

**BYLAWS
OF
FOX RIDGE HOMEOWNER'S ASSOCIATION OF SEVERANCE**

**ARTICLE 1
DEFINITIONS**

1.1 "Declaration" means the Declaration of Covenants, Conditions and Restrictions for Fox Ridge (a Common Interest Community) recorded with the Clerk and Recorder of Weld, Colorado, together with any amendments.

1.2 All other words and terms used in these Bylaws shall have the meanings given to them in the Declaration and in the Colorado Common Interest Ownership Act, as amended.

**ARTICLE 2
MEETINGS OF MEMBERS**

2.1 Annual Meeting. The annual meeting of the Members shall be held each year on such date as shall be selected by the Executive Board for the purpose of electing Directors and for the transaction of such other business as may come before the meeting.

2.2 Budget Meeting. Meetings of Members to consider proposed budgets shall be called in accordance with the Act. The budget may be considered at annual or special meetings called for other purposes as well.

2.3 Special Meetings. Special meetings of the Association may be called by the president, by a majority of the members of the Executive Board or by Members comprising 20 percent of the votes in the Association.

2.4 Place of Meetings. Meetings of the Members shall be held at any suitable place convenient to the Members, as may be designated by the Executive Board or the president.

2.5 Notice of Meetings. The secretary shall cause notice of meetings of the Members to be hand-delivered or sent prepaid by United States mail to the mailing address of each Unit or to the mailing address designated in writing by the Member, not less than 10 nor more than 50 days in advance of a meeting, except that if the meeting is to approve any material amendment to the Declaration, the Bylaws, or the Articles of Incorporation, or any extraordinary action as defined in Article 12 of the Declaration, then notice shall be given not less than 25 nor more than 50 days in advance of the meeting.. The notice of any meeting shall state the time and place of the meeting and the items on the agenda, including a summary of any proposed amendments to the Declaration, the Bylaws, or the Articles of Incorporation, or any extraordinary action as defined in Article 12 of the Declaration, any budget changes, and any proposal to remove an officer or a Director. The notice

shall include a copy of a proxy that can be cast in lieu of attendance at the meeting. No action shall be adopted at a meeting except as stated in the notice.

2.6 Waiver of Notice. Any Owner may, at any time, waive notice of any meeting of the Members in writing, and the waiver shall be deemed equivalent to the receipt of notice.

2.7 Quorum. Except as otherwise provided in these Bylaws, the Declaration, or by law, at any meeting of the Members the presence in person or by proxy of Members entitled to cast 20 percent of all votes entitled to be cast on the matter to be voted upon shall constitute a quorum. If a quorum exists at the beginning of any meeting, a quorum is deemed present throughout that meeting despite any subsequent departure of members.

2.8 Majority Vote. The vote of a majority of the Members present in person or by proxy at a meeting at which a quorum shall be present shall be binding upon all Members for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws or by law.

2.9 Proxies. The vote allocated to a Lot may be cast under a written proxy duly executed by a Unit Owner. A Lot Owner may revoke a proxy given under this section only by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates 11 months after its date, unless it specifies a shorter term.

2.10 Adjournment of Meeting. At any meeting of Members, whether or not a quorum is present, a majority of Members who are present at that meeting, either in person or by proxy, may adjourn the meeting to another time.

2.11 Action by Consent. Any action which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Members entitled to vote on such action.

2.12 Action by Written Ballot. Any action that may be taken at any annual or special meeting of the Members may be taken without a meeting if the Association delivers a written ballot to every Member entitled to vote on the matter. A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot. All solicitations for votes by written ballot shall indicate the number of responses to meet the quorum requirements, state the percentage of approvals necessary to approve each matter other than election of directors, specify the time by which a ballot must be received by the Association in order to be counted, and be accompanied by written information sufficient to permit each Member casting such ballot to reach an informed decision on the matter. A written ballot may not be revoked. Action taken under this

Section has the same effect as action taken at a meeting of Members and may be described as such in any document.

2.13 Meetings by Telecommunication. Any or all of the Members may participate in an annual or special meeting of the Members by, or the meeting may be conducted through the use of, any means of communication by which all persons participating in the meeting may hear each other during the meeting. A Member participating in a meeting by this means is deemed to be present in person at the meeting.

ARTICLE 3 **EXECUTIVE BOARD**

3.1 Powers and Duties. The affairs of the Common Interest Community and the Association shall be governed by the Executive Board. The Executive Board may act in all instances on behalf of the Association, except as provided in the Declaration, these Bylaws or the Act. The Executive Board may not act on behalf of the Association to amend the Declaration, to terminate the Common Interest Community, or to elect Directors or determine the qualifications, powers and duties, or terms of office of Directors, but the Executive Board may fill vacancies on the Board as provided in Section 3.5 below. The Executive Board shall have, subject to the limitations contained in the Declaration and the Act, the powers and duties necessary for the administration of the affairs of the Association and of the Common Interest Community, including without limitation the following powers and duties:

- 3.1.1 Prepare budgets for revenues, expenditures and reserves;
- 3.1.2 Adopt and amend budgets for revenues, expenditures and reserves;
- 3.1.3 Collect assessments for Common Expenses from Members;
- 3.1.4 Hire and discharge managing agents;
- 3.1.5 Hire and discharge employees, independent contractors and agents other than managing agents;
- 3.1.6 Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Association's Declaration, Bylaws or rules and regulations in the Association's name, on behalf of the Association or two or more Members on matters affecting the Common Interest Community;
- 3.1.7 Make contracts and incur liabilities;

- 3.1.8 Regulate the use, maintenance, repair, replacement and modification of Common Elements;
- 3.1.9 Cause additional improvements to be made as a part of the Common Elements;
- 3.1.10 Acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real estate or personal property, but Common Elements may be conveyed or subjected to a security interest only pursuant to the Act;
- 3.1.11 Grant 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;
- 3.1.12 Impose and receive a payment, fee or charge for services provided to Lot Members and for the use, rental or operation of the Common Elements;
- 3.1.13 Impose a reasonable charge for late payment of assessments and, after notice and hearing, levy a reasonable fine for a violation of the Declaration, Bylaws, rules and regulations of the Association;
- 3.1.14 Impose a reasonable charge for the preparation and recording of amendments to the Declaration or statements of unpaid assessments;
- 3.1.15 Provide for the indemnification of the Association's officers and the Executive Board and maintain directors' and officers' liability insurance;
- 3.1.16 Promulgate reasonable rules and regulations;
- 3.1.17 Exercise any other powers conferred by the Declaration or Bylaws;
- 3.1.18 Exercise any other power that may be exercised in the Colorado by a legal entity of the same type as the Association;
- 3.1.19 Exercise any other power necessary and proper for the governance and operation of the Association; and
- 3.1.20 By resolution, establish committees of Directors, permanent and standing, to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee. All committees must maintain minutes and publish notice of their actions to Members and the Executive Board. However, actions taken by a committee may be appealed to the Executive Board by any Owner within 45 days of publication of notice of that action, and the committee's action

must be ratified, modified or rejected by the Executive Board at its next regular meeting.

3.2 Number and Qualifications. Until the termination of the period of Declarant control, the Executive Board shall consist of three persons. Following such date the Executive Board shall consist of such number of persons (not less than three nor more than seven) as may be determined from time to time by resolution of the Executive Board, provided that the majority of the Directors (except the Directors appointed by the Declarant) shall be Members.

3.3 Terms of Office. Except for Directors appointed by the Declarant during the period of Declarant control, the Directors shall be elected by the Members. The terms of office of the initial Directors named in the Articles of Incorporation or any other Directors appointed by the Declarant shall be for the period until their successors are elected by the Members. The terms of any Directors elected by the Members shall be for one year until termination of the period of Declarant control. Thereafter, at the next annual meeting of Members following such termination of Declarant control, the Members shall elect at least one-third of the Executive Board for a term of one year, at least one-third of the Executive Board of a term of two years, and at least one-third of the Executive Board for a term of three years. At each annual meeting thereafter, the Members shall elect the appropriate number of persons serving on the Executive Board, depending on the group of such persons whose term has expired, for a term of three years. At annual meetings of the Members, candidates for Directors may be nominated from the floor.

3.4 Managing Agent. The Executive Board may employ a managing agent for the Common Interest Community, at a compensation established by the Executive Board, to perform duties and services authorized by the Executive Board. The Executive Board may delegate to the managing agent only the powers granted to the Executive Board by these Bylaws under Sections 3.1.1, 3.1.3, 3.1.5 and 3.1.8 above. Additionally, licenses, concessions and contracts may be executed by the Managing Agent pursuant to specific resolutions of the Executive Board. The managing agent shall also:

- 3.4.1 Maintain fidelity insurance coverage or a bond in an amount of not less than \$50,000.00 or such higher amount as the Executive Board may require;
- 3.4.2 Maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the managing agent, and maintain any reserve account of Association separate from operational accounts of the Association; and
- 3.4.3 Prepare and present to the Association (either itself, or through a public accountant or a certified public accountant) an accounting for Association funds and a financial statement not less frequently than annually.

3.5 Vacancies. Vacancies on the Executive Board, caused by any reason other than the removal of a Director by a vote of the Members, may be filled at a special meeting of the Executive Board held for that purpose at any time after the occurrence of the vacancy, even though the Directors present at that meeting may constitute less than a quorum. The filling of vacancies shall be made in the following manner:

3.5.1 As to vacancies of Directors whom Members other than the Declarant elected, by a majority of the remaining elected Directors constituting the Executive Board; and

3.5.2 As to vacancies of Directors whom the Declarant has the right to appoint, by the Declarant.

Each person so elected or appointed shall be a Director for the remainder of the term of the Director so replaced.

3.6 Removal of Directors. The Members, by a two-thirds vote of all persons present and entitled to vote at any meeting of the Members at which a quorum is present, may remove any Director serving on the Executive Board, other than a Director appointed by the Declarant, with or without cause. At the meeting where any Director has been removed, or at any subsequent properly called meeting of the Members, the Members shall elect a new Director to fill the unexpired term of the removed Director.

3.7 Regular Meetings. Regular meetings of the Executive Board shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of the Members. The Executive Board may provide, by resolution, for the holding of additional regular meetings without other notice than such resolution.

3.8 Special Meetings. Special meetings of the Executive Board may be called by the president or by a majority of the Directors on at least three business days' written notice to each Director. The notice shall be hand-delivered or mailed and shall state the time, place and purpose of the meeting.

3.9 Waiver of Notice. Any Director may waive notice of any meeting in writing. Attendance by a Director at any meeting of the Executive Board shall constitute a waiver of notice. If all Directors are present at any meeting, no notice shall be required, and any business may be transacted at such meeting.

3.10 Quorum. At all meetings of the Executive Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute a decision of the Executive Board, unless otherwise required by law, the Declaration, the Articles of Incorporation or these Bylaws. If, at any meeting, there shall be less than a quorum present, a majority of those present may adjourn