

EXHIBIT "C"

BY-LAWS

ARTICLE I
Members (Unit Owners)

Section 1. The direction and administration of the Property shall be vested in a Board of Managers (hereinafter referred to as the "Board"), consisting of five (5) persons who shall be elected in the manner hereinafter provided. Each member of the Board shall be one of the Unit Owners or a spouse of a Unit Owner; provided, however, that in the event a Unit Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any officer or director of such corporation, partner of such partnership, beneficiary of such trust, or manager of such other legal entity, shall be eligible to serve as a member of the Board. At least one Unit Owner must come from each of the separate four-Unit condominium Buildings comprising the Parcel.

Section 2. There shall be one person with respect to each Unit Ownership who shall be entitled to vote at any meeting of the Unit Owners. Such person shall be known (and hereinafter referred to) as a "voting member". Such voting member may be the Owner or one of the group composed of all the Owners of a Unit Ownership, or may be some person designated by such Owner or Owners to act as proxy on his or their behalf and who need not be an Owner. Such designation shall be made in writing to the Board and shall be revocable at any time by actual notice to the Board of the death or judicially declared incompetence of any designator, or by written notice to the Board by the Owner or Owners. Any or all of such Owners may be present at any meeting of

the voting members and (those constituting a group acting unanimously) may vote or take any other action as a voting member either in person or by proxy. The total number of votes shall equal the total of the percentage of ownership in the Common Elements applicable to his or their Unit Ownership as set forth in Exhibit "B". Declarant shall be the voting member with respect to any Unit Ownership owned by the Declarant.

Section 3. Meetings of the voting members shall be held at the Property or at such other place in the county wherein the Property is situated, as may be designated in any notice of a meeting. The presence in person or by proxy at any meeting of the voting members having a majority of the total votes shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the voting members at which a quorum is present upon the affirmative vote of the voting members having a majority of the total votes present at such meeting.

(a) The initial meeting of the voting members shall be held upon ten (10) days' written notice given by the Declarant when at least seven (7) of the Units are sold. Thereafter, there shall be an annual meeting of the voting members on the fourth Saturday of December following such initial meeting, and on the fourth Saturday of December of each succeeding year thereafter, at 7:30 P.M., or at such other reasonable time or date (not more than thirty (30) days before or after such date) as may be designated by written notice of the Board delivered to the voting members not less than twenty (20) days prior to the date fixed for said meeting.

(b) Special meetings of the voting members may be called at any time for the purpose of considering matters which, by the terms of the Declaration, require the approval of all or some of the voting members, or for any other

reasonable purpose. Said meetings shall be called by written notice, authorized by a majority of the Board, or by the voting members having one-third (1/3) of the total votes, and delivered not less than thirty (30) days prior to the date fixed for said meeting. The notices shall specify the date, time and place of the meeting and the matters to be considered.

(c) Notices of meetings required to be given herein may be delivered either personally or by certified mail, return receipt requested, to the persons entitled to vote at such meetings, addressed to each such person at the address given by him to the Board for the purpose of service of such notice, or to the Unit of the Owner with respect to which such voting right appertains, if no address has been given to the Board.

ARTICLE II Board of Managers

Section 1. At each annual meeting a Board shall be elected. In all elections for members of the Board, each voting member shall be entitled to vote on a cumulative voting basis, and the candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected. A majority of the total number of members on the Board shall constitute a quorum. Members of the Board elected at the initial meeting shall serve until the first annual meeting. At the first annual meeting, and at each successive annual meeting thereafter, members of the Board shall be elected for a term of one (1) year. After the first annual meeting, the voting members having at least eighty percent (80%) of the total votes may from time to time increase or decrease such number of persons on the Board or may increase the term of office of Board members at any annual or special meeting,

provided that such number shall not be less than five (5), and that the terms of at least one-third (1/3) of the persons on the Board shall expire annually. Members of the Board shall receive no compensation for their services unless expressly allowed by the Board at the direction of the voting members having eighty percent (80%) of the total votes. Vacancies in the Board, including vacancies due to any increases in the number of persons on the Board, shall be filled by election by the voting members present at the next annual meeting or at a special meeting of the voting members called for such purpose. Except as otherwise provided in the By-Laws, the Property shall be managed by the Board and the ^{Board} Board shall act by majority vote of those present at its meetings when a quorum exists. Meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may adopt.

Section 2. Any Board member may be removed from office for good cause by affirmative vote of the voting members having at least two-thirds (2/3) of the ^{total} total votes, at any special meeting called for the purpose. A successor to fill the unexpired term of a Board member removed may be elected by the voting members at the same meeting or any subsequent meeting called for that purpose.

Section 3. All agreements, contracts, deeds, leases, vouchers for payment of expenditures and other instruments shall be signed by such officer or officers, agent or agents of the Board and in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the President or any Vice President and countersigned by the Secretary or any Assistant Secretary of the Board.

Section 4. The Board shall have the following powers and duties:

- (a) to administer the Property;
- (b) to engage, if they so choose, the services of a manager or managing agent who shall manage and operate the Property and the Common Elements thereof for all of the Unit Owners, upon such terms and for such compensation and with such authority as the Board may approve;
- (c) to formulate policies for the administration, management and operation of the Property and the Common Elements thereof;
- (d) to adopt administrative rules and regulations governing the administration, management, operation and use of the Property and the Common Elements, and to amend such rules and regulations from time to time;
- (e) to provide for the maintenance, repair and replacement of the Common Elements and payments therefor, and to approve payment vouchers or to delegate such approval to the officers or the manager or managing agent;
- (f) to provide for the designation, hiring and removal of employees and other personnel, including accountants, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and the Common Elements, and to delegate any such powers to the manager or managing agent (and any such employees or other personnel who may be the employees of the managing agent);
- (g) to estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Unit Owners their respective shares of such estimated expenses, as hereinafter provided;
- (h) unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority of the Unit Owners, as expressed in a resolution duly adopted at any annual or special meeting of the Unit Owners; and

(i) to exercise all other powers and duties of the Board of Managers or Unit Owners as a group referred to in the Condominium Ownership Act of the State of Colorado, and all powers and duties of a Board of Managers referred to in the Declaration or these By-Laws..

ARTICLE III Officers

Section 1. At each annual meeting, the Board shall elect the following officers:

(a) A President, who shall be a member of the Board and who shall preside over the meetings of the Board and of the Unit Owners, and who shall be the chief executive officer of the Board;

(b) A Vice President, who shall, in the absence or disability of the President, perform the duties and exercise the powers of the President.

(c) A Secretary, who shall keep the minutes of all meetings of the Board and of the Unit Owners, and who shall, in general, perform all the duties incident of the office of Secretary, and who may be a representative of the managing agent.

(d) A Treasurer, who shall keep the financial records and books of account; and

(e) Such additional officers as the Board shall see fit to elect.

Section 2. The respective officers shall have the general powers usually vested in such officers; provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

Section 3. Each officer shall hold office for the term of one year and until his successor shall have been elected and qualified.

Brown Homestead

Section 8. It shall be the duty of every Unit Owner to pay his proportionate share of the common expenses, and real estate taxes if assessed on all Units as a whole, in the same ratio as his percentage of ownership in the Common Elements as set forth in the Declaration, and as assessed in the manner herein provided. If a Unit Owner is in default in the monthly payment of the aforesaid charges or assessments for thirty (30) days, the members of the Board may, in addition to or in substitution for any other remedy available under the Act or the Declaration, including but not limited to the right to maintain an action for possession, bring suit for and on behalf of themselves as representatives of all Unit Owners to enforce collection thereof or to foreclose the lien therefor as hereinafter provided; and there shall be added to the amount due the costs of said suit, and other fees and expenses together with legal interest and reasonable attorneys' fees to be fixed by the Court. To the extent permitted by any decision or any statute or law now or hereafter effective, the amount of any delinquent and unpaid charges or assessments, and interest, costs and fees as above provided shall be and become a lien or charge against the Unit Ownership of the Unit Owner involved when payable and may be foreclosed by an action brought in the name of the Board as in the case of foreclosure of liens against real estate. Any encumbrances may from time to time request in writing a written statement from the Board setting forth the unpaid common expenses with respect to the Unit Ownership covered by such encumbrance and unless the request shall be complied with within twenty (20) days, all unpaid common expenses which become due prior to the date of the making of such request shall be subordinate to the lien of such encumbrancer.

Section 9. The Board shall cause to be kept detailed

Section 4. Vacancies in any office shall be filled by the Board at special meetings thereof. Any officer may be removed for good cause at any time by the Board at a special meeting thereof.

Section 5. The officers shall receive no compensation for their services, unless expressly provided for in a resolution duly adopted by at least eighty percent (80%) of the Unit Owners.

ARTICLE IV
Assessments

Section 1. The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated common expenses and cash requirements for the year, including salaries, wages, payroll taxes, supplies, materials, parts, services, maintenance, repairs, replacements, water, landscaping, snow removal, insurance, power and other common expenses (as distinguished from individual mortgage payments, real estate taxes and individual telephone, electricity, gas, and other individual utility expenses billed or charged to the separate Unit Owners on an individual or separate basis rather than a common basis). The annual budget shall provide for a reserve for contingencies for the year and a reserve for replacements, in reasonable amounts as determined by the Board. To the extent that the assessments and other cash income collected from the Unit Owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account.

Section 2. The estimated annual budget for each fiscal year shall be approved by the Board, and copies thereof shall be furnished by the Board to each Unit Owner, not later than ninety (90) days after the beginning of such year. On or

before the first day of the first month and of each succeeding month of the year covered by the annual budget, each Unit Owner shall pay, as his respective monthly assessment for the common expenses, one-twelfth (1/12) of his proportionate share of the common expenses for such year as shown by the annual budget. Such proportionate share for each Unit Owner shall be in accordance with his respective ownership interest in the Common Elements as set forth in Exhibit "B" to the Declaration. The Board may cause to be sent to each Unit Owner on or before the first day of each month a statement of the monthly assessment of such Unit Owner for such month, but the failure to send or to receive such monthly statements shall not relieve any Unit Owner of his obligation to pay his monthly assessment on or before the first day of each month. In the event that the Board shall not approve an estimated annual budget or shall fail to determine new monthly assessments for any year, or shall be delayed in doing so, each Unit Owner shall continue to pay each month the amount of his respective monthly assessment as last determined. Each Unit Owner shall pay his monthly assessment on or before the first day of each month to the manager or managing agent or as may be otherwise directed by the Board. No Unit Owner shall be relieved of his obligation to pay his assessments for common expense by abandoning or not using his Unit or the Common Elements.

Section 3. For the first fiscal year, the annual budget shall be as approved by the first Board. If such first year, or any succeeding year, shall be less than a full year, then the monthly assessments for each Unit Owner shall be proportionate to the number of months and days in such period covered by such budget. Commencing with the date of occupancy of his Unit by each Unit Owner, he shall pay his assessment for the following month or fraction of a month, which assessment shall be in proportion to his respective ownership interest

in the Common Elements and the number of months and days remaining of the period covered by the current annual budget, and which assessment shall be as computed by the Board.

Section 4. Within ninety (90) days after the end of each year covered by an annual budget, or as soon thereafter as shall be practicable, the Board shall cause to be furnished to each Unit Owner a statement for such year so ended, showing the receipts and expenditures and such other information as the Board may deem desirable.

Section 5. The Board shall cause to be kept a separate account for each Unit Owner showing the respective assessments charged to and paid by such Unit Owner, and the status of his account from time to time. Upon ten (10) days' notice to the Board, and the payment of a reasonable fee, any Unit Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Unit Owner.

Section 6. In the event that during the course of any year, it shall appear to the Board that the monthly assessments, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated common expenses for the remainder of such year, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner and, thereupon, a supplemental assessment shall be made to each Unit Owner for his proportionate share of such supplemental budget.

Section 7. The Board shall not approve any capital expenditures in excess of One Thousand Dollars (\$1,000.00), nor entered into any contracts for more than two years, without the approval of a majority of the Unit Owners (as such majority is defined in the Declaration).

and accurate records in chronological order of the receipts and expenditures affecting the Common Elements, specifying and itemizing the common expenses incurred, and such records and the vouchers authorizing the payments of such common expenses shall be available for examination by the Unit Owners at convenient hours of week days. Such payment vouchers may be approved in such manner as the Board may determine.

Section 10. The Board of Managers may cause the discharge of any mechanic's lien or other encumbrance which in the opinion of the Board may constitute a lien against the Property or Common Elements, rather than against a particular Unit Ownership only. When less than all the Unit Owners are responsible for the existence of any such lien, the Unit Owners responsible shall be jointly and severally liable for the amount necessary to discharge the same and for all costs and expenses (including attorneys' fees) incurred by reason of such lien.

ARTICLE V Use and Occupancy Restrictions

Section 1. No animals shall be raised, bred or kept in any Unit, except for dogs, cats or other household pets of a Unit Owner, provided that they are not kept for any commercial purposes, and provided that they shall be kept in strict accordance with the administrative rules and regulations relating to household pets from time to time adopted or approved by the Board, and provided that they shall not in the judgment of the Board constitute a nuisance to others.

Section 2. No unlawful, immoral, noxious or offensive activities shall be carried on in any Unit or elsewhere on the Property, nor shall anything be done therein or thereon which shall constitute a nuisance or which shall in the judgment of the Board cause unreasonable noise or disturbance to others.

Section 3. Each Unit Owner shall maintain his Unit in good condition and in good order and repair, at his own expense, and shall maintain a minimum temperature in his Unit in the winter as set forth by the Board, and shall not do or allow anything to be done in his Unit which may increase the rate or cause the cancellation of insurance on other Units or on the Common Elements. Each Unit Owner shall not display, hang, store or use any signs, clothing, sheets, blankets, laundry or other articles outside his Unit, or which may be visible through his windows from the outside (other than draperies, curtains or shades of a customary nature and appearance, subject to the rules and regulations of the Board), or paint or decorate or adorn the outside of his Unit, or install outside his Unit any canopy or awning, or outside radio or televisions antenna, or other equipment, fixtures or items of any kind, without the prior written permission of the Board or manager or managing agent.

Section 4. Trash, garbage and other waste shall be kept only in sanitary containers, and shall be disposed of in a clean and sanitary manner as prescribed from time to time in administrative rules and regulations of the Board.

Section 5. During the period of sale of the Units in the Property by the Declarant or its agents, Declarant and its contractors and sub-contractors, and their respective agents and employees, shall be entitled to access, ingress and egress to said Building and Property as may be required. Until all of the Units have been sold by the Declarant and occupied by the purchasers, the Declarant or its agents may use and show one or more of such unsold or unoccupied Units as a model apartment or apartments and sales office and may maintain customary signs in connection therewith.

ART. 5 → Section 6. Articles of personal property belonging to any Unit Owner, such as baby carriages, bicycles, wagons,

toys, furniture, clothing and other articles, shall not be stored or kept in or upon the common sidewalks or steps, or other common areas (except private patios).

Section 7. No Unit Owner shall overload the electric wiring in the Building, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others, or connect any machines, appliances, accessories or equipment to the heating or air-conditioning system or plumbing system without the prior written consent of the Board or manager or managing agent.

ARTICLE VI
Amendments

These By-Laws may be amended or modified from time to time by action or approval of a majority of the Unit Owners (as such majority is defined in the Declaration). Such amendments shall be recorded in the Office of the Recorder of Deeds of San Miguel County, Colorado.