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RESTATED BY-LAWS
OF
CANYON VIEW ESTATES HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
OFFICES

The principal office of Canyon View Estates Homeowners Association, Inc., a nonprofit corporation ("the corporation") shall be a Post Office Box to be determined at a later time in Grand Junction, Colorado. The Board of Directors at its discretion may keep and maintain other offices within or without the State of Colorado whenever the business of the corporation may require.

ARTICLE II
MEMBERSHIPS

A member agrees to comply with and abide by the corporation's Articles of Incorporation, the provisions of these By-Laws, any recorded covenants, conditions, and building restrictions, and such other rules and regulations of the corporation as shall be promulgated from time to time.

1. Memberships. There shall be available as many memberships in the corporation as there shall be subdivision lots within Canyon View Estates, a subdivision of Mesa County, Colorado, hereinafter "Subdivision". Each person or entity who owns a lot within the Subdivision, who is required by recorded covenant to become a member of the corporation, shall be deemed a member hereof. Each lot owner may have as many memberships as he shall own subdivision lots. Each membership shall be accorded one vote regardless of the number of owners having an interest therein. No person or entity other than a lot owner may become a member of the corporation.

2. Transfer of Memberships. Once a membership is established pursuant to Section 1 of this Article II, such membership in the corporation and the share of a member in the assets of the corporation shall not be transferred, pledged or alienated in any way, except upon transfer of title to the owner's lot, and then only to the transferee with title to such lot. The corporation shall be entitled to treat the person or persons in whose name or names the membership is recorded on the books and record of the corporation as a member until such time as evidence of a transfer of title, satisfactory to the corporation, has been submitted to the secretary. The right to vote may not be severed or separated from the lot ownership to which it is appurtenant, and any sale, transfer or conveyance of such lot to a new owner or owners shall operate to transfer the appurtenant vote without the requirement of any express reference thereto in the instrument of conveyance.

3. Voting Rights. Where the vote of the members is required or permitted by the statutes of Colorado, the Articles of Incorporation or these By-Laws, any one of the co-owners of a membership present or represented by proxy shall be accepted automatically by the corporation as the agent and attorney in fact for other co-owners not present or represented by proxy, for the purpose of casting the percentage vote of that membership. Voting by proxy shall be permitted. Proxies may be executed in writing by the owner or co-owner or his duly authorized attorney in fact and must be filed with the secretary before the appointed time of each meeting. No proxy shall be

valid after eleven months from the date of its execution unless otherwise provided in the proxy. The corporation may suspend the voting rights of a member for failure to comply with rules or regulations of the corporation or for failure to comply with any other obligations of the owners under any covenants, conditions or building restrictions of record.

4. Annual Meeting. An annual meeting of the members for the purpose of voting on such matters as properly may come before the meeting shall be held in January of each year at a convenient location in Mesa County, Colorado; the date and time to be selected by the Board of Directors. Directors shall be elected at each such annual meeting unless elected by mail as herein provided.

5. Special Meetings. Special meetings of the members may be called at any time by the President or by any member of the Board of Directors or by written request of ten percent (10%) or more of the members and shall be held at a convenient location in Mesa County, Colorado, to be selected by the persons calling the meeting.

6. Notices; Cancellation. Notices of annual and special meetings of the members must be given in writing and must state the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called. Such notices shall be delivered not less than 10 nor more than 50 days before the date of the meeting, by or at the direction of the president, or the secretary, or the persons calling the meeting, and shall be given to each member or co-owner of a membership entitled to vote at such meeting. Any notice given pursuant to this Article II shall be deemed to be delivered when deposited in the United States mail addressed to such member or co-owner thereof at his address as it appears on the records of the corporation.

Written cancellation, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

7. Quorum; Vote Required; Adjournment. Twenty percent (20%) of the membership, represented in person or by proxy, shall constitute a quorum at any meeting of members. If a quorum exists, the action of a majority of the votes present or represented by proxy shall be the act of the members. If a quorum does not exist, a majority of the votes present in person or by proxy may adjourn the meeting from time to time without further notice other than announcement at the meeting.

8. Action of Members Without a Meeting. Any action required to be taken, or any action which may be taken, at a meeting of the members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members and co-owners of memberships entitled to vote with respect to the subject matter thereof.

ARTICLE III
BOARD OF DIRECTORS/ARCHITECTURAL CONTROL COMMITTEE

The Board of Directors, which shall also serve as Architectural Control Committee, is responsible for conducting the business of the corporation as outlined in Article V.

1. Number. The Board of Directors shall consist of a maximum of five members. The number of directors may be increased or decreased by amendment of these By-Laws; provided, however, that the number of directors shall not be reduced to fewer than three, nor increased to more than five; and provided further, that no decrease in the number of directors by amendment of these By-Laws shall have the effect of shortening the term of any incumbent director.

2. Qualification; Election; Term. Directors shall be members of the corporation, and shall be elected by the members of the corporation at their annual meeting as provided above. Any directorship to be filled by reason of an increase in the number of directors shall be filled by vote of the membership at the next annual meeting. In order to qualify as a director, a person must own a lot in the Subdivision. The term of directors shall be three years; except the first year will consist of one and two-year terms staggered to provide continuity.

All members of the corporation shall be entitled to vote for all of the directors elected at the annual meetings.

3. Removal; Resignation. At any meeting of members, the notice of which indicates such purpose, directors may be removed in the manner provided by the statutes of Colorado. Any director may resign by submitting a written notice to the Board stating the effective date of his resignation, and acceptance of the resignation shall not be necessary to make the resignation effective. If, during his term, a director becomes disqualified from holding the office of director, by reason of no longer owning a lot in the Filing he represents, or otherwise, he shall be deemed to have resigned as a director, and his directorship shall be considered vacant.

4. Vacancies. Any vacancy in the Board of Directors may be filled by an affirmative vote of the remaining directors. A director selected to fill a vacancy on the Board must be qualified to hold the office of the vacant directorship, and shall hold office until the election at the next annual meeting.

5. Meetings. There shall be a regular annual meeting of the Board immediately following the annual meeting of the members of the corporation, and the Board may establish regular meetings to be held at such other places and at such other times as it may determine from time to time. After the establishment of the time and place for such regular meetings, no further notice thereof need be given. Special meetings of the Board may be called by the president or upon written request delivered to the secretary of the corporation by any two directors.

6. Notices; Waivers. Three days' notice of special meetings shall be given to each director by the secretary. Such notice may be given in person, orally, or in writing to each director. Neither the business to be transacted 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.

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

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

8. Action of Directors Without a Meeting. Any action as directors required to be taken, or any action which may be taken at a meeting of the directors, may be taken without a meeting (except the duties outlined in Article IV paragraph 2) if a consent in writing setting forth the action so taken shall be signed by all of the directors entitled to vote with respect to the subject matter thereof.

9. Compensation. By resolution of the Board of Directors, any director may be reimbursed for actual expenses pertaining to the corporation.

ARTICLE IV
ARCHITECTURAL CONTROL COMMITTEE

1. Powers and Duties. The Architectural Control Committee shall be empowered, and have the duty, to administer and enforce restrictions on the construction of new principal residences within any filing of Canyon View Estates. The Architectural Control Committee shall have authority to enforce or administer restrictive covenants to the construction of other modifications or improvements to homes already constructed upon lots within Canyon View Estates. In addition, nothing contained herein shall restrict, hinder or impede the right of any owner within the subdivision to enforce, in such owner's own name, the restrictive covenants appearing of public record.

2. Administration. No new principal residence, other construction or modifications shall be constructed or erected upon any lot in any filing of Canyon View Estates without first submitting the plans and specifications thereof to the Architectural Control Committee. Said committee shall

meet to approve or disapprove such design within 30 days after said plans and specifications have been submitted to it, or approval will not be required, and this Article will be deemed to have been fully complied with. The Architectural Control Committee shall examine the plans and specifications submitted to it to insure that the new building complies with minimum size requirements, other building restrictions pertaining to the construction of new structures and approval of the overall aesthetic design to be consistent with the residential character of the neighborhood, as stated in the Covenants.

3. Miscellaneous. The Architectural Control Committee shall meet from time to time as necessary to perform their duties hereunder. The Architectural Control Committee shall be empowered to develop reasonable rules to perform its duties. No approval of any plan, drawing or specification shall be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing or specification subsequently submitted. Neither the Architectural Control Committee nor any member thereof shall be liable to the corporation or to any owner of property within the subdivision for any loss, damage or prejudice suffered or claimed on account of the approval or disapproval of any plans, drawings or specifications; the construction or performance of any work, whether or not pursuant to approved plans, drawings or specifications; and development of any property within the subdivision provided such member has acted in good faith on the basis of such information as he or she may possess.

ARTICLE V OFFICERS

1. General. The officers of the corporation shall consist of a president, vice president, secretary and treasurer, each of whom shall be a director. The Board of Directors shall elect the officers. Officers shall serve for terms not exceeding three years as prescribed by the Board. The Board of Directors may appoint such other agents and employees as it may deem necessary if desirable. Any director may hold two or more offices simultaneously, except the president shall not hold any other office.

2. President. The president shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall direct, supervise, coordinate and have general control over the affairs of the corporation, and shall have the powers generally attributable to the chief executive officer of a corporation. The president shall preside at all meetings of the members of the corporation.

3. Vice President. The vice president may act in place of the president in case of his death, absence, inability or failure to act, shall chair the Architectural Control Committee and shall perform such other duties and have such authority as is from time to time delegated by the Board of Directors or by the president.

4. Secretary. The secretary shall be the custodian of the records and of the seal of the corporation and shall affix the seal to all documents requiring the same; shall see that all notices are

duly given in accordance with provisions of these By-Laws and as required by law; that the books, reports, and other documents and records of the corporation are properly kept and filed; shall keep minutes of the proceedings of the meetings and the Board of Directors; shall keep a record of the names and addresses of the owners and co-owners entitled to vote; and in general, shall perform all duties incident to the office of secretary and such other duties as may, from time to time, be assigned to him by the Board of Directors or by the president. The Board may appoint one or more assistant secretaries who may act in place of the secretary in the case of his death, absence, inability or failure to act.

5. Treasurer. The treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation, shall deposit all such funds in the name of the corporation in such depositories as shall be designated by the Board of Directors, shall keep correct and complete books and records of account and records of financial transactions and condition of the corporation and shall submit such reports thereof as the Board of Directors may require; and, in general, shall perform all the duties incident to the office of treasurer and such other duties as may be assigned to him by the Board of Directors or by the president. The Board may appoint one or more assistant treasurers who may act in place of the treasurer in case of his death, absence, inability or failure to act.

6. Removal of Officers. Any officer may be removed by the Board of Directors whenever, in their best judgment, the best interests of the corporation will be served thereby.

7. Compensation. Agents, factors and employees shall receive such reasonable compensation for their services as may be authorized or ratified by the Board of Directors. Appointment of an agent, factor or employee shall not of itself create contractual rights to compensation for services performed by such agent, factor or employee.

ARTICLE VI
RIGHTS, POWERS AND DUTIES OF THE CORPORATION

1. Common Areas. Maintain common areas.
2. Irrigation Water. To acquire, own and supply the members with water for irrigation purposes; to operate, improve and maintain ditches, pipelines and other distribution systems for irrigation water for the benefit and use of members owning lots in the subdivision.
3. Maintenance of Drainage Courses. If not maintained by public entities, to control weeds and maintain all drainage courses under the corporate jurisdiction in a state of good repair for the flood control purpose intended.
4. Payment of Taxes. To pay all real and personal property taxes and assessments levied upon any property of the corporation. Such taxes and assessments may be contested or compromised

by the corporation; provided, however, that they are paid or a bond insuring the payment is posted prior to the sale or other disposition of any property to satisfy the payment of such taxes.

5. Insurance. To obtain and maintain in force such insurance and bonds as are deemed advisable by the Board of Directors, including without limitation by enumeration, fire and casualty and general comprehensive public liability insurance for personal injury and property damage; workmen's compensation, and such other insurance, or performance of fidelity bonds as deemed appropriate by the Board of Directors.

6. Property Ownership. To own real property, including any improvements thereof and personal property.

7. Employment of Agents. To employ the services of such agents or employees to manage and carry out the affairs of the corporation and to the extent not inconsistent with the laws of the State of Colorado and upon such conditions as are otherwise deemed advisable by the corporation to delegate to such agent and/or employees any of the corporation's powers.

8. Public Service. To contract for or provide (to the extent adequate services are not provided by the public authority) such services, facilities and maintenance of a public or quasi-public nature as may be deemed necessary or desirable for the effectuation of the purposes of the corporation. In connection with the provisions of such facilities and services, the corporation may contract with or assign its duties to any public authority, governmental body or special district.

9. Annual Assessments. To fix, levy and collect assessments against the memberships of the corporation for the purpose of raising funds or defraying costs to effectuate the purposes of the corporation.

ARTICLE VII
FUNDS AND ASSESSMENTS

1. Operating Fund. There shall be an operating fund into which the corporation shall deposit all moneys paid to it as:

- a. Operation, maintenance and irrigation water assessments;
- b. Special assessments;
- c. Miscellaneous fees; and
- d. Income attributable to the operating fund.

There shall be operating and reserve funds from which the corporation shall make disbursements in performing the functions for which the foregoing assessments are levied.

2. Operation and Maintenance Assessment. Assessments are to be made as set forth in the Covenants for Canyon View Estates.

ARTICLE VIII
AMENDMENTS

1. Articles of Incorporation. The Association reserves the right to amend, alter, change or repeal any provision contained in the Articles of Incorporation by a vote of two-thirds of the members present and constituting a quorum at any regular or special meeting of the members.

2. By-Laws. The Board of Directors shall have the power to make, alter, amend or repeal these By-Laws by the affirmative vote of a majority of the directors as the directors may deem proper and advisable for the management and operation of the membership and affairs of the Association, provided that any of such By-Laws may also be altered, amended or repealed by the affirmative vote of a majority of the members constituting a quorum at any meeting.

3. Limitation on Amendments. No amendment of the Articles of Incorporation or of these By-Laws shall be contrary to or inconsistent with any provision of any recorded covenants, conditions or building restrictions.

4. Recording of Amendments. The Articles of Incorporation and these By-Laws shall be recorded in the Mesa County Clerk and Recorder's records, which shall thereafter constitute notice of the provisions therein to each person or entity owning a lot within the subdivision. Any amendment to the Articles of Incorporation or By-Laws shall also be recorded with the Mesa County Clerk and Recorder's records, together with a certificate from the secretary of the corporation setting forth the time, method and manner of the adoption of the amendment.

5. Amendment of Covenants. The Covenants at any time may be amended, altered or replaced by a vote of two-thirds of the membership of the corporation at any annual or special meeting, provided the notice of such meeting states such amendment, alteration or repeal is to be considered.

ARTICLE IX
FEES AND COSTS

If any person fails to comply with the terms, conditions or provisions of the Declaration, Articles of Incorporation, these By-Laws, the Colorado Common Interest Ownership Act, as amended (CCIOA), or any other rules or regulations of the Association, the Association or any person or class of persons adversely affected by the failure to comply may require reimbursement for collection costs and reasonable attorney fees and costs incurred as a result of such failure to comply, without the necessity of commencing a legal proceeding. For each claim, including but not limited to counterclaims, cross-claims, and third-party claims, in any legal proceeding to enforce the provisions of the Declaration, Articles of Incorporation, these By-Laws, CCIOA, or any other rules

