

BYLAWS
OF
PINE RIDGE ESTATES HOMEOWNERS ASSOCIATION

These are the Bylaws of Pine Ridge Estates Homeowners Association ("Association"), a Colorado nonprofit corporation. These Bylaws are subject to the Articles of Incorporation of the Association ("Articles") and the Declaration of Covenants, Conditions, and Restrictions for Pine Ridge Estates, PUD as recorded in the records of Weld County, Colorado ("Declarations"). The Declarations contain provisions concerning the administration and operation of the affected property and the Association which shall be read and followed in connection with these Bylaws. The Articles and Declarations shall control in case of any inconsistency with these Bylaws.

ARTICLE I

DEFINITIONS

Articles of Incorporation or **Articles** means the duly filed Articles of Incorporation for Pine Ridge Estates Homeowners Association.

Association means Pine Ridge Estates Homeowners Association, its successors and assigns.

Board means the duly elected Board of Directors of the Association.

Bylaws means these or other duly adopted Bylaws of the Association.

Declarant is Pine Ridge of Greeley, LLC, a Colorado limited liability company.

Declarations means the Declaration of Covenants, Conditions and Restrictions for Pine Ridge Estates, PUD as recorded in the records of Weld County, Colorado.

Director means any duly elected member of the Board.

His and **He** as used herein shall be gender neutral and shall mean he, she, it, they, his, hers, its, and theirs.

Lot means each separately described and numbered residential lot as identified upon the recorded plat of the Properties.

Member means a member of the Association; every Owner shall be a Member.

Notice to a Member means notice in writing either personally delivered or sent prepaid by the United States mail to the mailing address of the Member's Lot or alternatively to any other address designated in writing by the Member. If mailed, Notice shall be deemed effective when deposited in the mail, properly addressed, and postage prepaid. Notice to the Association shall mean notice in writing either personally

delivered or sent prepaid by the United States mail to the mailing address of the Association or of any current member of the Board.

Owner means the record owner, whether one or more persons or entities, of fee title to any Lot as shown in the records of the Clerk and Recorder for Weld County, Colorado.

Properties means that certain real property effected by the Declarations and described in Exhibit A thereto.

Rules and Regulations means those adopted by the Board concerning the use and enjoyment of the Properties.

ARTICLE II

ASSOCIATION OFFICES AND POWERS

2.1 Business Offices: The principal office of the Association shall be located in Weld County, Colorado. The Association may have such other offices, either within or outside Colorado, as the Board may designate.

2.2 Registered Office and Agent: The registered office and agent of the Association shall be as set forth in the Articles, unless changed as provided by the Colorado Nonprofit Corporation Act.

2.3 Powers: The Association shall have all powers granted by law, the Articles, these Bylaws, and the Declarations. Except to the extent the powers are reserved to the Members by law, the Articles, these Bylaws, or the Declarations, all such powers shall be exercised by the Board.

ARTICLE III

MEMBERS

3.1 Members: Members shall be as provided within the Articles.

3.2 Voting: All voting rights, requirements, and limitations, all quorum requirements, proxy requirements, and other matters related to voting by the Members shall be as provided within the Declarations.

3.3 Annual Meetings: The annual meeting of Members for the ratification of the budget, election of Directors, and for the transaction of other business shall be held in each year in the first week of the month of March, beginning in 2000. If the election of Directors shall not be held in the week designated herein for any annual meetings of the Members, or at any adjournment thereof, the Board shall cause the election to be held at a special meeting of the Members.

3.4 Special Meetings: A special meeting of Members may be called at any time by the Board, President, or upon the request (which shall state the purpose or purposes therefore) of four (4) or more Members.

3.5 Notice of Meetings: Written Notice of each meeting of Members, whether annual or special, shall be given not less than fourteen (14) nor more than fifty (50) days prior to such meeting to each Member entitled to vote thereat as of the date such Notice. Every Member is individually responsible for furnishing the Association with Notice of his address if other than his Lot. The notice of all meetings shall state the place, day and hour thereof, the items on the agenda, including the general nature of any proposed amendments to the Declarations, Articles, or Bylaws, any budget changes or proposals, and any proposal to remove any director or officer. When a meeting is adjourned to another time or place, so long as thirty (30) days or less, and so long as the Members entitled to vote as of the original date of Notice remain the same as of the date of adjournment, Notice need not be given of the adjourned meeting if the time and place of such meeting are announced at the meeting at which adjournment is taken. At the adjourned meeting the Association may transact any business which might have been transacted at the original meeting. By attending a meeting, either in person or by proxy, a Member waives objection to lack of Notice or defective Notice unless the Member, at the beginning of the meeting, objects to the holding of the meeting or transacting the business at the meeting. So long as the Association has made a good faith effort to comply with this Notice requirement, no otherwise valid action taken at any meeting shall be invalid notwithstanding any one or more Members not having received proper Notice.

3.6 Place of Meetings: Meetings of Members shall be held at the business office of the Association or at such other place or places as may be determined by the Board and as designated in the Notice.

3.7 Informal Action by Members: Any action required or permitted at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Members entitled to vote on the action as of its effective date. Such consent shall have the same force and effect as a unanimous vote of the Members, and may be stated as such in any document. Action taken under this section is effective when all Members entitled to vote have signed the consent, unless the consent specifies a different effective date.

3.8 Organization: The President or Vice President shall call meetings of Members to order and act as chairman of such meetings. In the absence of said officers, any Member or proxy entitled to vote thereat may call the meeting to order and a chairman shall be elected. In the absence of the Secretary of the Association, any person appointed by the chairman shall act as secretary of such meeting.

3.9 Order of Business: The order of business at all meetings of the Members shall be generally as follows:

- a. Role call to determine the existence of a quorum.
- b. Proof of notice of meeting or waiver of notice.
- c. Reading the unapproved minutes of previous meetings and the taking of necessary action thereon.
- d. Reports of officers.
- e. Reports of committees.
- f. Election of directors.

- g. Unfinished business.
- h. New business.
- i. Adjournment.

ARTICLE IV

BOARD OF DIRECTORS

4.1 General Powers: The business and affairs of the Association shall be managed by its Board, except as otherwise provided in the Colorado Nonprofit Corporation Act or other applicable statutes, the Declarations, Articles, or Bylaws. The Board may not act on behalf of the Association to amend or terminate the Declarations, or to elect or determine the qualifications, powers, duties, or terms of office of Directors, but the Board may increase or decrease the number of Directors and fill vacant directorships for the balance of any term, both as provided herein.

4.2 Number, Selection, and Tenure: The initial Board shall consist of three (3) persons as provided within the Articles, or if not so provided, then as appointed by Declarant. Within sixty (60) days after Declarant has sold one-third (1/3) of the Lots, the Board shall be increased to five (5) Directors with the Declarant appointing three (3) of the five, and the Members other than Declarant electing the remaining two (2). Within said sixty-day period, a special meeting of the Members shall be called to elect the two directors to be elected by the Members other than Declarant. Declarant's right to appoint directors shall terminate upon the occurrence of either (i) the sixtieth (60th) day after Declarant has sold seventy-five percent (75%) of the Lots, or (ii) two (2) years have passed since the last sale by Declarant of a Lot in the ordinary course of business. Prior to such termination, a special meeting of the Members shall be called whereat the Members, including Declarant if still an Owner, shall elect three (3) Directors to replace the Directors appointed by Declarant, said election to be effective the date of such termination. Elected Directors shall thereafter be elected at each annual meeting and shall hold office until the next succeeding annual meeting of the Members and thereafter until his successor is elected and qualifies. Appointed Directors shall serve until removed by the Declarant or until his or her successor is elected and qualifies as provided above. Appointed Directors need not be Members while every elected Director shall be a Member. After Declarant's right to appoint Directors has terminated, other than filling vacancies on the Board which may be filled by the Board, all Directors shall be elected by and from the Members, including Declarant so long as it remains an Owner. After Declarant's right to appoint Directors has terminated, the number of Directors may be increased or decreased by the Board to a maximum of seven (7) or a minimum of three (3) so long as any decrease does not cut short the term of any Director.

4.3 Termination of Certain Contracts and Leases: At any time after the Declarant's right to appoint Directors has terminated and the Board elected by the Members takes office, upon not less than ninety (90) days' notice to the other party, the Board may terminate, without penalty to the Association, certain contracts and leases entered into by the previous Board. Such contracts and leases include the following:

- (i) Any management contract, employment contract, or lease of recreational or parking areas or facilities;

(ii) Any other contract or lease between the Association and Declarant or an affiliate of Declarant; or

(iii) Any contract or lease that is not bona fide or was unconscionable to the Members at the time entered into under the circumstances then prevailing.

4.4 Removal of Directors: Appointed Directors may be removed only by the Declarant. Any elected Director may be removed with or without cause by vote of at least sixty-seven percent (67%) of the votes present and entitled to vote at a meeting of Members called expressly for the purpose of removal and whereat a quorum is present.

4.5 Resignation: Any Director may resign at any time by furnishing written notice thereof to each Director.

4.6 Vacancies: Any vacancy of an appointed seat on the Board shall be filled by appointment by the Declarant. Any vacancy of an elected seat on the Board may be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board. 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 or special meeting of Members called for that purpose. A Director elected 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 shall be elected and shall qualify.

4.7 Annual Meetings: Immediately following each annual election of Directors by the Members, without need of separate Notice, the newly elected Board shall meet for the purpose of organization, the election of a Chairman of the Board and officers, and the transaction of any other business.

4.8 Regular Meetings: Regular meetings of the Board shall be held at such time and place as may be determined by the Board.

4.9 Special Meetings: Special meetings of the Board may be called by the President on three (3) days notice to each Director, either personally, by mail, by telegram or by telephone, and shall be called by the President or Secretary in like manner and on like notice on the written request of any Director. The purpose of a special meeting of the Board need not be stated in the notice thereof. By attending a special meeting, a Director waives objection to lack of notice and defective notice unless such Director, at the beginning of the meeting, objects to the holding of the meeting or the transaction of business at the meeting.

4.10 Place of Meetings: Any meeting of the Board may be held at such place or places as shall be determined by the Board or the President and designated in the notice of the meeting.

4.11 Quorum and Voting Requirements: A quorum shall consist of a majority of the Directors, and the vote of a majority of the Directors present at a meeting at which a quorum is present shall be required for resolution of or action by the Board. In the absence of a quorum at any meeting of which proper notice was given, a majority of the Directors present may adjourn the meeting from time to time without further notice until a quorum shall be present.

4.12 Participation in Meetings by Electronic Means: Any Director may participate in a meeting of the Board or committee by means of telephone conference or similar communications equipment by which

all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

4.13 Organization: The Chairman of the Board shall call meetings of the Board to order and shall preside thereat. In the absence of the Chairman of the Board, any Director may call the meeting to order and a chairman shall be elected. In the absence of the Secretary and Assistant Secretary, any person appointed by the Chairman of the Board or other chairman shall act as secretary for that meeting.

4.14 Informal Action by Directors: Any action required or permitted to be taken at a meeting of the Directors or committee may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Directors or committee members entitled to vote thereon as of the effective date. Action so taken shall be effective when all Directors or committee members have signed the consent, unless the consent specifies a different effective date. Such consent shall have the same force and effect as a unanimous vote of the Directors, and may be stated as such in any document.

4.15 Presumption of Assent: A Director of the Association who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless: (i) he or she objects at the beginning of the meeting to the holding of the meeting or to the transaction of business at the meeting; (ii) he or she contemporaneously requests that his or her dissent from the action taken be entered in the minutes; or (iii) he or she gives written notice of his or her dissent to the presiding officer of the meeting before its adjournment or to the Secretary immediately after adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

4.16 Performance of Duties: Directors appointed by Declarant are required to exercise the care required of fiduciaries of the Members. Every Director elected by the Members shall perform his or her duties as a Director in good faith, in a manner he or she reasonably believes to be in the best interests of the Association, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. In performing his or her duties, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by persons and groups listed in paragraphs a., b., and c. below; but he or she shall not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A person who so performs his or her duties shall not have any liability by reason of being or having been a Director of the Association. A Director shall be liable for his or her wanton and willful acts or omissions. Those persons and groups on whose information, opinions, reports, and statements a Director is entitled to rely upon are:

a. One or more officers or employees of the Association whom the Director reasonably believes to be reliable and competent in the matters presented;

b. Legal counsel, accountants, or other persons as to any matter which the Director reasonably believes to be within such persons' professional or expert competence; and

c. A committee of the Board upon which he or she does not serve, duly designated in accordance with the provision of the Articles or Bylaws, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

4.17 Management; Delegation; Agents; Personnel: The Board may delegate its powers and duties to individuals or legal entities, but shall remain fully responsible therefore. The Board may engage the

services of various personnel, including a manager or managing agent, for the purposes of the operation, maintenance, repair and replacement of any Association property and for other management functions.

4.18 Executive Committees: The Board, by resolution adopted by a majority of the Directors, may designate committees of two or more Directors, or one or more Directors along with one or more non-Director Members, either of which shall have and may exercise all of the authority of the Board or such lesser authority as may be set forth in said resolution. No such delegation of authority shall operate to relieve the Board or any Director from any responsibility imposed by the Articles, Bylaws, Declarations, or otherwise by law.

4.19 Architectural Committee. The Board, or an architectural committee appointed by the Board (pursuant to the Declarations), shall perform all functions of the Architectural Committee (as that term is used within the Declarations).

4.20 Compensation of Directors: Directors may be paid such compensation, including a sum certain plus expenses incurred for attendance at each regular or special meeting of the Board, as fixed by resolution of the Board. Nothing herein contained shall be construed to preclude any Director from serving the Association in any other capacity and receiving compensation therefore.

4.21 Rules and Regulations: The Board shall have the authority to adopt and enforce any Rules and Regulations in connection with the operation of the Association and administration of the Declarations which are not inconsistent with the Articles, Declarations, or these Bylaws.

ARTICLE V

OFFICERS

5.1 Generally: The officers of the Association shall be a President, Secretary, Treasurer, and one or more Vice Presidents. The Board may appoint such other officers, assistant officers, committees and agents, including the Chairman of the Board, as they may consider necessary, who shall be chosen in such manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the Board. The salaries of all the officers of the Association, if any, shall be fixed by the Board. One person may hold any two offices, except that no one person may simultaneously hold the offices of President and Secretary. The President and any Vice Presidents must be Members. No other officers shall be required to be Members.

5.2 Election and Term of Office: The officers of the Association shall be elected by the Board annually at the first meeting of the Board held after each annual meeting of the Members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently possible. Each officer shall hold office until the first of the following to occur: until his successor shall have been duly elected and shall have qualified; until his death; until he shall resign; or until he shall have been removed in the manner hereinafter provided.

5.3 Removal: Any officer or agent may be removed by the Board or appropriate executive committee whenever in its judgment the best interests of the Association will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not in itself create contract rights.

5.4 Vacancies: A vacancy in any office, however occurring, may be filled by the Board for the unexpired portion of the term.

5.5 President: The President shall preside at all meetings of the Members. He or a Vice President shall execute all deeds, bills of sale, and other instruments concerning title to real or personal property and shall prepare, execute, certify, and record any amendments to the Declarations. The President shall see that all orders and resolutions of the Board are carried into effect and in general shall perform all duties as may from time to time be assigned to him by the Board.

5.6 Vice Presidents: The Vice Presidents shall assist the President and shall perform such duties as may be assigned to them by the President or by the Board. In the absence of the President, the Vice President designated by the Board, or if there be no such designation, designated in writing by the President, shall have the powers and perform the duties of the President. If no such designation shall be made, all Vice Presidents may exercise such powers and perform such duties.

5.7 The Secretary: The Secretary shall: (a) keep the minutes of the proceedings of the Members, any executive committees, and the Board; (b) see that all notices are duly given in accordance with the provisions of these Bylaws, Articles, Declarations, or as required by law; (c) be custodian of the Association records and of the seal (if applicable) of the Association and affix the seal to all documents when authorized by the Board; (d) keep at the Association's registered office or principal place of business a record containing the names and addresses of all Members; (e) sign with the President, or a Vice President, certificates of membership of the Association, if applicable, the issuance of which shall have been authorized by resolution of the Board; (f) have general charge of the non-financial records of the Association; and (g) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or by the Board. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the Secretary.

5.8 Treasurer: The Treasurer shall be the principal financial officer of the Association and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the Association and shall deposit the same in accordance with the instructions of the Board. He shall receive and give receipts and acquittances for moneys paid to the Association, and shall pay out of the funds on hand all bills, payrolls and other just debts of the Association of whatever nature upon maturity. He shall perform all other duties incident to the office of the Treasurer and, upon request of the Board, shall make such reports to it as may be required at any time. He shall, if required by the Board, give the Association a bond in such sums and with such sureties as shall be satisfactory to the Board, conditioned upon the faithful performance of his duties and for the restoration to the Association of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Association. He shall have such other powers and perform such other duties as may be from time to time prescribed by the Board or the President. The Assistant Treasurers, if any, shall have the same powers and duties, subject to the supervision of the Treasurer.

5.9 Performance of Duties: Officers elected by a Board controlled by Declarant are required to exercise the care required of fiduciaries of the Members in the performance of their duties. Every other officer of the Association shall perform his or her duties in good faith, in a manner he or she reasonably believes to be in the best interests of the Association, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. A person who so performs his or her duties shall not have any liability by reason of being or having been an officer of the Association. An officer shall be liable for his or her wanton and willful acts or omissions.

ARTICLE VI

INDEMNIFICATIONS

6.1 Indemnification: The Association shall indemnify, to the maximum extent permitted by law, any Director, officer, agent, fiduciary, or employee of the Association against any claim, liability, or expense arising against or incurred by such person as a result of actions reasonably taken by him or her in such capacity on behalf of or at the direction of the Association and may maintain insurance providing such indemnification. The Association may, as determined by the Board up to the maximum extent permitted by law, indemnify such other persons against other claims, liabilities, or expenses arising against or incurred by them in any other circumstances.

6.2 Advance of Expenses: Expenses (including attorney fees) incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Association in advance of the final disposition of such action, suit, or proceeding as authorized in this Article upon receipt of an undertaking by or on behalf of the Director, officer, employee, fiduciary, or agent involved to repay such amount unless it is ultimately determined that he or she is entitled to be indemnified by the Association.

ARTICLE VII

INSURANCE

7.1 Generally: The Association shall obtain and maintain all insurance as required, and may obtain and maintain any insurance permitted, by the Declarations. In addition, by action of the Board, notwithstanding any interest of the Directors in the action, the Association may purchase and maintain insurance, in such amounts as the Board deems appropriate, on behalf of any person who is or was a Director, officer, employee, fiduciary, or agent of the Association against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability under the provisions of these Bylaws.

ARTICLE VIII

FISCAL MANAGEMENT

8.1 Budgeting and Assessments: An annual budget shall be adopted by the Board and ratified by the Members and assessments determined and levied as provided within the Declarations. All rights, limitations, obligations, and other matters related to assessments shall be as provided within the Declarations.

8.2 Assessment Book: An assessment book shall be maintained by the Association in which there shall be an account for each Lot. Such account shall designate the names and addresses of the Owner or Owners and the amount of each assessment against the Lot, the dates on which any assessments on the Lot were or will be due, the amount paid upon the Lot's account, and the balance due upon all assessments on the Lot.

8.3 Records of Receipts and Expenditures, Other Financial Information: The Association shall keep detailed, accurate records of the receipts, expenditures, and other financial information of the Association, which records shall be available for examination by the Members at reasonable hours at the Association's offices.

8.4 Statement of Account: The Association shall furnish a written statement to any Member or his designee, or to any holder of a security interest in any Lot or its designee, upon written request, delivered personally or by certified mail with return receipt, setting forth unpaid assessments currently levied against such Owner's or security interest holder's Lot. The statement shall be furnished within fourteen (14) days after receipt of the request and shall be binding upon the Association, Board, and every Owner. If no statement is furnished when properly requested, the Association shall have no right to assert as against the requesting party any lien upon the Lot for unpaid assessments due as of the date of the request.

8.5 Annual Report: An annual report of the Association shall be prepared for each fiscal year of the Association, either by the Board, the officers, or their designated agent, and a copy of the report shall be furnished to each Member at or before the next annual meeting following the relevant fiscal year. Such report shall set forth in sufficient detail all receipts and expenditures of the Association.

8.6 Surplus Funds: Any surplus funds of the Association after payment of or provision for Common Expenses may, at the reasonable discretion of the Board, either be paid to the Owners in proportion to their relative assessments paid during the preceding assessment period, or credited to them in such proportions in satisfaction of past, present, or future assessments.

ARTICLE IX

MISCELLANEOUS

9.1 Waivers of Notice: Whenever notice of any meeting is required by law, the Articles, or these Bylaws, a waiver thereof in writing signed by the Director, Member, or other person entitled to said notice, or his appearance at such meeting in person or by proxy, shall be equivalent to such notice. Notwithstanding anything to the contrary herein, so long as the Association has made a good faith attempt to provide any required notice of a meeting, all otherwise valid actions taken at that meeting shall be valid notwithstanding one or more Directors/Members not having been noticed as required.

9.2 Seal: The Association may, but shall not be obligated, to obtain a seal of the Association. If obtained, the seal shall be circular in form and shall contain the name of the Association.

9.3 Fiscal Year: The fiscal year of the Association shall be the calendar year unless otherwise established by the Board.

9.4 Amendments: Unless such actions would render the Bylaws inconsistent with or contradictory to the Declarations, Articles, or in violation of any law, the Board shall have the power to make, amend, and repeal the Bylaws at any regular or special meeting of the Board.

CERTIFICATE

The undersigned hereby certifies that he/she is the duly elected, qualified, acting, and hereunto authorized Secretary of the Association and that the foregoing Bylaws constitute a true and complete copy of the Bylaws of said Association presently in full force and effect.

IN WITNESS WHEREOF, the undersigned has signed this Certificate and, if applicable, affixed hereto the seal of said Association.

DATED: _____, 19_____.

Secretary of the Association