

BYLAWS OF PINEHURST ESTATES HOMEOWNERS, INC.

As of 6 October 2007

WHEREAS, Pinehurst Estates Homeowners, Inc. also referred to herein as the Association and/or PEH adopts these Bylaws, and

WHEREAS, these Bylaws, once executed, shall constitute the Bylaws of Pinehurst Estates Homeowners Inc., and

WHEREAS the undersigned, constituting all of the members of the Board of Directors, adopts these Bylaws of the Association as of the effective date stated below.

ARTICLE I

Memberships and Meetings of Members

- 1.1 Types of Memberships: Membership in the Association shall be of two kinds, Voting and Non-Voting. The term "Member" as used herein shall mean the person entitled to exercise the rights of membership and shall mean a Voting Member as well as a Non-Voting Member.

There shall be one Membership in the Association for each Dwelling Unit located in the areas described as Pinehurst Estates, and each such membership shall be appurtenant to the fee simple title to such Dwelling Unit. If the holder of the fee simple title is not the occupant of the Dwelling Unit, then the occupant is entitled to the membership for said Dwelling Unit.

A Voting Member (or membership) shall be a Member who has timely paid such amount of dues and assessments as the Board of Directors shall direct, including those dues and assessments which have become due in the past.

A Non-Voting Member (or membership) shall be a Member who has not timely paid such amount of dues and assessments as the Board of Directors shall direct, including those dues and assessments which have become due in the past.

- 1.2 Transfer of Memberships: The owner or owners of the Dwelling Unit shall be deemed the owner or owners of the Membership appurtenant to that property, except in the case of an occupant referred to in Section 1.1 above, and title to and ownership of the Membership for that property shall automatically pass upon transfer of fee simple title to that property.

The Association shall be entitled to treat the person or persons in whose name or names the Membership is recorded in the books and records of the Association as the Member for all purposes until such time as evidence of a transfer of title, satisfactory to the board of Directors, has been submitted to the Secretary. A transfer of Membership shall not release the transferor from liability for obligations accrued incident to such Membership prior to such transfer. In the event of dispute as to the ownership of a Membership, title to the Dwelling Unit to which it is appurtenant, as shown in the records of the County Clerk and recorder of Denver County, Colorado, shall be determinative. Each owner or the owners of a Dwelling Unit shall be at all times entitled to the benefits and subject to the burdens relating to the Membership for such property.

- 1.3 Voting Rights: Each Voting Member shall have one vote for each Dwelling Unit to which he has fee simple title in all matters where the vote of the Members is required or permitted by the statutes of the State of Colorado or by the certificate of incorporation or these Bylaws. If fee simple title to a Dwelling Unit is held by more than one person or entity, the Membership appurtenant to that property shall be shared by all such persons or entities in the same proportionate interest and by the same type of ownership in which fee simple title to that property is held; but any one of such co-owners present shall be accepted automatically as the agent and attorney-in-fact for other co-owners not present for the purpose of casting the vote of that Membership. There shall be only one vote for each Dwelling Unit.
- 1.4 Annual Meeting: An annual meeting of the Members for the purpose of voting on such matters as properly may come before the meeting shall be held during the month of January of each year at a convenient location, to be selected by the Board of Directors.
- 1.5 Special Meetings: Special meetings of the Members may be called at any time by the President or by the Board of Directors or by written request of ten percent or more of the outstanding voting Members and shall be held at a convenient location in Metropolitan Denver, Colorado, to be selected by the persons calling the meeting.
- 1.6 Record Date: The Board of Directors shall have the power to fix in advance a date as a record date for the purpose of determining Members entitled to notice of or to vote at any meeting or to make a determination of Members for any purpose. The Members existing on any such record date shall be deemed the Members for such notice, vote, meeting or other purpose and for any supplementary notice or information with respect to the same matter and for any adjournment of the same meeting. A record date shall not be more than 30 days prior to the date on which the

particular action requiring determination of Members is proposed or expected to be taken or to occur. If no record date is established for a meeting, the date on which notice of such meeting is first given to any Member shall be deemed the record date for the meeting.

- 1.7 Notices; Waiver: Notices of annual and special meetings of the Members must be given in writing and must state the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called. Such notices shall be delivered not less than 3 nor more than 10 days before the date of the meeting, either personally or by mail, by or at the direction of the President, or the Secretary, or the officers or persons calling the meeting, and shall be given to each Member entitled to vote at such meeting. Notice, including notice pursuant to Section 2.8 hereof, shall be considered given when written notice is mailed or delivered to a Member.

Written waiver of notice signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance at the meeting, except for the express purpose of objecting to the adequacy of such notice (which objection shall only be made at the beginning of the meeting) shall be a waiver of notice.

- 1.8 Quorum; Vote Required; Adjournment: A quorum of any meeting of members shall be one-sixth of the Voting Members. If a quorum exists, the action of a majority of the votes present shall be the act of the Members, except with respect to matters where a greater vote is required by law or by these Bylaws. If a quorum does not exist, a majority of the votes present in person may adjourn the meeting from time to time without further notice other than announcement at the meeting.

- 1.9 Record of Votes and Approvals: The Secretary shall keep a record of the names of all persons present at any meeting in person, the total number of Members authorized to vote on any matter coming before the meeting, the number of such Members represented, in person, and the results of any vote at a meeting.

- 1.10 Action of Members Without a Meeting: Any action required to be taken, or any action which may be taken, at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by at least 51% of the voting Members entitled to vote with respect to the subject matter thereof and considered to be a quorum. Any vote cast by absentee ballot shall be construed as signed consent providing that absentee ballots on the subject matter thereof are mailed to all Members. The percentage of affirmative votes necessary for

the Membership to act on any matter shall be the percentage of the number of affirmative votes of the number of absentee ballots returned that would be required at a regular meeting of the Members with the subject matter thereof.

- 1.11 Voting by Proxy: There shall be no voting by proxy or in absentia.
- 1.12 Assessments: The Board of Directors by a majority vote may assess each member any amount up to a total of \$50.00 per calendar year. If the Board of Directors deems that an assessment in excess of \$50.00 per calendar year is necessary or advisable, it shall call a special meeting of the members. At such meeting, the Board shall make such recommendation as to the amount of the assessment and such assessment shall require a majority affirmative vote of those voting members present at said meeting.
- 1.13 Dues: The Board of Directors by a majority vote shall have the right to determine the amount of annual dues to be assessed each member. Said dues shall be payable within such period of time as determined by the Board of Directors for each current member and in the case of a new member, within 30 days after a person becomes eligible for membership.

ARTICLE II

Board of Directors

- 2.1 Number: The Board of Directors shall consist of at least 5 and not more than 9 members. The number of directors may be increased or decreased by amendment of these Bylaws and, provided further, that no decrease in the number of directors by amendment of these Bylaws shall have the effect of shortening the term of any incumbent director. In the event that the number of directors is increased, the additional directorships shall be filled at the next succeeding general or special meeting of the members.
- 2.2 General Powers and Duties of the Board: The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation, maintenance, and repair of any of the Association's property. Without limiting the generality of the foregoing, the Board of Directors shall have the power to exercise or cause to be exercised for the Association all of the powers, rights and authority of the Association not expressly reserved to the Members in the Articles of Incorporation, these Bylaws, or the Colorado Nonprofit Corporation Act.

- 2.3 Special Powers and duties of the Board: Without limiting the general powers and duties, the Board of Directors shall be vested with the specific duties, powers and authority as established herein, in the Articles, and by the Colorado Nonprofit Corporation Act. The Board of Directors shall have the power to and be responsible for the following, in way of explanation, but not limitation:
- (a) preparing and adopting of an annual budget in which there shall be established the contribution of each Dwelling Unit;
 - (b) making assessments and establishing the means and methods of collecting such assessments;
 - (c) designating, hiring and dismissing the personnel necessary for the maintenance, operation, repair and replacement of any common areas and the operation of the Association; and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;
 - (d) opening of bank accounts on behalf of the Association and designating the signatories required;
 - (e) collecting the assessments, depositing the proceeds thereof in a bank depository and using the proceeds to administer the Association;
 - (f) making and amending rules and regulations;
 - (g) making or contracting for the making of repairs, additions and improvements to or alterations of the common areas and other property in accordance with the other provisions of these Bylaws;
 - (h) enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;
 - (i) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof; and obtaining fidelity bonds as required by the Colorado Nonprofit Corporation Act;
 - (j) paying the cost of all services rendered to the Association or its Members and not chargeable to individual Owners;

- (k) keeping books with accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred; and
- (l) making available to any prospective purchaser of any Owner, current copies of the Articles of Incorporation, the Bylaws, and rules and regulations governing the Owners, and all other books, records and financial statements of the Association.

2.4 Qualification; Election; Term: Directors must be voting members of the Association and at least 18 years of age. Directors shall be elected by the membership at the Annual Meeting or at a Special Meeting called in accordance with the Bylaws. There shall be no cumulative voting.

Directors shall serve a term of three years and until their successors are duly elected and qualified.

2.5 Removal; Resignation: At any meeting of the Members, the notice of which indicated such purpose, directors may be removed in the manner provided in this paragraph. The entire group of directors or any lesser number, may be removed, with or without cause, by a vote of a majority of the Members then entitled to vote at an election of directors.

A Director shall be automatically removed if he or she fails to attend two consecutive board meetings without an excuse satisfactory to the remaining Directors. In order to be valid, said excuse shall be communicated, preferably in writing, to the Secretary or President prior to the meeting which is to be missed.

Any Director may resign by submitting a written notice to the Board stating the effective date of resignation, and acceptance of the resignation shall not be necessary to make the resignation effective.

2.6 Vacancies: Any vacancy occurring on the Board of Directors, whether by removal, resignation, death, or otherwise, shall be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board.

Any director selected to fill a vacancy resulting from removal, resignation or death shall hold office for the unexpired term of his predecessor in office. Any director selected to fill a directorship caused by increase in number of directors shall hold office until the next regular election of directors.

2.7 Meetings: There shall be a regular annual meeting of the Board immediately following the annual meeting of the Members of the Association, and the Board may establish regular meetings to be held at such other places, and at such other times as it may determine from time to time. After the establishment of the time and place for such regular meetings, no further notice thereof need be given. Special meetings of the Board may be called by the President, or, upon written request delivered to the Secretary of the Association, by any two directors. The place of any special meeting may be any place within Metropolitan Denver, which has been designated from time to time by resolution of the Board of Directors or by written consent of all members of the Board of Directors.

2.8 Notices; Waiver: Three days notice of special meetings shall be given to each director by the Secretary. Such notice may be given orally, in person, by email, telephone, or in writing, served on or mailed or telegraphed to each director. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of such meeting.

Written waiver of notice signed by a director, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a director at any meeting shall constitute a waiver of notice of such meeting except when a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Such objection shall be made at the beginning of the meeting or such objection is waived.

2.9 Quorum; Vote Required; Adjournment: At any meeting of the Board of Directors, a majority of the number of directors acting and qualified shall constitute a quorum for the transaction of business. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except as otherwise specifically required by law, the Certificate of Incorporation or these Bylaws. If a quorum does not exist, a majority of the directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting.

2.10 Action of the Directors Without a Meeting: Any action required to be taken, or any action which may be taken, at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors entitled to vote with respect to the subject matter thereof. In addition to personal signature, consent in writing may be accomplished by facsimile, email, or other electronic means.

ARTICLE III

Officers

- 3.1 General: The officers of the Association shall consist of a President, one or more Vice Presidents, a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors to serve at the pleasure of the Board. The Board of Directors may appoint such other officers, agents, factors and employees as it may deem to be in the best interests of the Association. Officers need be voting members in the Association. Any person may hold two or more offices simultaneously, except the President shall not hold any other office. The term as a member of the Board of Directors and as an officer may not exceed five consecutive years.
- 3.2 President: The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall direct, supervise, coordinate and have general control over the affairs of the Association, and shall have the powers generally attributable to the chief executive officer of an Association. The President shall preside at all meetings of the members of the Association.
- 3.3 Vice Presidents: Vice Presidents may act in place of the President in case of his death, absence, inability or failure to act, and shall perform such other duties and have such authority as is from time to time delegated by the Board of Directors or by the President.
- 3.4 Secretary: The Secretary shall be the custodian of the records and of the seal of the Association and shall affix the seal to all documents requiring the same; shall see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law, and that the books, reports, and other documents and records of the corporation are properly kept and filed; shall keep minutes of the proceedings of the members, Board of Directors and executive committee; shall keep at the registered office of the Association a record of the names and addresses of the members entitled to vote; and, in general, shall perform all duties incident to the office of Secretary and such other duties as may from time to time be assigned by the Board of Directors or by the President. The Board may appoint one or more Assistant Secretaries who may act in place of the Secretary in case of death, absence, inability or failure to act.
- 3.5 Treasurer: The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Association, shall deposit all such funds in the name of the Association in such depositories as shall be designated by the Board of Directors, shall keep correct and complete

books and records of account and records of financial transactions and condition of the Association and shall submit such reports thereof as the board of Directors may, from time to time, require; and in general, shall perform all the duties incident to the office of Treasurer, and such other duties as may, from time to time, be assigned by the board of directors or by the President. The Board may appoint one or more Assistant Treasurers who may act in place of the Treasurer in case of death, absence, inability or failure to act.

- 3.6 Removal of Officers: Any officer may be removed by the Board of Directors whenever in their best judgment the best interests of the Association will be served thereby.
- 3.7 Compensation: Officers and directors shall not be compensated for such service unless by majority vote of the voting members.

ARTICLE IV

Committees

- 4.1 Executive Committee of Board of Directors: The board of Directors, by resolution adopted by a majority of the directors in office, may designate and appoint an executive committee of the Board. The number of members of the executive committee and the persons who shall be members thereof shall be determined by the Board, but the number of such members shall not be fewer than two. Unless limited by resolution of the Board, the executive committee shall have and exercise all the authority of the Board of Directors, except that such committee shall not have the authority of the Board of Directors in reference to amending, altering, or repealing the Bylaws; electing, appointing or removing any member of such committee or any officer or director of the Association; amending the Certificate of Incorporation; restating the Certificate of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Association; authorizing the voluntary dissolution of the Association or revoking proceedings therefore; adopting a plan for the distribution of assets of the Association; or amending, altering or repealing any resolution of the board of Directors which by its terms provides that it shall not be amended, altered, or repealed by such committee. All of the provisions of these Bylaws with respect to notice of meetings of directors, quorum at such meetings, voting at such meetings and waivers of notice of such meetings shall be applicable to the meetings of the Executive Committee.

- 4.2 Committees of Directors: The Board of Directors may designate and appoint one or more committees, which may consist of or include Members who are not directors. Any such committee shall have and exercise such authority as may be specified in the resolution creating such committee except such authority as can only be exercised by the Board of Directors.
- 4.3 Design Review Committee: The Design Review Committee shall be a committee of no less than two (2) and no more than five (5) Voting Members of the Association under the authority and control of the Board of Directors. Each member of the Design Review Committee shall serve at the pleasure of the Board of Directors and the Board of Directors shall appoint, replace and remove with or without cause, in its sole discretion, any member of the Design Review Committee. The Design Review Committee shall have the rights and responsibilities to review the matters set forth in the Declarations. Each Owner shall have the right to appeal the decision of the Design Review Committee to the Board of Directors as more particularly set forth in Article V.
- 4.4 General Provisions Applicable to Committees: The designation and appointment of any committee and the delegation of authority shall not operate to relieve the Board of Directors of any responsibility imposed upon it by law. The provisions of these Bylaws with respect to notice of meeting, waiver of notice, quorum, adjournment, votes required, and action by consent applicable to meetings of the board of Directors shall be applicable to meetings of committees. In addition, each committee may adopt rules for its own governance not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

ARTICLE V

Design Review Committee

Each Owner of a Dwelling Unit shall have the right to appeal certain decisions of the Design Review Committee to the Board of Directors under the following procedures. The manner and method of appeal shall be generally as follows and to the extent not set forth below shall be as more particularly set forth in the Design Review Approval or successor document:

- (a) Notice: At any time within thirty (30) days after the Design Review Committee issues a final decision, the Owner shall provide written notice to the board of Directors that the Owner requests a review of the decision of the Design Review Committee. The Owner shall provide the Board of Directors with three (3) sets of copies of all documentation submitted to

the Design Review Committee by the Owner. The Board of Directors shall review the decision of the Design Review Committee within forty-five (45) days of the date written request is provided to the Board of Directors. Written notice shall be deemed provided to the Board of Directors when the President of the Association is in receipt of a copy of the required documentation set forth above. If the Owner fails to provide written notice and the required documentation to the Board of Directors within the thirty (30) day period, the decision of the Design Review Committee shall be a final, nonappealable decision and shall be binding on the Owner.

- (b) Hearing: The hearing shall be held in executive session of the Board of Directors pursuant to the notice affording the Owner a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing and the decision of the Board of Directors. The decision of the Board of Directors shall be a final, nonappealable decision and shall be binding on the Owner.

ARTICLE VI

Contracts, Conveyances, Checks and Miscellaneous

- 6.1 Contracts: The Board of Directors may authorize any officer or agent of the Association to enter into any contract or execute and deliver any instrument in the name of the Association, except as otherwise specifically required by the Certificate of Incorporation or these Bylaws.
- 6.2 Conveyances and Encumbrances: Corporate property may be conveyed or encumbered by authority of the Board of directors or such other person or persons to whom such authority may be delegated by resolution of the Board. Conveyances or encumbrances shall be by instrument executed by the President or a Vice President and by the Secretary or the treasurer or an Assistant Secretary or Assistant Treasurer, or executed by such other person or persons to whom such authority may be delegated by the Board.
- 6.3 Fiscal Year: The fiscal year of the corporation shall be January 1 to December 31.
- 6.4 Seal: The Board of Directors may adopt a corporate seal of such design as it may deem appropriate.
- 6.5 Inspection of Corporate Records: The records with respect to the list of Members of the Association, the books of account, the minutes of

proceedings of Members and directors and of the executive committee and other committees of directors, and the Certificate of Incorporation and Bylaws shall be open to inspection upon the written demand of any Member at any reasonable time, and for a purpose reasonably related to his or her interests as a Member. The Association shall have sole discretion to determine whether inspection is reasonably related to the interest of a Member.

ARTICLE VII

Amendments

- 7.1 Articles of Incorporation: Amendments may be made to the Articles of Incorporation in the manner provided by law.
- 7.2 Bylaws: These Bylaws may at any time and from time to time be amended, altered or repealed by a majority of the Board of Directors at any annual or special meeting provided that the notice of such meeting states that such amendment, alteration or repeal is to be considered.

Approved and adopted this 6th day of October 2007 by the Board of Directors of the Pinehurst Estates Homeowners Association, Inc.

Jeanne Corbett

Bernie Sharp

Tony Hernandez

Mark Lindel

Nancy Maxey
