

**FIFTH AMENDED BY-LAWS
OF
FAIRWAY PINES ESTATES OWNERS' ASSOCIATION
INC.**

A Colorado Non-Profit Corporation

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ARTICLE 1: NAME AND LOCATION

ARTICLE II: DEFINITIONS

Section 1. “**Association**” shall mean and refer to Fairway Pines Estates Owners Association, its successors and assigns. Fairway Pines subdivision is often referred to as Divide Ranch & Club.

Section 2. “**Properties**” shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions, Restrictions and Easements and such additional thereto as may hereafter be brought within the jurisdiction of the association.

Section 3. “**Common Area**” shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. “**Lot**” shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties apart from the Common Area.

Section 5. “**Owner**” shall mean and refer to the record owner, other than the Declarant, whether one or more persons or entities of fee simple title to any Lot which is a part of the Properties; including contract sellers but excluding those having such interest merely as North Dakota corporation, and H.T. Heritage Inn of Eric, LLC, a North Dakota limited security for the performance of an Obligation.

Section 6. “**Declarant**” shall mean and refer to the Heritage Inn and Suites of Kansas City Inc., a North Dakota Corporation, and H.T. Heritage Inn of Erie, LLC, a North Dakota limited liability company (Heritage) and its successors and assigns if such successors and assigns should acquire, in bulk, all the then remaining subdivision inventory from Heritage for the purpose of resale.

Section 7. “**Declaration**” shall mean and refer to the Declaration of Covenants, Conditions, Restrictions and Easements applicable to the Properties recorded in the office of the Ouray County Clerk and Recorder, State of Colorado on the 27th day of March, 1992, in Book 222 at Page 20-36, at Reception No. 150511, as amended recorded on September 11, 1992, at Reception No. 151656; as extended to Phase II recorded on July 17, 1996, at Reception No. 162227; as further amended recorded on July 22, 1996, at Reception No. 162268; as further amended recorded on May 31, 2001, at Reception No. 174891; as further amended recorded on July 22, 2008, at Reception No. 198301; as further amended recorded on September 11, 2008, at Reception No. 198637; as further amended on September 12, 2016 and recorded on September 13, 2016, at Reception No. 216942; as further amended on February 29, 2024, and recorded on April 2, 2024, at Reception No. 236785; and as may be later amended and extended.

Section 8. “Member” shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III: MEMBERSHIP MEETINGS

Section 1. General Membership Meetings. General membership meetings shall be held at least twice each year on dates, times, and at places determined by the Board. To facilitate budget review and approval, one meeting shall be held in January or February. To accommodate part-time residents, one meeting will be held in July or August, and, beginning in 2024, shall include the election of Board members.

Section 2. Special Member Meetings. Special meetings of the members may be called at any time by the President or a majority of the Board of Directors, or upon written request of at least twenty (20) percent of the members.

Section 3. Notice of Member Meetings. Except as provided in Article III, Section 5, of the Declaration, not less than ten nor more than fifty days in advance of any meeting of the unit owners, the secretary or person authorized to call the meeting shall cause notice to be hand delivered or sent prepaid by United States mail to the mailing address of each unit or to any other mailing address designated in writing by the unit owner. The notice of any meeting of the unit owners shall be physically posted in a conspicuous place. To the extent that such posting is feasible and practicable, notices will also be posted on the Association’s website and sent by email. The notice 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 declaration or bylaws, any budget changes, and any proposal to remove an officer or member of the executive board.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is aforesaid shall be present or represented. Endorsement of the minutes of any meeting shall constitute waiver of notice of the meeting and ratification of the action therein described.

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

Section 6. Voting Rights. Voting rights shall be as provided in the Articles of Incorporation of this corporation and in the Declaration. In the event of a conflict between the Articles and the Declaration, the provisions of the Declaration shall prevail. Termination of voting rights shall be governed by the Association's Policies and Procedures.

Section 7. Conduct of Member Meetings. The conduct of member meetings and voting shall be governed by the Association's Policies and Procedures, with a general adherence to Roberts Rules of Order.

ARTICLE IV: BOARD OF DIRECTORS, SELECTION, TERM OF OFFICE

Section 1. Number and Qualification of Directors. The Board of Directors shall consist of five (5) people. To be eligible to run as a candidate for election to the Board, a candidate must be a member in good standing of the Association and no member can serve for more than two (2) elected full consecutive terms of office. A member is not in good standing if the Directors has suspended the voting rights of the member pursuant to Article VI, Section 5.c., of the Declaration.

Section 2. Term of Office. At each July general membership meeting beginning in 2018 (an even-numbered year), the Members shall elect two directors for a term of two years. At the July 2018 general membership meeting two additional directors shall be elected to office for a period of one year to serve with an incumbent director who has one year remaining on his two-year term. Thereafter, in the odd-numbered years the Members shall elect three directors to serve a term of two years. Accordingly, three directors shall be elected to office in odd-numbered years, and two directors shall be elected to office in even-numbered years. Each director, other than a director appointed to fill a vacancy, shall begin his or her term immediately following the director's election and shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified unless the director resigns or is removed from office in accordance with Section 3 below. Directors who are appointed to fill a vacancy shall serve for the balance of the unexpired term of office to which the director is appointed and shall take office immediately upon their appointment.

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 voting in person or by proxy at a meeting called by the Secretary or others officer specified in the bylaws. for that purpose. In the event of death, resignation or removal of a director, his successor shall be appointed 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.

ARTICLE V: NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by the Nominating Committee described in Article IX. Nominations may also be taken from the floor at the general membership meeting. The Nominating Committee is encouraged through newsletters or other communication to solicit candidates from the broader membership. The Committee is also encouraged to include both resident and non-resident members and to promote diversity. 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.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such an election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI: MEETINGS OF DIRECTORS

Section 1. Meetings. All regular and special meetings of the Board shall be open to attendance by all members of the Association or their representatives. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any three (3) directors, after not less than three (3) days' notice to each director.

Section 2. Board Meeting Notice. Agendas for regular and special meetings of the Board shall be posted in a conspicuous place, on the Association website, and sent by email at least three (3) days before the meeting. Executive Sessions of the Board shall be conducted and recorded in accordance with the provisions of the Colorado Common Interest Ownership Act.

Section 3. Quorum. A majority the number of directors shall constitute a quorum for the transaction of business. Every act or decision made 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. Endorsement of the Minutes of any meeting shall constitute a waiver of notice of the meeting and ratification of the action therein described.

Section 4. Conduct of Board Meetings. The conduct of Board meetings shall be governed by the Association's Policies and Procedures, and there should be a general adherence to Roberts Rules of Order.

Section 5. Remote Conferencing and Proxies. Any meeting, regular or special, of the board or a committee may be held by conference telephone or similar communication equipment, so long as all directors or committee members participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at such meeting. Board members unable to participate in a board meeting may give their proxy to another Board member. Such proxy shall be in writing and signed, dated, and shall include an expiration date.

Section 6. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting that they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as if taken at a meeting of the directors. Any action taken in the absence of a meeting that is not the appropriate subject of an executive session shall be posted on the website or included in the minutes of the next meeting.

ARTICLE VII: POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

- a) 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 By-Laws, Articles of Incorporation, Association Policies and Procedures, or the Declaration.
- b) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- c) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

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-fifth (1/5) of the members.
- b) Adopt and maintain policies, procedures, and rules concerning:
 - 1. Collection of unpaid assessments
 - 2. Handling of conflicts of interest involving Board members
 - 3. Conduct of meetings
 - 4. Enforcement of covenants and rules, including notice and hearing procedures and the schedule of fines.
 - 5. Inspection and copying of association records by members
 - 6. Investment of reserve funds
 - 7. Adoption and amendment of policies, procedures and rules
 - 8. Addressing disputes arising between the Association and unit owners
 - 9. Prudent management and handling of Association funds, including the establishment of a dollar amount above which at least two (2) Board Members must co-sign all checks and promissory notes.
- c) Supervise all officers, advisors, committees, agents and employees of this Association, and to see that their duties are properly performed.
- d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.
- e) Procure and maintain adequate 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; and
- g) Perform all functions specified by the Declaration

ARTICLE VIII: OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President, Vice-President, Secretary, and Treasurer, who shall always be members of the Board of Directors and members of the Association.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following the general membership meeting at which board members are elected.

Section 3. Term. The officers of this 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 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 at 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 by appointment by the Board. The officer appointed 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. Conflict of Interest and Conflict of Interest Statements. Directors and Officers of the Association shall comply with Colorado law and specifically, it is the duty of Directors and Officers to act in good faith, in the best interests of the association, and with loyalty toward the association. Upon election, Directors, Officers and Committee members are required to disclose any conflicts of interest in a Conflict-of-Interest form. In the event of an unresolved Conflict of Interest of a Director, Officer or Committee member, then a simple majority of the board of directors shall by resolution require the conflicted person to recuse themselves.

Section 9. Duties. The duties of the officers are as follows:

- (a) President: The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; and shall sign all leases, mortgages, deeds, and other written investments.
- (b) Vice-President: 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.
- (c) 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 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; execute, certify and record amendments to the governing and other documents; secure and assure renewals of the Association's General Liability and Directors and Officers Liability insurance policies; assure timely filings of required documents with the Colorado Secretary of State's office and other agencies, including designating the Agent for Service of Process; and shall perform such other duties as required by the Board.
- (d) Treasurer: 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; sign all checks and promissory notes of the Association; keep proper books of account; cause a financial review or audit of the Association books as prudent or as may be required by the Colorado Common Interest Ownership Act; chair the Finance Committee and serve as a member of the Road Committee; and 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 IX: COMMITTEES

Section 1. Committees.

(a) The Association shall appoint an Architectural Review Committee, as provided in the Declaration, and a Finance Committee, Covenants and Rules Committee, and Nominating Committee as provided in the following sections. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose. With the approval of the Board, Committees may appoint subcommittees they deem necessary to manage their workload.

(b) All functions, authority, membership terms, and responsibilities of committees of the Association shall be set out in a committee charter that is approved by the board and published on the Association website.

(c) Unless otherwise specified in the committee charter, the committee chairs and members shall be appointed by the Board. Committee members shall be cognizant of potential conflicts of interest, and for guidance should refer to the Association Policy dealing with disclosure and addressing Board member conflicts of interest. All committee members shall sign a conflict-of-interest statement. Committee members shall be held to the same conflict of interest standard as directors.

(d) All committees are committees of the Board. However, the Board shall have responsibility for general oversight of any committee, such as the Architectural Review Committee, vested with independent decision-making authority, including decisions as to the receipt, expenditure, investment, and retention of the funds of others. Requests for review of such decisions may be treated procedurally, so as to generate a hearing, in the Board's discretion, as an alleged "violation" of the Declaration or other rules of the Association to be governed by the Association policy dealing with Covenant and Rule Enforcement.

Section 2. Architectural Review Committee (ARC). The Board shall appoint an Architectural Review Committee, consisting of a Chair and at least two other members, to review and approve the construction of any building, fence or other structure or improvement of any kind including home identification devices as well as any exterior repair, replacement, additions to or change or alteration.

Section 3. Finance Committee. The Finance Committee shall consist of the Chair, who shall be the Treasurer of the Association, and at least two (2) more members, appointed by the Board. The committee shall assist the Treasurer and the Board to assure sound Association accounting practices and controls; working with the Road Committee, formulate and make recommendations to the Board of investment guidelines for managing the Road fund and manage the Road Fund investments pursuant to guidelines approved by the Board; assist the Treasurer in preparing the annual budget, prepare forecasts of funds necessary to maintain the roads over the long term, and determine dues required to meet projected long-term needs for road maintenance.

Section 4. Covenants and Rules Committee. The Covenants and Rules Committee shall consist of a Chair and at least two more members appointed by the Board. The Covenants and Rules Committee shall assist the Board to ensure that the Policies and Procedures of the Association and the Declaration, By Laws, and Articles of Incorporation are amended as appropriate given the needs of the Association and changing conditions. On its own initiative, or on the recommendation of a Member, or as requested by the Board, the Committee shall review, comment on, and, if appropriate, recommend to the Board additions or changes to these documents. The procedures for making such changes shall be governed by Association Policies and Procedures.

Section 5. Roads Committee. The Roads Committee shall consist of a chair and at least two members appointed by the board. The Roads Committee shall assist the board with the maintenance of the roads in the subdivision. This includes but is not limited to asphalt repair, resurfacing, coordinate weed control and snowplowing, including installing removing snowplow markers along roads. The Roads Committee shall work closely with the Finance Committee for funding and road use funds.

Section 6. Nominating Committee. The Nominating Committee shall consist of a Chair and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors at least ninety (90) days prior to the general membership meeting at which Directors will be elected and will serve for terms of one year. The Nominating Committee shall elect the Chair from the members of the committee. In addition to nominating candidates to fill Board positions, the committee may be called upon by the Board to assist in identifying candidates to fill positions on Committees.

ARTICLE X: 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 Declaration, Articles of Incorporation, Association Policies and Procedures, and By-Laws of the Association shall be available for inspection by any member on the Association website. The access, inspection, and copying of Association records shall be more specifically provided for in the Association's Policies and Procedures.

ARTICLE XI: ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments, fees, dues, and charges which are secured by a continuing lien upon the property against which the assessment is made. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse or abandonment of his Lot. The collection of past due accounts shall be set forth in the Association's Policies and Procedures. Assessments include fees, fines, or penalties imposed against a member under Association Policies and Procedures.

ARTICLE XII: AMENDMENTS

Section 1. Amendments. The By-laws may be amended, at either a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy. Consistent with the Articles, Declarations, and these By-Laws, the Association Policies and Procedures shall specify procedures for amending these Association governing documents.

Section 2. Conflicts. In the case of any conflicts between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIII: MISCELLANEOUS

Section 1. Fiscal Year. 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.

Section 2. Indemnification. Each director and officer of the Association and each person who shall serve at his or her request in any capacity on behalf of the Association and such individual's personal representatives, shall be indemnified by the Association against all costs expenses actually

and necessarily incurred by him in connection with the defense of any action, suit or proceeding in which he may be involved or to which he may be made a party by reason of his being or having been such director or officer to the maximum extent permitted under the law of the State of Colorado. The Association may purchase insurance for this purpose. The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the Association including, without limitation, directors, officers, employees, members of committees, advisors to the Board and its committees, or other agents against any liability other than for self-dealing asserted against or incurred by the agent in such capacity or arising out of the agent's status as such.

Section 3. Singular and Plural, Gender. Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

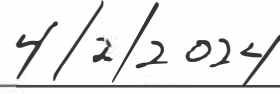
Section 4. Alternative Dispute Resolution. The Board shall adopt and maintain a policy of the Association to encourage the use of Alternative Dispute Resolution.

Certification

I, Mike Jones, Secretary of the Fairway Pines Estates Owners Association, certify that the forgoing Fifth Amended By-Laws constitute the by-laws as amended at the member meeting held on February 29, 2024. These Fifth Amendments represent the fourth amendment to the original By-Laws of the Association adopted March 30, 1992.



Mike Jones
Secretary, Fairway Pines Estates Owners Association



Date