person or by proxy, and a majority in amount of such quorum shall decide any question that may come before the meeting except for amendment of the Articles of Incorporation.

Article IV

MEMBERSHIPS

Section 1. Qualifications: Only persons, corporations, or partnerships owning lots in the Red Apple Orchards

Subdivision shall be eligible to become a member. Where two or more persons are the joint owners of a lot in the Red Apple Orchards Subdivision, all may be members but collectively they shall be entitled to only one vote. Only members shall be entitled to vote. Whenever a member shall cease to own real property in the Red Apple Orchards Subdivision such member shall automatically be dropped from the membership roll of the Corporation.

Section 2. Members Rights: A member shall have no vested right, interest, or privilege of, in, or to the assets, functions, affairs, or franchises of the Corporation, or any right, interest, or privilege which may be transferable or inheritable, or which shall continue after his membership ceases, or while he is not in good standing.

Section 3. Membership Admission: Any person, corporation, or partnership purchasing a lot or lots in the Red Apple Orchards Subdivision shall automatically become a member of the Corporation except for the owners of lots 14, 29, and 30 who are not members but may join.

Section 4. Membership Not Transferable: Each member shall be issued a certificate of membership in the Corporation by the Board of Directors. No membership may be transferred, assigned, or sold voluntarily, by will, or by operation of law. A new certificate of membership shall be issued by the Board upon the transfer of real property in the Subdivision.

Section 5. Termination of Membership: Whenever any member shall cease to own in whole or in part a lot in the Red Apple Orchards Subdivision, then membership in the Corporation shall terminate.

Article V

LOSS OR DAMAGE OF PROPERTY

Section 1. Neither the Board of Directors nor the Corporation shall be liable or responsible for the destruction, loss of, or damage to the property of any member or visitor of any member, or of any other person within the Subdivision.

Section 2. The Corporation shall not be liable for any loss or damage to any members property as a result of construction, maintenance, or operation of roads, utilities, or water systems.

Article VI

CONSTRUCTION, MAINTENANCE, AND OPERATIONS

Section 1. Construction: Roads, utilities, domestic water systems, and irrigation water systems may be constructed by the Corporation for the benefit and improvement of Subdivision lots. All improvements shall be constructed within designated rights-of-way.

Roads, utilities, and water systems shall be constructed to service each lot when the individual owner chooses to use the improvement. The Corporation shall charge the owner or owners of the serviced lot or lots for total construction costs. Members subsequently choosing to tap into utilities, water systems, or roads constructed by the Corporation shall be charged a pro rata share of the original construction costs based upon the lineal feet of road, utility line, or water line necessary to reach the point of the tap at the member's lot line. Such pro rata share shall be rebated to the members originally paying for such improvements in a manner determined by the Board.

Section 2. Maintenance: The Corporation shall be responsible for the maintenance of the Subdivision roads, utilities, and water systems. Members shall be assessed monthly, in advance, for maintenance costs based upon the lineal feet of road, utilities, and water line necessary to service the lot pro rated by the number of lots using that lineal footage. Lots adjoining the County road shall have a used lineal road footage of zero and consequently not be charged for road maintenance.

Section 3. Operation. The Corporation shall be responsible for operating the domestic and irrigation water systems. Each member shall be assessed a monthly fee based upon the metered amount of water used. Irrigation water shall be delivered to the lot line according to a schedule determined by the Board of Directors.

Section 4. Non-Service: Members may choose not to use utilities or water systems constructed and operated by the Corporation. Lots not serviced shall not be assessed for construction, maintenance, or operation costs. Charges for road construction and maintenance shall commence when any lot owner begins construction of any improvements upon his lot and when a road servicing that lot is constructed.

Article VII

MISCELLANEOUS

Section 1. Other Services: The Corporation may undertake additional services for the improvement and benefit of the Sub-division lots as the membership may see fit.

Section 2. Fiscal Year: The fiscal year of the Corporation shall begin on the 1st day of January, and terminate on the 31st day of December of each year.

ADOPTED this 16th day of December, 1985.