

**BYLAWS
OF
COVINGTON KNOLLS HOMEOWNERS' ASSOCIATION**

ARTICLE I

NAME, LOCATION AND NATURE OF ASSOCIATION

1. **Name.** The name of the Association is the Covington Knolls Homeowners' Association ("Association").

2. **Location.** The principal place of business of the Association shall be at P.O. Box 1727, 361 71st Avenue, Greeley, CO 80632, but meetings of members and directors may be held at such places within the County of Weld, State of Colorado, as may be designated by the Board of Directors.

3. **Nature of Bylaws and Organization.** These are the Bylaws of the Association, which is a Colorado nonprofit corporation. These Bylaws are subject to the Articles of Incorporation of the Association and the Declaration of Covenants, Conditions, and Restrictions of Covington Knolls ("Declarations") recorded in the Weld County Clerk and Recorder's office. Said Declarations contain provisions concerning the administration and operation of the affected property, which shall control in case of any inconsistency with these Bylaws.

4. **Declarant.** The entity filing the Declarations is TJRPBR LLC, a Colorado limited liability company ("Declarant").

ARTICLE II

POWERS

The Association shall have all powers granted by law, its Articles of Incorporation, these Bylaws and the recorded 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 of Directors of the Association.

ARTICLE III

MEMBERSHIP MEETINGS

1. **Membership; Two Classes.** Each lot owner shall be a member of the Association and the membership of the Association shall consist exclusively of all the lot owners. There shall be two classes of members, known as Class A and Class B members.

- a) **Class A Member.** A Class A member is an owner of a lot in Covington Knolls other than the Declarant.
- b) **Class B Member.** Declarant.
- c) **Termination of Class B Membership.** The Class B membership shall cease and be converted to a Class A membership on the happening of either of the following events, whichever occurs earlier: (i) no later than sixty (60) days after the conveyance of seventy-five percent (75%) of the lots to lot owners other than

Declarant; or (ii) two (2) years after the last conveyance of a lot by the Declarant in the ordinary course of business; or (iii) two (2) years after any right to add new lots was last exercised; or (iv) when, in its discretion, the Class B member so determines.

2. **Voting.** Each Class A lot owner and Class B member shall be entitled to one (1) vote for each lot owned. If a lot is owned by more than one person, only one person may exercise the right to vote. The vote of any one of the joint owners shall constitute the one vote of the membership. The presence of any one owner shall constitute the presence of all at any meeting. A signed waiver of notice by any one shall constitute a waiver of all owners. Notice to one shall constitute notice to all owners. If the joint owners cannot agree on how the vote should be cast, then the vote shall not be counted. Membership owned by legal entities or in a representative capacity may vote in accordance with applicable law.

3. **No Stock.** The corporation shall not issue stock, but may issue membership certificates.

4. **Transfer of Membership.** Membership in the Association may be transferred only as an incident to the transfer of title to a lot in the manner provided for by the Declarations and Articles of Incorporation. Such transfer shall become effective upon recordation of the deed of conveyance.

5. **Annual Meeting.** The membership's annual meeting shall be held on the first Monday of the month of June for the years 1995 and 1996, and commencing in 1997, and on each and every year thereafter, the meeting shall be held on the 3rd Monday of the month of January at such location in Weld County, Colorado, as the President or a majority of the Board shall designate in writing.

6. **Special Meetings.** Special meetings of the membership may be called at any time by the President or by a majority of the Board, or upon the written request of members owning at least twenty percent (20%) of the lots.

7. **Notice of Meetings.** Written notice of each meeting shall be given to the members not less than ten (10) days nor more than fifty (50) days prior to the meeting date, either by personal delivery or mailing the same to the members last known addresses. The notice of all meetings shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declarations or Bylaws, any budget changes, and any proposal to remove an officer or member of the Board.

8. **Quorum.** The presence of the meeting of members or their proxies who own at least twenty percent (20%) of the lots shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declarations or these Bylaws. If such quorum shall not be present or represented at any meeting, the members present shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented.

9. **Voting Requirements on Certain Matters.** In addition to voting requirements set forth in these Bylaws, the Articles of Incorporation or law, the Declarations may set forth the percentage of votes necessary to adopt decisions binding on all members.

10. **Proxies.** Each member may vote in person or by duly executed proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon the member's conveyance of the lot.

11. **Order of Business.** So far as practicable, and subject to change for any reasonable ground, the order of business at membership meetings shall be as follows:

- a) Roll call and certification of proxies;
- b) Proof of notice of meeting or waiver of notice;
- c) Reading and disposal of unapproved minutes;
- d) Reports of officers;
- e) Reports of committees;
- f) Election of Directors;
- g) Unfinished business;
- h) New business;
- i) Adjournment.

12. **Informal Action by Members.** Any action required to be taken at a meeting of the members, or any other action which may be taken at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the members entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the membership and may be stated as such in any document.

ARTICLE IV

BOARD OF DIRECTORS

1. **General Powers and Duties.** The business and affairs of the Association shall be managed by its Board of Directors ("Board"), which shall exercise all the powers of the Association except those reserved to the membership.

2. **Number, Selection and Tenure.** The initial Board shall consist of three members. Declarant shall appoint the three (3) Directors. The appointed Directors need not be members of the Association, while every elected Director shall be. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the lots to owners other than Declarant, at least one member and not less than twenty-five percent (25%) of the members of the Board of Directors must be elected by lot owners other than the Declarant. Not later than sixty (60) days after the conveyance of fifty percent (50%) of the lots to owners other than Declarant, not less than thirty-three and one-third percent (33 1/3%) of the members of the Board must be elected by lot owners other than the Declarant. After the right of the Declarant to appoint Directors expires, all Directors shall be elected by the membership. Directors which are elected shall be elected at each annual meeting and shall hold office until the next succeeding annual

meeting of the membership and thereafter until his or her successor is elected and qualifies. At least a majority of elected Board members must be lot owners. Appointed Directors shall serve until removed by the Declarant or until the annual meeting next succeeding the cessation of Class B membership.

3. **Removal.** An appointed Director may be removed by the Declarant, with or without cause. An elected Director may be removed by the Board for cause only or by a vote of sixty-seven percent (67%) of all persons present and entitled to vote at any meeting of the members at which a quorum is present, with or without cause.

4. **Vacancies.** Any vacancy occurring in the Board of an appointed Director shall be filled by the Declarant's appointment. Any vacancy of an elected Director shall be selected by the remaining members of the Board and shall serve the unexpired term of his predecessor.

5. **Compensation.** Directors may be paid such annual compensation as may from time to time be fixed by resolution of the Board. All Directors may be allowed a fixed sum and expenses incurred for attendance at Board meetings as may be from time to time fixed by resolution of the Board. Nothing herein shall be construed to preclude any Director from serving the Association in any other capacity and receiving compensation therefor.

6. **Meetings.** The Board shall have an annual meeting immediately following the annual meeting of the members for purposes of electing officers and transaction of other business. In addition, the Board shall establish by resolution regular meetings to be held at such time or times as are specified in the resolution. A special meeting of the Board may be called by the President on three (3) days notice to each Director, either personally, by mail, telegram or by telephone, and shall be called the President or Secretary in like manner and on like notice on written request of any one Director. The purpose of a special meeting of the Board shall be stated in any notice thereof.

7. **Place of Meeting.** Any meeting of the Board may be held at such place or places within Weld County, Colorado, as may be determined by the Board or fixed by the President and designated in the notice of the meeting.

8. **Participation in a Meeting by Telephonic Means.** Any member of the Board or any committee thereof 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 for purposes of quorum and all other Board matters.

9. **Quorum.** A quorum shall consist of a simple majority of the number of Directors, and the act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board, unless a greater vote is required by law, the Declarations, Articles of Incorporation or these Bylaws. In the absence of a quorum at any such meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice until a quorum shall be present.

10. **Informal Action by Directors.** Any action required or permitted to 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 the Directors entitled to vote with respect to the subject matter thereof. 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.

11. **Management; Delegation; Agents; Personnel.** The Board may delegate its powers and duties to individuals or legal entities, but shall remain fully responsible therefor. In that regard, 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 the common areas and for other management functions.

12. **Committee.** The Board may establish committees of the Association for the purpose of conducting its affairs. The Board shall have the power to appoint the members of the committee, but any committee must contain at least two Board members and all members of the committee must be members of the Association.

ARTICLE V

OFFICERS

1. **Types of Officers; Qualifications.** The officers shall be President, Vice President, Secretary and Treasurer, and such other officers as the Board may from time to time create by resolution. Such additional officers shall be chosen in such authority and duties as may be determined from time to time by the Board. The President and Vice President shall be members of the Board. The other officers need not be. The offices of Secretary and Treasurer may be combined.

2. **Election and Term of Office.** Officers shall be elected at the first meeting of the Board following each annual meeting of the members. The term of office shall be one year, but in any case until each successor shall have been duly elected and shall have qualified, unless the officer shall sooner resign, be removed or otherwise disqualified to serve.

3. **Resignation and Removal.** Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and the acceptance of such resignation shall not be necessary to make it effective.

4. **Vacancies.** A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve the remainder of the term of the officer he replaces.

5. **President.** The President shall preside at all meetings of the members and Directors. The President or Vice President shall execute all deeds, bills of sale and other such instruments concerning real or personal property. 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.

6. **Vice President.** The Vice President shall act in the place of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

7. **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; service notice of meetings of the Board and of the members; keep appropriate current records showing the members of the

Association together with their addresses; sign with or attest the signatures of other officers; and in general, perform such other duties as may be required by the President or the Board.

8. **Treasurer.** The Treasurer shall be the principal financial officer of the Association and shall receive and deposit in appropriate bank accounts all monies of the Association and disburse such funds as are authorized. She shall perform all other duties incident to the office and upon direction of the President or the Board. She shall, if required by the Board, give the Association a bond in such terms and with such sureties as shall be satisfactory to the Board.

ARTICLE VI

FISCAL MANAGEMENT

1. **Assessment Book.** An assessment book or roll shall be maintained in a set of accounting books in which there shall be an account for each lot. Such account shall designate the names and addresses of the owner or owners, the amount of each assessment against the owner, the dates and amounts in which the assessments come due, the amount paid upon the account and the balance due upon assessments.

2. **Budget.** On or before the annual membership meeting, the Board shall adopt a budget for the next calendar year in accordance with the provisions of the Declarations. The Board shall set a date for a meeting to consider ratification of the budget not less than fourteen (14) days nor more than sixty (60) days after the mailing of the budget.

3. **Records of Receipts and Expenditures.** The Board, officers or their agents shall keep detailed, accurate records of the receipts and expenditures affecting the common elements of the Association, which records shall be available for examination by the members at convenient weekday business hours.

4. **Statement of Account.** Upon ten (10) days notice to the President or Board, and upon payment of a reasonable fee, any member shall be furnished a statement of his account setting forth the amount of any unpaid assessment or other charges due and owing from him. Any member's mortgagee may also obtain the same and may also inspect the records pursuant to the preceding paragraph.

5. **Annual Report.** An annual report of the Association shall be prepared annually, either by the Board, officers or its designated agent, and a copy of the report shall be furnished to each member not later than June 1 of the year following the year for which the report is made for 1995 and 1996, and commencing in 1997, and on each and every year thereafter, not later than January 1 of the year following the year for which the report is made. Such report shall set forth in sufficient detail all receipts and expenditures of the Association.

ARTICLE VII

AMENDMENTS

The Board shall have the power to make, amend and repeal the Bylaws of the Association at any regular meeting of the Board or at any special meeting called for that purpose.

ARTICLE VIII

MISCELLANEOUS

1. **Waivers of Notice.** Whenever notice is required by law, by the Articles of Incorporation or by these Bylaws, a waiver thereof in writing signed by the person entitled to notice, whether before or after the time stated therein, or his appearance at such meeting or by proxy shall be equivalent to such notice.

2. **Seal.** The corporate seal of the Association shall be circular in form and shall contain the name of the Association.

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

CERTIFICATE

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

IN WITNESS WHEREOF, the undersigned has signed the Certificate and affixed the seal of the Association.

Dated this 30th day of September, 19 94.


Secretary