

AMENDED AND RESTATED  
BY-LAWS  
OF  
NORTHRIDGE ESTATES PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE I  
OFFICES

The principal office of Northridge Estates Property Owners Association, Inc. ("the corporation") shall be at the address of the President of the corporation in Grand Junction, Colorado 81506. The Board of Directors in 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

1. Memberships. There shall be available as many memberships in the corporation as there shall be subdivision lots within the Northridge Estates Filings 1, 2 and 3, a subdivision of Mesa County, Colorado, hereinafter "Subdivision". Each person or entity who owns a lot within the Subdivision is required by recorded covenants to become a member of the corporation and shall be deemed a member hereof. Each lot owner may have as many memberships as he/she 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 June 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: Waiver. 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 ten 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/her address as it appears on the records of the corporation, with postage thereon prepaid.

Written waiver of notice, 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. Ten percent (10%) 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: 1) all memberships are notified in writing of the action to be taken at least 30 days prior to implementation of such action; and 2) a majority of the memberships entitled to vote with respect to the subject thereof give their consent in writing, such consent specifying the action and being signed by the member.

### ARTICLE III BOARD OF DIRECTORS

1. Number. The Board of Directors shall consist of seven members. The number of directors may be increased or decreased by amendment of the By-Laws; provided, however, that the number of directors shall not be reduced to fewer than three, nor increased to more than seven; 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, but need not be residents of the State of Colorado, and shall be elected by the members of the corporation at their annual meeting as provided above. Filing 1 shall be represented by two directors, Filing 2 shall be represented by one director, Filing 3 shall be represented by three directors, and there shall be one at-large director. In order to qualify as a director, a person must own a lot in the Filing that he/she will represent as a director. An at-large director need only be a member of the corporation. Each director shall be elected for a three year term, which term shall commence as of the annual meeting date on which he or she was elected and shall continue until the annual meeting date of the third year after the date of his/her election and thereafter until his or her successor is duly elected and qualified. Each succeeding director elected shall represent the same Filing as the Filing by his/her predecessor.

All the 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/her resignation, and acceptance of the resignation shall not be necessary to make the resignation effective. If, during his/her term, a director becomes disqualified from holding the office of director, by reason of no longer owning a lot in the Filing he/she represents, or otherwise, he/she shall be deemed to have resigned as a director, and his/her directorship shall be considered to be

vacant.

4. Vacancies. Any Vacancy in the Board of Directors and any directorship to be filled by reason of an increase in the number of directors may be filled by an affirmative vote of a majority of the remaining directors, though less than a quorum, of the Board. 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 for the unexpired term of his/her predecessor in office. Any directorship to be filled by reason of an increase in the number of directors may be filled by the Board of Directors for a term of office continuing only until the next election of directors.

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 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.

Written waiver of notice signed by a director, whether before or after the time stated therein, shall be equivalent to the giving of such notice. 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 required to be taken, or any action which may 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 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 paid any one or more of the following: His/Her expenses, if any, of attendance at meetings; a fixed sum for attendance at each meeting; or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

#### ARTICLE IV OFFICERS

1. General. The officers of the corporation shall consist of a president, one or more vice presidents, a secretary and a treasurer, each of whom shall be appointed by the Board of Directors, to 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 or desirable. Officers shall be directors in the corporation. Any person may hold two or more offices simultaneously, except that 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. Vice presidents may act in place of the president in case of his/her death, absence, inability or failure to act, 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, and 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 members 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 say, from time to time, be assigned to him/her 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 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, from time to time, require; and, in general, shall perform all the duties incident to the office of treasurer, and such other duties as may, from time to time, be assigned to him/her 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. Officers, 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 officer, agent, factor or employee shall not of itself create contractual rights to compensation for services performed as such officer, agent, factor or employee.

#### ARTICLE V RIGHTS, POWERS AND DUTIES OF THE CORPORATION

1. 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.

2. Maintenance of Drainage Courses. If not maintained by public entities, to maintain all drainage courses under the corporation jurisdiction in a state of good repair for the flood control purpose intended.

3. 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.

4. 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.

5. Covenant Enforcement The Board of Directors shall be empowered to enforce the covenants, in whole or in part. However, 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 at the public record.

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. Adoption of Rules. The corporation may from time to time adopt, amend and repeal rules and regulations for the efficient administration of the corporation.

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

## ARTICLE VI 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 and profits attributable to the operating fund,  
and from which the corporation shall make disbursements in performing the functions for which the foregoing assessments are levied.

2. Operation and Maintenance Assessment.

A. Regular Assessments. At least thirty days prior to the annual meeting, the Board of Directors shall estimate the costs and expenses to be incurred by the corporation during such fiscal year in performing its functions (including a reasonable provision for contingencies and replacements), and shall subtract from such estimate an amount equal to the anticipated balance (exclusive of any reserves) in the operating fund at the start of such fiscal year which is attributable to operation and maintenance assessments for the prior fiscal year. The sum or net estimate so determined shall be assessed to the members as an operation and maintenance assessment by dividing the total estimate by the total number of memberships existing as of the date of such assessment and assessing the resulting amount to each membership.

B. Additional Assessments. If at any time during any fiscal year, the maintenance assessment proves inadequate for any reason, including non-payment of any member's share thereof, the Board of Directors may levy a further assessment in the amount of such actual or estimated inadequacy, which amount shall be assessed to the members in the same manner set forth in Paragraph A above.

C. Payment of Assessments. Assessments shall be due and payable by the members to the corporation within thirty days after being billed therefor by the corporation, or in such other manner as the Board of Directors shall designate.

3. Reimbursement Assessment. The Board of Directors may levy an assessment against any member as a result of whose failure to comply with the Articles and By-Laws of the corporation, or any recorded

covenant, condition or building restriction, the corporation's moneys were expended by the corporation from the operating fund in performing its functions under the Northridge Estates Property Owners Association, Inc. Articles of Incorporation and By-Laws. Such assessment shall be for the purpose of reimbursing the corporation, shall be limited to the amount so expended and shall be due and payable to the corporation when levied.

4. Enforcement of Assessments. Each assessment levied hereunder shall be a separate, distinct and personal debt and obligation of the member against whom the same is assessed. In the event of a default in payment of any such assessment and in addition to any other remedies herein or by law provided, the corporation may enforce each such obligation by either or both of the following procedures:

A. Enforcement by Suit. The Board of Directors on behalf of the corporation may bring suit at law to enforce each such assessment obligation. Any judgment rendered in any such action shall include a sum for costs of suit, including reasonable attorney's fees in such amount as the Court may adjudge against the defaulting member.

B. Enforcement by Lien. At any time within ninety days after the occurrence of any default, the Board of Directors may make a demand for payment to the defaulting member. Said demand shall state the date and amount of the delinquency. If such delinquency is not paid within ten days after delivery of such notice, the Board of Directors may elect to file a claim of lien against the lot of such delinquent member. Such claim of lien shall state:

- (1) The name of the delinquent member;
- (2) The legal description and street address of the lot against which claim of lien is made;
- (3) The amount claimed to be due and owing (with any proper offset allowed);
- (4) That the claim of lien is made by Northridge Estates Property Owners Association, Inc.;  
and
- (5) That a lien is claimed against the lot of the defaulting member in an amount equal to the amount of the stated delinquency. Upon recordation of a duly executed original or copy of such claim or lien by the Clerk and Recorder of Mesa County, the lien claimed therein shall immediately attach and become effective against the lot of the defaulting member subject only to the limitations hereinafter set forth. Each default shall constitute a separate basis for a claim of lien or a lien, but any number of defaults may be included within a single claim or lien. Any such lien may be foreclosed by court action in the manner provided by law for the foreclosure of a lien on real property pursuant to Article 39, Title 38, Colorado Revised Statutes, 1973. Costs of suit, including reasonable attorney's fees, shall be allowed the corporation to the extent permitted by law.

C. Assessment Certificate. A certificate executed under penalty of perjury by any two members of the Board of Directors and acknowledged by one of them shall be conclusive upon the corporation and the members in favor of any and all persons who rely therein in good faith as to the matters therein contained, and any member shall be entitled to such a certificate setting forth the amount of any due and unpaid assessments with respect to his/her lot (or the fact that all assessments due are paid, if such is the case) within ten days after demand therefor and upon payment of a reasonable fee not to exceed Twenty-Five Dollars.

D. Denial of Irrigation Water, Use of Irrigation Facilities and Injunctive Proceedings. The Board of Directors shall deny to the owner of any lot within the Subdivision who is delinquent in the payment of assessments, the use of irrigation water or the ditches, pipes, pipelines or other irrigation facilities of the corporation. The corporation, acting on its own behalf and on behalf of all members, shall be empowered to commence suit at law or in equity to enjoin the use of the irrigation

facilities and water owned by the corporation by any defaulting property owner, and to collect in such proceedings such damages as may be allowed by law, including court costs and attorney's fees incurred for the purposes of bringing such action at law or in equity.

5. Subordination to Trust Deeds.

A. Subordination. The liens created hereunder upon any lot shall be subject to and shall not affect the rights of any holder of any indebtedness made in good faith, for value and secured by a recorded first trust deed upon such lot in favor of or for the benefit of an institutional lender (meaning a bank, insurance company or savings and loan or building and loan association), the corporation or any entity in which the corporation owns an interest. However, after the foreclosure of any such trust deed, there may be a lien created pursuant to Section 4 on the interest of the purchaser at such foreclosure sale to secure all assessments hereunder assessed to such purchaser as a member after the date of such foreclosure sale, which said lien shall have the same effect and be enforced in the same manner as provided herein.

B. Amendment. No amendment to Paragraph A above shall affect the rights of the holder of any such first trust deed recorded prior to recordation or such amendment who does not join in the execution thereof.

ARTICLE VII  
ARCHITECTURAL CONTROL

1. Powers and Duties. The Board of Directors, or its designated Architectural Control Committee, shall be empowered to administer and enforce restrictions on the construction of new principal residences within Northridge Estates, as well as any modifications to existing structures. Provided, however, 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 at the public record.

2. Organization. If the Board of Directors chooses to appoint an Architectural Control Committee, the Architectural Control Committee shall consist of three persons who are members of the corporation. The terms of office of the Architectural Control Committee's members shall be one year from the date of appointment. Vacancies shall be filled by appointment of the Board of Directors. The power to appoint and remove members of the Architectural Control Committee shall be vested by a majority vote of the Board of Directors.

3. Administration. No structure shall be erected or altered within Northridge Estates until the plans and specifications showing the nature of such improvements shall have been submitted to and approved by the Board of Directors or its designated Architectural Control Committee. To obtain approval, duplicate copies of all working drawings, and specifications must be submitted to the Board of Directors or its designated Architectural Control Committee. Said committee shall approve or disapprove such design within 30 days after such plans and specifications have been submitted to it. The Board of Directors or the Architectural Control Committee shall examine the plans and specifications to insure that the proposed construction complies with the provisions of the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Northridge Estates.

4. Miscellaneous. The Board of Directors or its designated Architectural Control Committee shall meet from time to time as necessary to perform the duties hereunder. The Board of Directors or its designated Architectural Control Committee shall be empowered to develop reasonable rules to promote 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 Board of Directors, the Architectural Control Committee, nor any member thereof shall be liable to the corporation or to any owner of property within Northridge Estates for any loss, damage or prejudice suffered or claims on account of approval or disapproval of any plans, drawings or specifications; the construction of performance of any work, whether or not pursuant to approved plans, drawings or specifications; and the development of any property within the subdivision

provided such member has acted in good faith on the basis of such information as he/she may possess.

ARTICLE VIII  
OBLIGATIONS OF THE MEMBERS

All members shall comply with and abide by the corporations 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.

ARTICLE IX  
AMENDMENTS

1. Articles of Incorporation. Amendments may be made to the Articles of Incorporation in the manner provided by law by vote of the membership of the corporation at any annual meeting or special meeting of the membership, provided that the notice of such meeting states that such amendment is to be considered. Such amendments may also be made pursuant to voting by mail as herein provided.

2. By-Laws. These By-Laws may at any time and from time to time be amended, altered or repealed by a vote of a majority of the membership of the corporation at any annual or special meeting, provided that the notice of such meeting states that such amendment, alteration or repeal is to be considered.

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.

ARTICLE X  
NON-PROFIT CORPORATION

No dividends shall be declared or paid to any member of this corporation, nor shall any member, upon dissolution of the corporation, be entitled for any reason to receive a distributive or other share of assets then owned by the corporation, being expressly understood that this corporation is not formed for profit and is a corporation which does not contemplate pecuniary gain, profit or dividends for the members thereof, it being further understood that said corporation is organized and incorporated exclusively for the purposes and objects set forth herein and in the Articles of Incorporation. Upon the dissolution of this corporation, all of its business, properties and assets shall go and be set over for the use, objects and purposes set forth herein and in the Articles of Incorporation.

ARTICLE XI  
CONTRACTS, CONVEYANCES, CHECKS AND MISCELLANEOUS

1. Contracts. The Board of Directors may authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of the corporation, except as otherwise specifically required by the Articles of Incorporation or by these By-Laws.

2. Conveyances and Encumbrances. Corporate property may be conveyed or encumbered by authority of the Board of Directors or such other person or persons to whom such authority may be delegated by resolution of the Board of Directors. Conveyances or encumbrances shall be by instrument executed by the president or vice president and by the secretary or an assistant secretary, or executed by such other person or persons to whom such authority may be delegated by the Board of Directors.



3. Checks. All checks, drafts, notes and orders for the payment of money shall be signed by the president or a vice president or the treasurer, or shall be signed by such other officer of the corporation and shall be duly authorized by resolution of the Board of Directors.

4. Fiscal Year. The fiscal year of the corporation shall be the calendar year.

5. Seal. The Board of Directors may adopt a corporate seal of such design as it may deem appropriate.

April 1997