

**BYLAWS
OF
PIONEER HILLS OWNERS ASSOCIATION**

ARTICLE I
General

1.1 Purpose of Bylaws. These Bylaws are adopted for the regulation and management of the affairs of Pioneer Hills Owners Association (“Association”). The Association has been organized as a Colorado corporation under the Colorado Revised Nonprofit Corporation Act (“Corporation Act”) to be and constitutes the Association described in that certain Community Declaration for Pioneer Hills (“Declaration”). All capitalized terms used herein shall have the same meanings as used in the Declaration, unless otherwise defined herein.

ARTICLE II
Offices

2.1 Principal Office. The principal office of the corporation in the State of Colorado is 5291 E. Yale Ave., Denver, CO 80222. The corporation may have such other offices either within or without the State of Colorado as the Board of Directors may determine or as the affairs of the corporation may require from time to time.

2.2 Registered Office and Agent. The corporation shall have and continuously maintain in the State of Colorado a registered office and a registered agent whose office is identical with such registered office as required by the Corporation Act. The registered office may be but need not be identical with the principal office in the State of Colorado.

ARTICLE III
Members

3.1 Members. Each Owner of a Privately Owned Site shall be automatically a member of the Association (“Member”). Such membership shall terminate without any formal Association action whenever such Owner ceases to own a Privately Owned Site, but such termination shall not release a 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. No certificates of stock shall be issued by the Association. No Member shall have the right to resign its membership so long as the Member owns a Privately Owned Site.

3.2 Voting Rights of Members. Each Member shall have the right to cast one vote for each Privately Owned Site owned by such Member in accordance with these Bylaws.

3.3 Voting by Joint Owners. The vote for a Privately Owned Site, the ownership of which is held by more than one Person, may be exercised by any one of them, unless an objection or protest by any other holder of an interest in the Privately Owned Site is made prior to the completion of the vote, in which case the vote for such Privately Owned Site shall be exercised, as the persons holding a

majority of such interest determine between themselves. Should the joint owners of a Privately Owned Site be unable, within a reasonable time, to agree upon how they will vote any issue, they shall be passed over and their right to vote on such issue shall be lost. In no event shall more than one vote be cast with respect to any Privately Owned Site.

3.4 Designated Representative. In all cases in which a Member is other than a natural person, such Member shall designate in a written instrument one natural person as the voting representative of such Member. Such Member shall furnish a copy of such instrument to the Association, and such instrument shall remain in full force and effect until revoked by written instrument filed with the Association or replaced by a subsequent instrument filed with the Association designating a substitute voting representative. Only the voting representative so designated may cast a vote or issue a proxy on behalf of such Member. If such Member fails to designate a voting representative in a written instrument filed with the Association, then such Member shall be treated as having abstained from any vote made by the Members at any meeting held at any time prior to the Association's receipt of such designation.

3.5 Voting by Proxy. A vote allocated to a Privately Owned Site may be cast pursuant to a proxy duly executed by an Owner or Designated Representative, if applicable. An Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the person presiding over the meeting of the Association. The proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven months after its date unless it provides otherwise.

3.6 Transfer of Memberships on Association Books. Transfers of Memberships shall be made on the books of the Association only upon presentation of evidence, satisfactory to the Association, of the transfer of ownership of the Privately Owned Site to which the Membership is appurtenant. Prior to presentation of such evidence, the Association may treat the previous Owner as the Member entitled to vote.

ARTICLE IV Meetings of Members

4.1 Annual Meetings. There shall be a regular annual meeting of the Association held on such date and at such time of day as is fixed by the Board of Directors and specified in the Notice of Meeting. The annual meeting shall be held to transact such business as may properly come before the meeting.

4.2 Special Meetings. Special meetings of the Members may be called by the President of the Association, by a majority of the Board of Directors of the Association or by Members holding not less than 20% of the total votes of all Members. No business shall be transacted at a special meeting of the Members except as indicated in the Notice of Meeting.

4.3 Record Date. For the purpose of determining Members entitled to notice of and to vote at any meeting of Members or in order to make a determination of such Members for any other proper purpose, the Board of Directors may fix in advance a date as the record date for determination of Members. The Board of Directors shall close the Membership of the Association for a period of not

less than ten (10) days or more than thirty (30) days preceding the date of any regular or special meeting of the Members. No members list is required; however, if a members list is prepared, it shall be available for inspection and copying beginning ten days before the meeting and continuing through the meeting, or beginning on the date that the first written ballot is delivered to Members and continuing through the time when written ballots must be received by the Association.

4.4 Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place within the State of Colorado convenient to the Members as may be designated by the Board of Directors.

4.5 Notice of Members Meetings. Notice stating the place, date and hour of any meeting shall be sent not less than ten (10) days nor more than thirty (30) days before the date of the meeting, either personally or by mail, by or at the direction of the President or the Secretary of the Association to each Member entitled to vote at such meeting. Notice may also be given in any other manner permitted by law.

The notice of an annual meeting may identify the items on the agenda, but shall disclose if there is a proposal to amend the Declaration, or the Articles of Incorporation; to indemnify a director; or to approve a sale of assets, dissolution, or conflict of interest transaction. The notice of special meeting shall state the matter or matters to be considered at the special meeting.

If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail with postage prepaid addressed to the Member at his or her address as it appears in the records of the Association. Such notice may be posted in a conspicuous place in the Association office and such notice shall be deemed delivered to any Member upon such posting if such Member has not furnished to the Association an address for mailing of notice.

4.6 Quorum. The presence at any meeting in person or by proxy of Members entitled to cast at least 20% of the total votes of all Members shall constitute a quorum at any meeting of Members. Members present in person or by proxy at a duly organized meeting may continue to transact business until adjournment notwithstanding the withdrawal of Members so as to leave less than a quorum. If any meeting cannot be held because a quorum is not present, the Members present either in person or by proxy, may adjourn the meeting to a time not less than 24 hours nor more than 30 days from the time set for the original meeting at which adjourned meeting the quorum requirement shall be the Members entitled to cast at least 10% of the total votes of all Members.

4.7 Order of Business. The order of business at any annual meeting of Members shall be as follows: (a) roll call to determine whether or not a quorum is represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) review of minutes of the preceding meeting; (d) reports of committees; (e) reports of officers and Managing Agent; (f) election of directors; and (g) conduct of other business.

4.8 Presiding Officer. The President of the Association, or if not available, the Vice-President, shall call meetings of Members to order and act as the chairman. In the absence of both of these officers, the Members present shall select a chairman and secretary of the meeting.

4.9 Vote Required at Members Meetings. At any properly convened meeting of the Members, if a quorum is present, a majority of the votes present in person or by proxy and entitled to be cast on an issue shall be necessary for its adoption, unless a greater percentage is required by law, the Declaration, the Articles of Incorporation or these Bylaws.

4.10 Waiver of Notice. A waiver of notice of any meeting of Members signed by a Member whether given before or after the meeting shall be equivalent to the giving of notice of the meeting to such Member. Attendance of a Member at a meeting either in person or by proxy shall constitute waiver of notice of such meeting except when the Member attends for the sole and express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

4.11 Action by Written Ballot. Any action that may be taken at any annual or special meeting of the Members may be taken by written ballot without a meeting, in accordance with the Corporation Act. The quorum rules and approval vote requirements are the same as for a meeting actually held. After delivery to the Association, a written ballot cannot be revoked.

ARTICLE V Board of Directors

5.1 General Powers and Duties of the Board. The Board of Directors of the Association shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and Maintenance and Repair of the Property in accordance with the Declaration. 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 Declaration, the Articles of Incorporation, these Bylaws, the Corporation Act, or the Colorado Common Interest Ownership Act (the "Act") as may be applicable to the Association.

5.2 Special Powers and Duties of the Board. Without limiting the foregoing statement of general powers and duties, the Board of Directors shall be vested with the specific duties, powers and authority as established herein and in the Declaration, the Articles, by the Act and by the Corporation Act.

5.3 Number of Directors. The number of directors shall be not more than nine or less than three as determined by resolution of the Board of Directors from time to time. Provided, however, that no decrease in the number of directors shall be approved that will have the effect of shortening the term of office of any incumbent director.

5.4 Qualification of Directors. A director may be any natural person who is an Owner or Designated Representative of an Owner who is in good standing. An Owner shall be deemed in good standing so long as the Owner is current in all payment obligations to the Association and performance obligations under the Declaration, these Bylaws and the Rules and Regulations.

5.5 Appointment, Election and Term of Office.

Initially, the Board of Directors shall be comprised of three directors appointed by Declarant. Within sixty (60) days after 25% of the Total Privately Owned Sites have been conveyed to Owners other than the Declarant, a special meeting of the Members shall be held at which time the Board of Directors shall be increased to four directors, and the Members (other than the Declarant) shall elect one director and the other three directors shall continue to be appointed by Declarant.

Within sixty (60) days after 50% of the Total Privately Owned Sites have been conveyed to Owners other than the Declarant, a special meeting of the Members shall be held at which time, the Board of Directors shall be increased to five directors, and the Members (other than the Declarant) shall elect two directors and the other three directors shall continue to be appointed by Declarant.

Upon the termination of the Period of Declarant Control, a special meeting of the Members shall be held at which time the Members including Declarant shall elect seven directors, a majority of whom must be Owners other than Declarant. The directors shall serve until the next annual meeting of the Members.

At the first annual meeting after termination of the Declarant control of the Board of Directors, the Members shall elect one (1) director to serve for a term of one (1) year and two (2) directors to serve for a term of (2) years, and two (2) directors to serve for a term of three (3) years, and at each annual meeting thereafter, the Members shall elect the same number of directors as there are directors whose terms expire at the time of each election, for a term of three years. At all times at least three directors shall be Owners or Designated Representatives of Townhome Lots and at least three directors shall be Owners or Designated Representatives of Single Family Lots.

5.6 Removal of Directors. The Members, by a two-thirds (2/3) vote of all Members present and entitled to vote at any meeting of the Members at which a quorum is present, may remove any member of the Board of Directors with or without cause and elect a new director for the unexpired term of such director's predecessor in office.

5.7 Resignation of Directors. Any director may resign at any time by giving written notice to the President, to the Secretary or to the Board stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

5.8 Other Vacancies. Any vacancy occurring in the Board of Directors other than by removal of a director at a meeting of Members, may be filled by the affirmative vote of a majority of the then remaining directors even though less than a quorum. A director elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of such director's predecessor in office.

5.9 Declarant Appointed Directors. Notwithstanding anything herein to the contrary, Declarant or persons designated by the Declarant may appoint and remove the officers and members of the Board of Directors during the Development Period. In addition, the right to appoint and remove directors is limited as provided in Section 5.5 above. The provisions of Sections 5.5, 5.6 and 5.8

shall not apply to directors appointed by Declarant. The provisions of Sections 8.2, 8.3, and 8.4 below shall not apply to officers appointed by Declarant.

ARTICLE VI
Meetings of Board of Directors

6.1 Place of Directors' Meetings. Meetings of the Board shall be held at the principal office of the Association or at such other place, within or convenient to the Property, as may be fixed by the Board and specified in the notice of the meeting. Board meetings may be conducted by any means of communication that permit participating directors to hear each other, even though all directors are not present at the same location.

6.2 Annual Meeting of Directors. Annual meetings of the Board shall be held on the same date as, or within 10 days following, the annual meeting of the Members. The business to be conducted at the annual meeting of the Board shall consist of the election of officers of the Association and the transaction of such other business as may properly come before the meeting. No prior notice of the annual meeting of the Board shall be necessary if the meeting is held on the same day and at the same place as the annual meeting of the Members at which the Board is elected or if the time and place of the annual meeting of the Board is announced at such annual meeting of the Members.

6.3 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two directors.

6.4 Notice of Directors Meetings. Notice of any special meeting of the Board of Directors shall be given at least three days prior to the meeting by written notice delivered personally, sent by mail, email or facsimile to each director at his or her address as shown by the records of the Association, by telephone or as otherwise permitted by law. A Director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting except where a director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. 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 notice of such meeting unless specifically required by law or by these Bylaws.

6.5 Proxies. A director shall not be entitled to vote by proxy at any meeting of the Board.

6.6 Quorum. One-half of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. However, if less than one-half of the directors are present at said meeting, they may adjourn the meeting from time to time without further notice.

6.7 Manner of Acting. 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 unless a greater number is required by law or by the Declaration or these Bylaws.

6.8 Action of Directors Without A Meeting. Any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing shall be signed by all of the directors as provided by the Corporation Act.

ARTICLE VII
Special Powers and Duties

7.1 Special Powers. The Board of Directors shall have the following authority and powers in way of explanation, but not limitation:

(a) adopting an annual budget in which there shall be established the contribution of each Owner of a Privately Owned Site to the Common Expenses;

(b) making assessments to defray the Common Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the assessments; provided that unless otherwise determined by the Board of Directors, the Annual Assessment against the proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month;

(c) making Special Assessments and Reimbursement Assessments and establishing the due date thereof in lump sum or by periodic installments.

(d) providing for the operation, management, and Maintenance and Repair of all of the Common Elements and property owned by the Association.

(e) designating, hiring and dismissing the personnel necessary for the maintenance, operation, repair and replacement of the Common Elements, other property as set out in the Declaration and the operation of the Association; and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(f) opening of and maintaining bank accounts on behalf of the Association and designating the signatories required;

(g) collecting the Assessments, depositing the proceeds thereof in a bank depository and using the proceeds to administer the Association in accordance with the budget or as otherwise directed by the Board;

(h) making and amending rules and regulations (“Rules”);

(i) making or contracting for the making of repairs, additions and improvements to or alterations of the Common Elements and other property owned by the Association;

(j) enforcing by legal means the provisions of the Declaration, these Bylaws and the Rules;

(k) obtaining and maintaining insurance against casualties and liabilities and paying the premium cost thereof; such insurance shall comply with the Declaration, and also any Agency requirements;

(l) paying the cost of all services rendered to the Association or its Members and not chargeable to individual Owners;

(m) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration;

(n) making available to any prospective purchaser of a Privately Owned Site, any Owner, any Security Interest Holder, and the holders, insurers and guarantors of a First Security Interest encumbering any Privately Owned Site, current copies of the Declaration, the Articles of Incorporation, the Bylaws, Rules, and all other books, records and financial statements of the Association as provided below;

(o) borrowing funds in order to pay for any Association expense;

(p) entering into contracts;

(q) Retaining legal counsel, auditors, accountants, appraisers and other persons or services that may be necessary for or incidental to any of the activities described in this document;

(r) Instituting, defending and intervening in litigation, arbitration or administrative proceedings or seek injunctive relief for violations of the Association's Declaration, Bylaws or Rules in the Association's name, on behalf of the Association or two or more Owners on matters affecting the Community. Enforcing any and all covenants, restrictions and agreements applicable to the Community; including but not limited to, those set forth in the Declaration;

(s) Acquiring, holding, encumbering and conveying, in the Association's name, any right, title or interest to real estate or personal property;

(t) Granting easements for any period of time, including permanent easements, and grant leases, licenses and concessions for no more than one year, through or over the Common Elements;

(u) Imposing and receiving a payment, fee or charge for services provided to Owners of Privately Owned Sites;

(v) Imposing reasonable charges for late payment of Assessments and, after notice and hearing, levying a reasonable fine for a violation of the Declaration, Bylaws or Rules of the Association;

(w) Providing for the indemnification of the Association's officers and the Board and maintain Directors' and Officers' liability insurance to the extent reasonably available; and

(x) Establishing committees, permanent and standing, to perform any of the above functions.

7.2 Sound Governance Policies. To promote responsible governance, the Board shall adopt policies, procedures and rules and regulations concerning:

(a) collection of unpaid Assessments;

(b) handling of conflicts of interest involving Board members;

(c) conduct of meetings which may refer to applicable provisions of the Non-Profit Code or other recognized rules and principals;

(d) enforcement of covenants and Rules and Regulations, including Notice and Hearing procedures set out below and a schedule of fines;

(e) inspection and copying of Association records by Owners of Privately Owned Sites;

(f) investment of reserve funds;

(g) procedures for the adoption and amendment of policies, procedures and Rules and Regulations;

(h) procedures for addressing disputes between the Association and the Owners.

7.3 Prospective Purchasers. Colorado law requires that the seller of a Privately Owned Site mail or deliver to the prospective purchaser copies of the following documents in the most current form available:

(a) These Bylaws and the Rules and Regulations;

(b) The Declaration;

(c) Any covenants;

(d) Any party wall agreements;

(e) Minutes of the most recent annual Members meeting and of any Board meetings that occurred within the six months immediately preceding the title deadline;

(f) The Association's operating budget;

- (g) The Association's annual income and expenditures statement; and
- (h) The Association's annual balance sheet.

The Association shall use its best efforts to accommodate a request by a selling Owner of a Privately Owned Site for any of the foregoing documents that are within the Association's control in accordance with Section 11.13 below.

ARTICLE VIII Officers

8.1 Officers and Qualification. The officers of the Association shall be a President, one Vice-President, a Secretary, a Treasurer and such other officers as may be deemed necessary by the Board of Directors. Any two or more offices may be held by the same person. The officers shall be natural persons over the age of twenty-one.

8.2 Election and Term of Officers. The officers of the Association shall be elected annually for a one year term by the Board of Directors at the regular annual meeting of the Board of Directors. Each officer shall hold office until the earliest of such officer's death, resignation, removal, and election of such officer's successor.

8.3 Removal of Officers. Any officer may be removed by the Board of Directors with or without cause by majority vote of the Board at any meeting of the Board at which a quorum is present.

8.4 Vacancies. A vacancy in any office because of death, resignation, removal or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

8.5 President. The President shall be the principal executive officer of the Association and shall supervise all of the business and affairs of the Association. In general, he or she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. The President shall preside at all meetings of the Board of Directors and of the Members of the Association.

8.6 Vice-President. In the absence of the President or in the event of his or her inability or refusal to act, the Vice-President shall perform the duties of the President and when so acting shall have all of the powers of and shall be subject to all of the restrictions upon the President. A Vice-President shall perform such other duties as may be assigned to him or her by the President or by the Board of Directors.

8.7 Treasurer. The Treasurer shall have the charge and custody of and be responsible for all funds and securities of the Association; the Treasurer shall keep complete financial books and records of the Association and shall submit such reports as the Board of Directors may from time to time require. In general, the Treasurer shall perform all of the duties incident to the office of Treasurer and such other duties as may be from time to time assigned to him or her by the President or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond

for the faithful discharge of his or her duties in such sum and with such surety as the Board of Directors shall determine. The Association shall pay the premium for such bond.

8.8 Secretary. The Secretary shall keep the minutes of the meetings of the Members and of the Board of Directors; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be the custodian of the corporate records; keep Membership books and a register of the address of each Member; prepare, execute, certify and record amendments to the Declaration on behalf of the Association; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

ARTICLE IX Committees

9.1 Committees of Directors. The Board of Directors may designate and appoint one or more committees which may consist of or include Members or their Designated Representatives who are 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 be exercised only by the Board of Directors.

9.2 Executive Committee. The Board of Directors may designate and appoint an Executive Committee which shall consist of at least three directors and which shall have and exercise all authority of the Board of Directors except such authority as can be exercised only by the entire Board of Directors.

9.3 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, the Declaration, the Articles of Incorporation, or with Rules adopted by the Board of Directors.

ARTICLE X Managing Agent

10.1 Employment of Managing Agent. The Board of Directors may employ for the Association a management agent or agents (the "Managing Agent") at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the Managing Agent, subject to the Board's supervision, all of the powers granted to the Board of Directors by these Bylaws, other than the powers set forth in subparagraphs (a), (b), (c), (h), (j) (o) and (r) of Section 7.1 of Article VII.

10.2 Term. No management contract may have a term in excess of three (3) years and must permit termination by either party without cause and without termination fee on ninety (90) days' or less

written notice and must permit termination by the Association for cause upon immediate notice without penalty.

ARTICLE XI
Financial Matters and Books and Records

11.1 Contracts. The Board of Directors may authorize any officer or officers of the Association or the Managing Agent to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Association.

11.2 Checks and Drafts. All checks, drafts or orders for the payment of money or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or agents of the Association and in such manner as shall from time to time be determined by the Board of Directors.

11.3 Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board of Directors may select.

11.4 Gifts. The Board of Directors may accept on behalf of the Association any contribution, gift, bequest or devise for any purpose of the Association.

11.5 Compensation of Officers and Directors. No officer or director shall have the right to receive any compensation from the Association for serving as an officer or director except for reimbursement of expenses as may be approved by resolution of the Board of Directors.

11.6 Loans to Directors and Officers Prohibited. No loan shall be made by the Association to Declarant or to any director or officer.

11.7 Delegation of Collection. If the Association delegates powers of the Board relating to collection, deposit, transfer or disbursement of Association funds to a third party or a Managing Agent, then such third party or Managing Agent shall:

(a) maintain fidelity insurance coverage in an amount equal to the greater of (i) two month's current assessments plus reserves, as calculated from the current budget of the Association or (ii) Fifty Thousand Dollars;

(b) maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by such third party or Managing Agent and maintain all reserve accounts of each association so managed separate from operational accounts of the Association.

In addition, an annual accounting of Association funds and a financial statement shall be prepared and presented to the Association by the Managing Agent, a public accountant or a certified public accountant.

11.8 Form of Financial Records. All financial records shall be maintained in written form or another form capable of conversion into written form within a reasonable time, using generally accepted accounting principles.

11.9 Education. The Board shall provide or cause to be provided education to Owners on at least an annual basis as to the general operations of the Association and the rights and responsibilities of Owners, the Association, and the Board under Colorado law. The Owners shall not pay a separate fee for this education, but the cost shall be a Common Expense.

In addition, the Board may authorize and account for as a Common Expense, reimbursement of Board members for their actual and necessary expenses in obtaining further education related to the Community and specific to Colorado law.

11.10 Owner Notification Following the Expiration of the Declarant Control Period. Within 90 days after assuming control from the Declarant pursuant to C.R.S. § 38-33.3-303(5) and 90 days after the end of each fiscal year thereafter, the Association shall make the following information Available to Owners of Privately Owned Sites upon reasonable notice:

- (a) The date on which its fiscal year commences;
- (b) Its operating budget for the current fiscal year;
- (c) A list by type of Lot of the Association's current Assessments, including both regular and Special Assessments;
- (d) Its annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the current annual disclosure;
- (e) The results of its most recent financial audit or review;
- (f) A list of all Association insurance policies, including but not limited to, property, general liability, Association director and officer, professional liability, and fidelity policies. Such lists shall include the company names, policy limits, policy deductibles, additional named insureds, and expiration dates of the policies listed;
- (g) The Association's Bylaws, Articles and Rules and Regulations;
- (h) The minutes of the Board and Member meetings for the fiscal year immediately preceding the current annual disclosure; and
- (i) The Association's governance policies adopted under Section 38-33.3-209.5 as listed in Section 7.2 above.

11.11 Information Available to Owners of Privately Owned Sites. In making information "Available" to Owners of Privately Owned Sites, disclosure shall be accomplished by one of the

following means: posting on an internet web page with a notice of the web address via first class mail or e-mail; the maintenance of a literature table or binder at the Association's principal place of business; or mail or personal delivery. The cost of distribution shall be a Common Expense.

11.12 Association Permanent Records. The Association shall keep as permanent records, minutes of all meetings of Members and the Board; a record of all actions taken by the Members or Board by written ballot or written consent in lieu of a meeting; a record of all actions taken by a committee of the Board in place of the Board on behalf of the Association; and a record of all waivers or notices of meetings of Members and the Board or any committee of the Board.

In addition to the records specified above, the Association shall keep a copy of each of the following records at its principal office:

- (a) The Articles of Incorporation;
- (b) The Declaration;
- (c) Any covenants;
- (d) These Bylaws;
- (e) Resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations and obligations of Owners of Privately Owned Sites;
- (f) All written communications within the past three years to Owners generally as Owners;
- (g) A list of the names and business or home addresses of the Board's current directors and officers;
- (h) The Association's most recent annual report, if any; and
- (i) All financial audits or reviews conducted during the immediately preceding three years.

11.13 Cost of Copies. The Association may charge a fee payable in advance, not to exceed the Association's actual cost per page, for copies of Association records requested by a party entitled to such records. All financial and other records shall be made reasonably available for examination and copying by an Owner of a Privately Owned Site and such Owner's authorized agents. As used in this Section 11.13, "reasonably available" means available during normal business hours upon five business days' notice to the extent that:

- (a) the request is made in good faith and for a proper purpose;
- (b) the request describes with reasonable particularity the records sought and the purpose

of the request; and

- (c) the records are relevant to the purpose of the request.

11.14 Audits and Reviews. At the discretion of the Board or upon request as stated below, the books and records of the Association shall be subject to an audit, using generally accepted auditing standards, or a review, using statements on standards for accounting and review services by an independent and qualified person selected by the Board. Such person need not be a certified public accountant, except in the case of an audit. An audit shall be required only when both of the following conditions are met: (i) the Association has annual revenues or expenditures of at least \$250,000; and the Owners of at least one-third of the Privately Owned Sites request an audit. A review shall be required only when requested by the Owners of at least one-third of the Privately Owned Sites. Copies of an audit or review shall be made available upon request to any Owner beginning no later than 30 days after its completion.

ARTICLE XII

Evidence of Ownership and Registration of Mailing Address

12.1 Proof of Ownership. Any person on becoming an Owner shall furnish to the Board of Directors a photocopy or a certified copy of the recorded instrument vesting that person with an ownership interest in a Privately Owned Site, which instrument shall remain in the records of the Association.

12.2 Registration of Mailing Address. The Owner of each Privately Owned Site shall have one and the same registered mailing address to be used by the Association for mailing of monthly statements, notices, demands and all other communications, and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of an Owner shall be furnished by such Owner to the secretary within five (5) days after transfer of title, or after a change of address, and such registration shall be in written form and signed by all of the Owners of the Privately Owned Site or by such persons as are authorized by law to represent the interests of all of the Owners thereof. If multiple Owners of one Privately Owned Site cannot agree upon a mailing address, then the Secretary shall use the address of the Owner owing a majority interest in the Privately Owned Site, or if none shall use the address of the first party named on the deed of conveyance. The Association or the Managing Agent shall maintain a record of Owners in a form that permits preparation of a list of the names and addresses of all Owners of Privately Owned Sites.

12.3 Association Annual Notice. Within 90 days after assuming control from the Declarant pursuant to C.R.S. § 38-33.3-303(5), the Association shall provide to all Owners at least once per year, a written notice stating the following information: the name of the Community; the name of the Association; the name of the Association's designated agent or Managing Agent, if any; a valid physical address and telephone number for both the Association and the designated agent or Managing Agent, if any; and the initial date of recording the Declaration and the reception number or book and page number of such recording. If the Association's address, designated agent or

Managing Agent changes, the Association shall provide all Owners of Privately Owned Sites with an amended notice within 90 days after the change.

ARTICLE XIII
Notice and Hearing Procedure

The Board shall not impose a fine on nor suspend voting rights of an Owner for violations of the Declaration, these Bylaws or the Rules unless and until the following procedure is followed:

(a) Demand. The Board shall serve upon the alleged violator written demand to cease and desist from an alleged violation specifying:

- (i) the alleged violation;
- (ii) the action required to abate the violation; and

(iii) a time period, not less than ten (10) days, during which the violation may be abated without further sanctions, if such violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of a sanction after notice and hearing if the violation is not a continuing one.

(b) Notice. At any time within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same violation is repeated, the Board or its delegate may serve the violator with written notice of a hearing to be held by the Board of Directors in executive session. The notice shall be served in the same manner as notice of a meeting of the Members of the Association. The notice shall contain:

- (i) the nature of the alleged violation;
- (ii) the time and place of the hearing, which time shall not be less than ten (10) days from the giving of the notice;
- (iii) an invitation to attend the hearing and produce any statement, evidence and witness on his or her behalf; and
- (iv) the proposed fine and any other sanction to be imposed.

(c) 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. Prior to the effectiveness of any fine and any other sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the fine and other sanction, if any, imposed.

ARTICLE XIV
Amendments to Bylaws

These Bylaws may be amended by unanimous vote of the directors present at any regular meeting or at any special meeting of the Board of Directors if at least five (5) business days written notice is given of intention to amend these Bylaws at such meeting; provided, however, no amendment of these Bylaws shall be inconsistent with the Articles, the Declaration or the requirements of law applicable to the Association.

CERTIFICATE OF SECRETARY

I, the undersigned, do certify that:

1. I am the duly elected and acting Secretary of Pioneer Hills Owners Association; and
2. The foregoing Bylaws constitute the Bylaws of the Association duly adopted by the Board at a duly constituted meeting for such purpose.

IN WITNESS WHEREOF, I have hereunto subscribed my hand and affixed the seal of the Association this 23rd day of September, 2006.



Secretary