

**SUNWATCHER CONDOMINIUM
ASSOCIATION**

BY-LAWS

Amended March 7, 2006

Amended March 7, 2009

BY-LAWS OF
SUNWATCHER CONDOMINIUM ASSOCIATION

ARTICLE I
NAME AND LOCATION

The name of the corporation is the Sunwatcher Condominium Association, hereinafter referred to as the "Association". The principal mailing address for the corporation shall be P. O. Box 1232, La Veta, CO 81055. Meetings of Members and Directors may be held at such places within the State of Colorado as may be designated by the Board of Directors. The Association is a not for profit corporation.

ARTICLE II
DEFINITIONS

The terms "Association", "Common Area", "Declarant", "Declaration", "Condominium Site", "Condominium Unit", "Member", "Mortgage", "Mortgagee", "Owner", "Property", and "Unit", as used herein, shall have the definitions assigned them in the Declaration of Easements, Restrictions and Covenants for Sunwatcher Condominiums, or any amendments thereto, as recorded in the office of the Huerfano County, Colorado, Clerk and recorder.

ARTICLE III
MEETINGS OF MEMBERS

Section 1. Annual Meetings. The regular annual meeting of the Members shall be held on the Saturday prior to Memorial Day at 8:30 am beginning with the 2002 meeting. Each subsequent year's regular Annual Meeting of the Members will be held on the Saturday prior to Memorial Day at 8:30 am.

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-fifth (1/5) of all the votes of the standing membership.

Section III. 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 mailing a copy of said notice, postage prepaid, at least thirty (30) days and not more than sixty (60) days, before annual or special meetings 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 the 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 IV. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-fourth (1/4) of the votes 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 the 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 represented.

Section V. 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 Condominium Site.

Section VI. Action Taken Without a Meeting. The Members shall have the right to take any action, without a meeting, which they could take at a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Members entitled to vote with respect to the subject matter thereof. Any action so approved shall have the same effect as if a unanimous vote had been taken at a meeting of the Members, and may be stated as such in any articles or documents filed with the Secretary of State under said articles.

ARTICLE IV

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board consisting of three (3) to five (5) Directors, who shall be Members of the Association.

Section 2. Term of Office. At the Annual Meeting, the Members shall elect the same number of Directors whose terms expire at the time of such election, for a term of two years. With a Board of three (3) Directors, two (2) Directors will serve two-year terms and one (1) Director will serve a one-year term. With a Board of five (5) Directors, three (3) Directors will serve two-year terms and two (2) Directors will serve one-year terms. These terms will allow transition from the previous Directors service on the Board.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, at a meeting of the Members when the notice thereof has indicated the purpose, by a vote of a majority of the Members present in person or by proxy then entitled to vote at an election of Directors. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining Board Members 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, without a meeting, which they could take at a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Directors entitled to vote with respect to the subject matter thereof. Any action so approved shall have the same effect as if a unanimous vote had been taken at a meeting of the Directors, and may be stated as such in any articles or document filed with the Secretary of State under said articles.

ARTICLE V
NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. A Nominating Committee shall make nominations for election to the Board of Directors. Nominations may also be made from the floor at the Annual Members 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 or may not be Members of the Board of Directors. The Nominating Committee shall be appointed by the President 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. 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 made by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise 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. Regular Meetings. Regular meetings of the Board of Directors will be held quarterly, at such place and hour as may be fixed from time to time by resolution of the Board. Notices will be posted on the website and sent to

Members who provide an email address to the Secretary or authorized representative. Should said meeting fall on a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than one (1) day written, electronic or personally delivered oral 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.

The Board may permit any Director to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all Directors participating in the meeting may hear each other during the meeting. A Director participating in a meeting by this means is deemed to be present at the meeting.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have various powers, including but not limited to the following:

- (a) Adopt, publish and amend rules and regulations governing the use of the General Common Elements and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties or fines for the infraction thereof.

(b) Suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended for a period not to exceed sixty (60) days for infraction of published Rules and Regulations.

(c) 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, the Articles of Incorporation or the Declaration.

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent, without good cause, from three (3) consecutive meetings of the Board of Directors.

(e) Employ a manager, an independent contractor, independent management company or such other employees, as they deem necessary

(f) Designate and remove personnel necessary for the operation, maintenance, repair, and replacement of the common elements.

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

(a) Cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the Members at the Annual Meeting when such statement is requested in writing by one-third (1/3) of the members who are

entitled to vote.

(b) Supervise all Officers and agents of this Association to insure their duties are properly performed. Review completion of work done by Independent Contractors on behalf of the Association.

(c) The Board or Treasurer shall draft and propose a budget for approval by the Membership at the Annual Meeting. At the Annual Meeting, unless a majority of all owners present at the meeting or represented by proxy reject the budget, the budget shall be ratified. In the event that the proposed budget is rejected, the last approved annual budget shall be continued until such time as the Members approve a subsequent budget proposed by the Board. The Board shall then ratify the new budget.

(d) Fix the amount of the annual assessment against each Condominium Unit at least sixty (60) days in advance of each annual assessment period.

(e) Send written notice of the amount of each annual assessment to every Owner subject thereto at least twelve (12) days in advance of the annual assessment period.

(f) Collect any annual assessments, which are not paid within thirty (30) days after due date.

(g) Issue, or 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. Upon ten days notice to the Manager, if any, or Board of Directors, and upon payment of a reasonable fee, any Member shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owed from such Member.

(h) Keep detailed, accurate records of the receipts and expenditures affecting the general and limited common elements. Members and their mortgagees may inspect such records during convenient weekday business hours. When copies are requested, they will be charged in accordance with the policies set forth by the Association.

(i) Procure and maintain adequate liability and hazard insurance on property owned by the Association and procure and maintain hazard insurance on Condominiums located on Condominium Units as provided by the Declaration.

(j) Cause all Officers or employees having fiscal responsibilities to be bonded, in such amounts as the Board determines adequate.

(k) Cause the General Common Elements, the exterior of Condominiums and structures located on Condominium Units to be maintained, as stated in the Declaration.

(l) Cause the property to be managed at the Board's discretion.

ARTICLE VIII
OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The Officers of this Association shall be a President, who shall at all times be a member of the Board of Directors, a Vice-President, 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 meeting of the Board of Directors next 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 shall otherwise be disqualified to serve.

Section 4. Special Appointments. The Board may elect such other Officers as the affairs of the Association may require, each of who 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 at any time 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 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 the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The Office of Secretary 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 the 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 the Members; 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.

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, over his signature, 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; perform such other duties as required by the Board; and, in general, shall perform all of the duties incident to the Office of Secretary.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and disburse such funds as directed by resolution of the Board of Directors, sign all checks of the Association, keep proper financial records and books of account, cause an annual compilation report of the Association books to be made by a Certified Public Accountant at the completion of each fiscal year or, at the option of the Board of Directors, an annual review, audited financial statement, or other financial information, as may be required, and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular Annual Meeting, and provide a copy of each to the Members.

ARTICLE IX COMMITTEES

The Association shall appoint committees as deemed appropriate in carrying out its purposes.

ARTICLE X MORTGAGEES

Mortgagees as Proxy. Each owner shall have the right to irrevocably constitute and appoint the beneficiary of a trust deed his true and lawful attorney

to cast his vote in this Association at any and all meetings of the Association and to vest in the beneficiary any and all rights, privileges and powers that he has as Owner under the Articles of Incorporation and By-Laws of this Association, or by virtue of the recorded Declaration. Such proxy shall become effective upon the filing of notice by the beneficiary with the Secretary of the Association at such time or times as the beneficiary shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Association, the Managing Agent or the Owners to carry out their duties as set forth in the Declaration. A release of the beneficiary's deed of trust shall operate to revoke such proxy. Nothing herein contained shall be construed to relieve an Owner, as a mortgagor, of his duties and obligations as an Owner or to impose upon the beneficiary of the deed of trust the duties and obligations of an Owner.

ARTICLE XI
CORPORATE SEAL

The Association may have a seal in circular form having within its circumference the words; "Sunwatcher Condominium Association-Colorado".

ARTICLE XII
AMMENDMENTS

Section 1. The Board of Directors by may amend these By-Laws with a two-thirds (2/3) vote of the entire Board.

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

control; and in the case of any conflict between the Articles of Incorporation and the Declaration, the Declaration shall control.

ARTICLE XIII
INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Indemnification. The Association shall indemnify every Director, Officer, and their respective successors and legal representatives, against all loss, cost and expenses, including council fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or Officer of the Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director or Officer in relation to the matter involved. The foregoing rights shall not be exclusive of the rights to which such Director or Officer may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason of or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing contained in the Article XIII shall be deemed to obligate the Association to indemnify any Member or Owner who is or has been a Director or Officer of the Association, with respect to any duties or obligations assumed or liabilities incurred as a Member or Owner under or by virtue of the Declaration.

Section 2. Other. In order to avoid any appearance of impropriety, and

to avoid conflict of interest as required by Colorado Statutes, it is expressly forbidden for any Member of the Association, or their immediate family, defined as spouse, parents, children and the issue thereof, to enter into any contract to provide goods or services to the Association. Further, the aforementioned individuals may not be employed by the Association in any manner other than as unpaid volunteers.

Contracts or other commitments made by the Board of Directors, Officers or the Managing Agent with the authority to act in behalf of the Association, shall be made as agent for the Corporation, and they shall have no personal responsibility on any such contract or commitment.

ARTICLE XIV
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.

In WITNESS WHEREOF, we, being all of the Directors of the Sunwatcher Condominium Association, have hereunto set our hands this 7th day of March 2009.

DIRECTORS:

Pamella Blanchard, President _____

Kevin Malaska, Secretary _____

Eileen Himes, Treasurer _____