

BYLAWS
OF
FAIRWAY ESTATES PROPERTY OWNERS ASSOCIATION

Revised January 1979

ARTICLE I.
NAME AND LOCATION

NAME AND LOCATION: The name of the corporation is the FAIRWAY ESTATES PROPERTY OWNERS ASSOCIATION, hereinafter referred to as the "Association". The principal office of the corporation shall be located at the residence of the Secretary-Treasurer; Fort Collins, Colorado, 80525, but meetings of members and directors may be held at such places within the State of Colorado, County of Larimer, as may be designated by the Board of Directors.

ARTICLE II.
DEFINITIONS

Section 1. "Association" shall mean and refer to the Fairway Estates Property Owners Association, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Plat and Declaration of Covenants of Fairway Estates Subdivisions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned or used by the Association for the common use and enjoyment of the members of the Association.

Section 4. "Lot" shall mean and refer to any plat of land to be used for residential purposes only shown upon any recorded subdivision maps of the Properties with the exception of the Common Area.

Section 5. "Member" shall mean and refer to every person or entity who holds a membership in the Association.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

ARTICLE III.
MEMBERSHIP

Section 1. Class A Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is within the boundaries of Fairway Estates subdivision or any of the various filings thereunder, including contract sellers, may be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation, such persons or entities to be considered as Class B Members, as hereinafter defined. No

owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Ownership of a Lot, payment of initiation fee, and annual dues and assessments shall be the only qualifications for membership of the within defined Class A Membership.

Section 2. Class B Membership. Every person or entity, who evidences an interest in the furtherance of the purposes of the Association may, upon application to the Board of Directors, be elected to membership in the Association as a Class B Membership. This membership may include persons or entities who hold an interest In any Lot within the Association by way of security obligation or any person or persons who desire to contribute funds or property in the furtherance of the corporate purposes, goals or undertakings. Class B Membership shall not be subject to assessment as hereinafter provided and shall permit the holder of the same to attend any annual or special meeting of the Association with standing on the floor of said meeting but without the right of vote as herein provided. Membership in this class shall be granted specifically by the Board of Directors for such term and upon such conditions as may be from time to time defined by the Board.

Section 3. Suspension of Membership. During any period in which a member shall be in default in the payment of any annual dues, initiation fee or special assessment levied by the Association, the voting rights and right to use of the facilities of the Association of such member shall be suspended until such assessment or dues have been paid. Such rights of a member may also be suspended by the Board of Directors, after notice and hearing, for a period not to exceed sixty (60) days, for violation of any rules and regulations established by the Board of Directors governing the use of the Common Area and facilities.

ARTICLE IV. PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Section 1. Each member shall be entitled to the use and enjoyment of the Common Area and facilities owned or operated by the Association. Any member may delegate his rights of enjoyment of the Common Area and facilities to the members of his family or his guests, his tenants or contract purchasers, who reside on the property. In the event a designation be to a tenant or contract purchaser, the member shall notify the secretary in writing of name of any such delegee. The rights and privileges of any such delegee are subject to suspension to the same extent as those of the member.

Section 2. The Association shall have the right to charge reasonable admission and other fees for the use of any facilities situated upon the Common Area upon written approval of two-thirds (2/3) of the entire Class A Membership.

ARTICLE V. BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of not less than three (3) nor more than seven (7) Directors.

Section 2. Election. At the first annual meeting, the members shall elect two directors for a term of one year, two directors for a term of two years and three directors for a term of three years; and at each annual meeting

thereafter the members shall elect replacements for retiring directors for a term of three years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting, which they could take at a meeting by obtaining the approval of a majority of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VI. MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held as deemed necessary, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 2. Special Meetings. Special meetings of the Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII. NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nomination may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association who may also be members of the Board. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members only.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VIII. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) Adopt and publish rules and regulations governing the use of Common Area and Facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws or the Articles of Incorporation;

(c) Declare the office of a member of the Board of Directors vacant in the event such member shall be absent from three (3) consecutive meetings of the Board of Directors;

(d) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties; and;

(e) Appoint any committees it deems necessary.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members or at any special meeting, when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

(b) Supervise all officers, agents and employees of this Association and to see that their duties are properly performed;

(c) As more fully provided herein to:

(1) Recommend the amount of the annual dues to be paid by each member at least seven (7) days in advance of each annual or special meeting called for that purpose, as hereinafter provided in Article XII, and

(2) Send written notice of dues obligations to Owner subject thereto within 10 days after annual meeting.

(d) Issue, or to cause an appropriate officer to issue upon demand by any person, a certificate setting forth whether or not any levy or assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states a levy or assessment has been paid, such certificates shall be conclusive evidence of such payment;

(e) Procure and maintain liability and hazard insurance on property owned by the Association;

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) Cause the Common Area to be maintained; and

(h) Cause the facilities of the Association to be maintained.

ARTICLE IX MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of Incorporation of the Association, and each subsequent regular annual meeting of the members shall be held during the first 60 days of each year.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the entire membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by delivering a copy of such notice, at least

seven (7) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-fourth (1/4) of the Class A membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE X. OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice president, who shall at all times be members of the Board of Directors, a secretary and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors; and meetings of the membership; and shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes exceeding \$200.00.

Vice President

(b) The vice president shall act in the place and stead 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.

Secretary

(c) 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; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors shall sign all checks and promissory notes of the Association; keep proper books of account; make the books available to any audit committees appointed by the Board; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of each to the members.

ARTICLE XI.
ASSESSMENTS

Section 1. Creation of Assessment Obligation. By acceptance of membership in the Association, each such member is deemed to covenant and agree to pay the Association (1) annual dues, assessments or charges, and (2) special assessments for capital improvements. The annual dues, initiation fee and special assessments, together with such interest thereon add costs of collection thereof, shall be deemed to be a condition of membership. Each such assessment, together with such interests costs and reasonable attorneys fees shall be the personal obligation of the person who was the owner and member of the Association at the time when the assessment fell due and shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in the Properties and in particular for the improvement and maintenance of the Properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, and of the homes situated upon the Properties.

Section 3. Annual Dues. At the annual meeting or at any special meeting of the membership specifically called for the purpose of establishing dues and charges against the members of the Association, the membership shall fix the annual dues for the Association. Prior to any such levy, the Board of Directors shall submit to the membership its recommendation in the manner provided for in Article VIII, Section 2(c)(1), Before any annual dues or charges may be levied the assent of a majority of the membership who are voting in person or by proxy shall be notified of such levy in accordance with the provisions of Article VIII, Section 2(c)(2) of these Bylaws. Dues shall be payable effective at the time of adoption by the membership at the annual meeting called for the purpose of fixing dues or charges, and shall be delinquent if not paid by April 1st of the year levied. Paid up annual dues may be transferred with the sale of the property. New members joining after July 1 shall pay 50% of the annual dues levied.

Section 4. Special Assessments. In addition to the annual dues authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of acquiring, constructing or reconstructing, unexpected repair or replacement of, a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, or for the purpose of promoting the health, safety and welfare of the residents of the Properties, provided, that any such assessment shall have the assent of two-thirds (2/3) of the votes of the entire membership who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

Section 5. Uniform Rate. Both annual and special assessments must be fixed at a uniform rate for all members.

Section 6. Effect of Nonpayment of Assessments: Remedies of the Association. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from that date at one percent per month, and the Association may bring an action at law against the member personally obligated to pay the same, and interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No member may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or sale or abandonment of his Lot.

Section 7. Exempt Property. The following property shall be exempt from the assessments created herein: (a) All properties dedicated to and accepted by a local public authority, (b) The Common Area, and (C) All properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of Colorado.

ARTICLE XII.

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XIII.

CORPORATE SEAL

The Association shall have a seal in circular form having within it's circumference the words: FAIRWAY ESTATES PROPERTY OWNERS ASSOCIATION.

ARTICLE XIV.

AMEMDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, called for the announced purpose of amending, by a vote of a majority of members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control.

ARTICLE XV.

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

The foregoing Bylaws were adopted at a special meeting of the Board of Directors held on the ____ day of June, 1970.

ATTEST:

Secretary