

SECOND
AMENDED AND RESTATED
BYLAWS
OF
COPPER VALLEY CONDOMINIUM ASSOCIATION, INC.

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ARTICLE I
DEFINITIONS

1.01 Declaration.

As used herein "Declaration" means the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Copper Valley, recorded on June ____, 1997, at Reception No. _____ in the real property records of Summit County, Colorado.

1.02 Other Definitions.

Unless otherwise defined herein, all capitalized terms used herein shall have the meanings set forth in the Declaration.

ARTICLE II
OFFICES

The Association is a Colorado nonprofit corporation, with its principal office at P. O. Box 3001, 209 Ten Mile Circle, Copper Mountain, Colorado 80443-3001. The Association may also have offices and may carry on its purposes at such other places within and outside the State of Colorado as the Executive Board may from time to time deem necessary or appropriate.

ARTICLE III
MEMBERSHIP, VOTING, QUORUM AND PROXIES

3.01 Membership.

The members of the Association shall be those Persons that hold Memberships as set forth in the Articles.

3.02 Voting Rights.

(a) The total number of votes to which a Membership is entitled shall be determined in accordance with the Articles.

(b) Notwithstanding the terms and conditions of the Articles or these Bylaws, the Association shall have no voting rights for any Membership appurtenant to any Unit owned by the Association.

3.03 Quorum.

Except as otherwise required by law or the Articles, the presence in person or by proxy of members entitled to vote at least fifty percent (50%) of the total votes allocated to all Memberships which are entitled to vote with respect to a matter shall constitute a quorum for purposes of voting on that matter.

3.04 Proxies.

Votes may be cast in person or by proxy. Every proxy must be executed in writing by a member or his duly authorized attorney-in-fact. Such proxy shall be filed with the president or secretary of the Association before or at the time of the meeting. No proxy shall be valid after the expiration of eleven months from the date of its execution unless otherwise provided in the proxy. If a Condominium Unit is owned or leased by more than one Owner or Lessee, any such Owner or Lessee may execute a proxy on behalf of all such Owners or Lessees, and it will be conclusively presumed for all purposes that such Owner or Lessee acted with the authority and consent of all Owners or Lessees with whom such Owner or Lessee shares the Membership, unless objection thereto is made to the chairperson of the meeting at the time of the vote to which the proxy relates. If more than one proxy is executed for any particular Membership and such proxies contain contrary instructions regarding any vote, no such proxy shall be counted and all such proxies shall be deemed null and void for purpose of the vote as to which such proxies conflict.

3.05 Majority Vote.

At any meeting of the members, if a quorum is present, the affirmative vote of a majority of the votes represented at the meeting, in person or by proxy, shall be the act of the members, unless the vote of a greater number is required by law, the Articles, the Declaration or these Bylaws.

ARTICLE IV
ADMINISTRATION

4.01 Annual Meeting.

The annual meeting of the members shall be held during "Homeowner's Weekend" of each year (normally the Saturday before Labor Day) at a convenient location in Summit County, Colorado, to be selected by the Executive Board, or such other date designated by the Executive Board, for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. In addition, a semi-annual meeting (normally held the Saturday after Martin Luther King Day) and other meetings of the Association shall be held as called by the Executive Board.

4.02 Special Meetings.

Special meetings of the members, for any purpose, unless otherwise prescribed by statute, may be called by the president or by the Executive Board or by the written request of ten of the Memberships then-outstanding, and shall be held at a convenient location in Summit County, Colorado, to be selected by the Persons calling the meeting. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business except as stated in the notice shall be transacted at a special meeting unless by consent of the holders of at least two-thirds of the Memberships present and entitled to vote, either in person or by proxy.

4.03 Notice of Meeting.

(a) Written notice of any meeting of the members, stating the place, day and hour of the meeting, and in the case of special meetings, the purpose or purposes for which the meeting is called, shall be delivered personally, by facsimile, by mail or by overnight courier, by or at the direction of the President, or the Secretary, or the Persons calling the meeting, and shall be given to each member entitled to vote at such meeting not less than five (5) nor more than sixty (60) days before the date of the meeting. If mailed or delivered by overnight courier, such notice shall be deemed to be delivered when deposited in the United States mail or with the overnight courier, postage prepaid and addressed to the member at the member's registered address provided to the Association. For the purpose of determining members entitled to notice of or to vote at any meeting, the Executive Board may set a record date for such determination in accordance with the laws of the State of Colorado.

(b) Written waiver of notice signed by or on behalf of the Persons or Person entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

4.04 Informal Action by Members.

Any action required or permitted to be taken at a meeting of the members may be taken without a meeting if a written consent, setting forth the action so taken, shall be signed by all

of the members entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the members.

4.05 Adjourned Meetings.

If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting, to a time not less than forty-eight hours from the time the original meeting was called.

4.06 Order of Business.

The order of business at all meetings of the members normally shall be as follows:

- (a) Call to order
- (b) Roll call and certifying proxies
- (c) Proof of notice of meeting or waiver of notice
- (d) Reading of Minutes of preceding meeting
- (e) Reports of officers
- (f) Reports of managing agent
- (g) Election of Directors
- (h) Unfinished business
- (i) New business
- (j) Adjournment

ARTICLE V
EXECUTIVE BOARD

5.01 Number, Tenure and Qualifications.

(a) The business and affairs of the Association shall be managed by the Executive Board. The Executive Board shall consist of five (5) Directors. Each shall be:

- (i) an individual Owner or Lessee; or
- (ii) a partner, trustee, officer, director or twenty-five percent shareholder of an organizational Owner or Lessee.

(b) A Director shall automatically cease to be a Director at such time as such Director ceases to be an individual Owner or Lessee or a partner, trustee, officer, director or twenty-five percent shareholder of an Owner or Lessee. Each Director shall serve a staggered three-year term, and shall be elected by the holders of the Memberships entitled to vote at any such annual meeting at which such Director's election takes place. Each Director shall hold office until the election and qualification of his successor or until his earlier death, resignation or removal.

(c) The number of Directors may be increased or decreased by amendment of these Bylaws, on the condition that the number of Directors shall not be less than three (3), nor increased to more than nine (9). No decrease in the number of Directors shall have the effect of shortening the term of any incumbent Director.

5.02 Removal; Resignations; Vacancies.

At any meeting of members, the notice of which indicates such purpose, Directors may be removed, with or without cause, by a vote of a majority of the holders of the Memberships then entitled to vote at an election of Directors. Any Director whose removal has been proposed by the Owners or Lessees shall be given an opportunity to be heard at such meeting. Any Director may resign at any time by giving written notice to the Executive Board. Such resignation shall take effect on receipt of written notice by the Executive Board, unless an effective time is set forth in such notice, in which event such resignation shall take effect at the time specified in such notice. Unless otherwise specified in a resignation notice, the acceptance of such resignation shall not be necessary to make it effective. Any vacancy occurring on the Executive Board (by reason of resignation or death) or any newly created directorship resulting from any increase in the authorized number of Directors may be filled by the affirmative vote of a majority of the Directors then in office though less than a quorum. A Director elected to fill a vacancy on the Executive Board shall hold office for the unexpired term of his predecessor in office.

5.03 Powers.

Except as provided in the Declaration, the Articles and these Bylaws, the Executive Board may act on behalf of the Association in all instances. Without limiting the generality of the preceding sentence, such powers of the Executive Board shall include, but shall not be limited to, the following, all of which shall be done for and on behalf of the Owners and Lessees of the Condominium Units:

(a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration, these Bylaws and supplements and amendments hereto.

(b) To establish, make and enforce compliance with such Rules and Regulations as may be necessary for the operation, rentals, use and occupancy of all of the Condominium Units and Common Elements with the right to amend same from time to time. A copy of such Rules and Regulations shall be delivered or mailed to each member upon the adoption thereof.

(c) To incur such costs and expenses as may be necessary to keep in good order, condition and repair all of the Common Elements and all items of Association property.

(d) To insure and keep insured all of the insurable General Common Elements in an amount equal to the maximum replacement value; to insure and keep insured all of the common fixtures, equipment and personal property for the benefit of the Owners and Lessees

and their First Mortgagees; further, to obtain and maintain comprehensive liability insurance covering the entire premises in amounts not less than \$100,000.00 per person and \$300,000.00 per accident and \$50,000.00 property damages.

(e) To prepare and adopt a budget for the Project, at least annually, in order to determine the amount of the Assessments payable by the Owners and the Lessees to meet the Common Expenses, and allocate and assess the Common Expenses among the Owners and the Lessees according to their respective shares of Common Expenses, and by majority vote of the Executive Board to adjust, decrease or increase the amount of the quarterly or monthly Assessments, and remit or return (or apply to the subsequent year's budget) any excess of Assessments over Common Expenses to the Owners and Lessees at the end of each operating year; to levy and collect additional Assessments whenever in the opinion of the Executive Board it is necessary to do so in order to meet increased Common Expenses, or because of emergencies.

(f) To collect delinquent Assessments by suit or otherwise and to enjoin or seek damages from an Owner or Lessee as is provided in the Declaration and these Bylaws; to enforce a late charge of not more than \$100.00 per month and to collect interest at the rate of twelve percent (12%) per annum in connection with assessments remaining unpaid more than ten (10) days from due for payment thereof, together with all expenses, including attorney's fees incurred. The Executive Board shall have the duty, right, power and authority to prohibit use of the Condominium Unit by the Owner or Lessee thereof, his guests, tenants, lessees and invitees in the event that any assessment made remains unpaid more than thirty (30) days from the due date for payment thereof.

(i) If an Owner or Lessee is delinquent in paying Assessments, the rents or net proceeds payable to the Owner or Lessee by a tenant or property management company are assigned to the Association. Service of a Notice of Collection of Delinquent Condominium Assessments From Rent shall be accomplished by personal service to the tenant, property manager or a member of tenant's family over age 18. Notice by posting on the door or certified mail to the tenant or property manager shall be permissible if after reasonable efforts personal service is unsuccessful. From the date of service of the notice forward all rent due by the tenant or rent proceeds due from a property manager to the Owner or Lessee shall be paid directly to the Association until all delinquent Assessments, attorney's fees and costs have been paid.

(ii) If an Owner or Lessee is delinquent in paying Assessments in excess of the amount of \$2,000, upon three (3) days' notice by regular mail to such Owner or Lessee, the Association may disconnect utilities serving a delinquent Owner's or Lessee's Condominium Unit.

(g) To protect and defend in the name of the Association any part or all of the Project from loss and damage by suit or otherwise.

(h) To the extent permitted by Section 6.02 of the Articles, to borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration, the Articles and these Bylaws, and to execute all such instruments evidencing such indebtedness as the Executive Board may deem necessary and give security

therefor. The Persons who shall be authorized to execute promissory notes and securing instruments shall be the President and Secretary.

(i) To enter into contracts, leases or other documents to carry out their duties and powers.

(j) To sell or lease all or any part of the Common Elements or other property or space within the Project upon at least a two-thirds vote of the holders of the Memberships then entitled to vote at a duly called meeting.

(k) To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable.

(l) To make repairs, additions, alterations and improvements to the General Common Elements consistent with managing the Project in a first-class manner and consistent with the best interests of the Owners and Lessees.

(m) To keep and maintain full and accurate books and records showing all of the receipts, expenses, or disbursements and to permit examination thereof at any reasonable time by each of the Owners and Lessees, and to cause a complete review of the books and accounts by a public accountant, once each year.

(n) To prepare and deliver annually to each Owner and Lessee a statement showing receipts, expenses or disbursements since the last such statement.

(o) To meet at least once per year.

(p) To designate the personnel necessary for the maintenance and operation of the Common Elements.

(q) In general, to carry on the administration of this Association and to do all of those things necessary and reasonable in order to carry out the governing and the operation of the Project.

(r) To control and manage the use of all parking areas.

(s) To employ for the Association a Managing Agent who shall have and exercise those powers granted by the Executive Board.

5.04 Regular Meetings.

Regular meetings of the Executive Board for the election of officers and for such other business as may come before the meeting shall be held without call or formal notice immediately before or after, and at the same place as, the annual meeting of members, or any special meeting of members. Regular meetings of the Executive Board for other than the election of officers

may be held without call or formal notice at such times and in such places as the Executive Board may determine. Any business may be transacted at a regular meeting.

5.05 Special Meetings.

Special meetings of the Executive Board may be held at any place within or without the State of Colorado at any time when called by the president, or upon written request delivered to the Secretary of the corporation, by any two directors. The Secretary must give at least three days' prior notice of the time and place thereof to each Director by leaving such notice with him or her or at his or her residence or usual place of business, or by delivering the notice by U.S. mail or overnight courier, postage prepaid, and addressed to him or her at his or her post office address as it appears on the books of the Association, or by facsimile or telephone. Notices need not state the purposes of the meeting.

5.06 Quorum.

A majority of the number of Directors fixed by these Bylaws, as amended from time to time, but in no event less than one-third of the number of Directors fixed by these Bylaws, shall constitute a quorum for the transaction of business, but a lesser number may adjourn any meeting. The Executive Board may permit any Director to participate in a meeting, or may conduct a meeting, by any means of communication by which all Directors participating may hear each other during the meeting. A Director participating in a meeting by this means is deemed to be present in person at the meeting. When a quorum is present at any meeting, a majority of the Directors in attendance shall, except where a larger number is required by law, the Declaration, the Articles or these Bylaws, decide any question brought before such meeting.

5.07 Waiver of Notice.

Before, at or after any meeting of the Executive Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Executive Board shall be a waiver of notice by him or her except when such Director attends the meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

5.08 Informal Action by Directors.

Any action required or permitted to be taken at a meeting of the Directors may be taken without a meeting if a written consent, setting forth the action so taken, shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the Directors.

5.09 Executive Committee of Executive Board.

The Executive Board, by resolution adopted by a majority of the Directors in office, may designate and appoint an Executive Committee of the Executive Board. The number and

identity of members of the Executive Committee shall be determined by the Executive Board, but the number of such members shall not be fewer than two. Unless limited by resolution of the Executive Board, the Executive Committee shall have and exercise all the authority of the Executive Board, except that such Committee shall not have the authority of the Executive Board in reference to amending, altering, or repealing the Bylaws; electing, appointing or removing any member of such Committee or any officer or manager of the Association; amending the Articles; restating the Articles; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Association; authorizing the voluntary dissolution of the Association or revoking proceedings therefore; adopting a plan for the distribution of assets of the Association; or amending, altering or repealing any resolution of the Executive Board which by its terms provides that it shall not be amended, altered or repealed by such Committee. All of the provisions in these Bylaws with respect to notice of meetings of managers, quorum at such meetings, voting at such meetings and waivers of notice of such meetings shall be applicable to the meetings of the Executive Committee.

5.10 Managing Agent.

The Executive Board may designate and appoint a Managing Agent of the Association as set forth in Article XI of the Articles.

5.11 Nominating Committee.

Before each annual meeting of the members, the Executive Board may appoint a committee of two or more members who shall nominate candidates for the Executive Board. The names of the candidates shall be submitted on or before sixty (60) days before the election. Members may submit names of candidates other than those submitted by the nominating committee at least sixty (60) days prior to the election. Unless such names are submitted, either by the nominating committee or by the members, no person shall be elected whose name is not so submitted unless no nominations are made, in which event the names of candidates shall be submitted at the election by the members. A vacancy in the committee shall be filled by the president until the next meeting of the Executive Board.

5.12 Open Meetings.

All regular and special meetings of the Executive Board and all meetings of any committee of the Executive Board must be open to attendance by all members of the Association and their representatives, unless the meeting is for the purpose of discussing one or more of the following:

- (a) matters pertaining to employees of the Association, or involving the employment, promotion, discipline or dismissal of an officer, agent or employee of the Association;
- (b) consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorneys and clients;

(c) investigative proceedings concerning possible or actual criminal conduct;

(d) matters subject to specific constitutional, statutory or judicially imposed requirements protecting particular proceedings or matters from public disclosure; and

(e) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy.

If a meeting is held for any of the foregoing purposes, the chairperson of the meeting must announce such purpose prior to convening the meeting. The minutes of any such meeting must include a reference to its stated purpose.

ARTICLE VI OFFICERS AND AGENTS

6.01 General.

The officers of the Association shall be a president (who shall be chosen from among the members of the Executive Board), one or more vice presidents, a secretary and a treasurer each to serve for terms not exceeding one (1) year as prescribed by the Board. An officer need not be a member of the Executive Board, but each officer shall be an Owner or Lessee. The Executive Board may appoint such other officers, assistant officers, committees and agents, including assistant secretaries and assistant treasurers, as they may consider necessary or advisable, which other officers and/or assistant officers shall be chosen in such manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the Executive Board. The office of president and treasurer may be held by the same Person, and the office of vice president and secretary may be held by the same Person. In all cases where the duties of any officer, agent or employee are not prescribed by the Bylaws or by the Executive Board, such officer, agent or employee shall follow the orders and instructions of the president.

6.02 Removal of Officers.

The Executive Board may remove any officer, either with or without cause, and elect a successor at any regular meeting of the Executive Board, or at any special meeting of the Executive Board called for such purpose.

6.03 Vacancies.

A vacancy in any office, however occurring, shall be filled by the Executive Board for the unexpired portion of the term.

6.04 President.

The president shall be the chief executive officer of the Association. The president shall preside at all meetings of the Association and of the Executive Board, and shall have the general and active control of the affairs and business of the Association and general supervision of its officers, agents and employees. The president is designated as the officer with the power to prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

6.05 Vice Presidents.

The vice presidents shall assist the president and shall perform such duties as may be assigned to them by the president or by the Executive Board. In the absence of the president, the vice president designated by the Executive Board or (if there be no such designation) designated in writing by the president shall have the powers and perform the duties of the president. If no such designations have been made, all vice presidents may exercise such powers and perform such duties.

6.06 Secretary.

The secretary shall:

(a) keep the minutes of the proceedings of the members and the Executive Board;

(b) see that all notices are duly given in accordance with the provisions of these Bylaws, the Declaration and as required by law;

(c) be custodian of the corporate records and of the seal of the Association and affix the seal to all documents when authorized by the Executive Board;

(d) keep at the Association's principal offices a record containing the names and registered addresses of all Owners and Lessees, the designation of the Condominium Unit owned or leased by each Owner or Lessee, and, if such Condominium Unit is mortgaged, the name and address of all Mortgagees; and

(e) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him or her by the president or by the Executive Board. Assistant secretaries, if any, shall have the same duties and powers, in the event of the secretary's death, absence, or inability or failure to act.

6.07 Treasurer.

The treasurer shall be the principal financial officer of the Association and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the Association and shall deposit the same in accordance with the instructions of the Executive Board. He or she shall receive and give receipts and acquittances for moneys paid in on account of

the Association, and shall pay out of the funds on hand all bills, payrolls and other just debts of the Association of whatever nature upon maturity. He or she shall perform all other duties incident to the office of the treasurer and, upon request of the Executive Board, shall make such reports to it as may be required at any time. He or she shall, if required by the Executive Board, give the Association a bond in such sums and with such sureties as shall be satisfactory to the Executive Board, conditioned upon the faithful performance of his or her duties and for the restoration to the Association of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to the Association. The treasurer shall have such other powers and perform such other duties as may be from time to time prescribed by the Executive Board or the president. The assistant treasurers, if any, shall have the same powers and duties, in case of the treasurer's death, absence or inability or failure to act. The treasurer, in the absence of the election of a secretary, may also serve as the secretary.

6.08 Compensation.

Officers shall not be paid any compensation for acting in such capacity. Agents and employees of the Association shall receive such reasonable compensation for their services as may be authorized or ratified by the Executive Board. Notwithstanding the preceding sentence, appointment of an agent or employee shall not, without written agreement of the Association, create a contractual obligation or entitlement with regard to compensation.

ARTICLE VII RIGHTS AND OBLIGATIONS OF THE OWNERS

Each Owner shall have the rights, duties and obligations set forth in the Association Documents.

ARTICLE VIII REGISTRATION OF MAILING ADDRESS

8.01 Registration By Owners and Lessees.

Each Owner and each Lessee shall register his mailing address with the Association. All notices or demands to be served upon an Owner or Lessee shall be delivered personally, by facsimile, by registered or certified mail or by overnight courier, postage prepaid, addressed to such Owner or Lessee at his registered address. Notwithstanding the foregoing, for a Condominium Unit for which there is more than one Owner or one Lessee, the Owners or Lessees of the Condominium Unit must designate one Owner or Lessee to receive notices and demands from the Association and register the name and mailing address of that Owner or Lessee with the Association. Any notice or demand delivered by the Association to the registered Owner or Lessee for a Condominium Unit shall be deemed delivered to all of the Owners and Lessees with whom such Owner or Lessee shares the Condominium Unit.

8.02 Association Address.

All notices and demands to be served on the Association or its Executive Board shall be delivered personally, by registered or certified mail or by overnight courier, postage prepaid, to the following address or such other address as the Association designates for such purpose in a notice duly mailed to all Owners and Lessees: Copper Valley Condominium Association, Inc., P. O. Box 3001, 209 Ten Mile Circle, Copper Mountain, Colorado 80443-3001.

ARTICLE IX
SECURITY INTEREST IN MEMBERSHIP

Members entitled to vote shall have the right irrevocably to constitute and appoint a First Mortgagee their true and lawful attorney-in-fact to vote their Membership in the Association at any and all meetings of the Association and to vest in the First Mortgagee any and all rights, privileges and powers that they have as members under the Articles and these Bylaws or by virtue of the Declaration. Such proxy shall become effective upon the filing of notice by the First Mortgagee with the president or secretary of the Association at such time or times as the First Mortgagee shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Association, the Executive Board or the members to carry out their duties as set forth in the Declaration. A release of the First Mortgagee's deed of trust covering a Condominium Unit shall operate to revoke such proxy. Nothing herein contained shall be construed to relieve members, as mortgagors, of their duties and obligations as members or to impose upon the First Mortgagee the duties and obligations of a member.

ARTICLE X
ACCOUNTING PROCEDURES

10.01 Collections.

The Association shall collect Assessments from the members to provide for the operation, management, maintenance and repair of the Project. The Association also shall collect from members the rent due under the Condominium Leases as agent for the lessor under the Condominium Leases.

10.02 Priority of Receipts.

All payments made by a member to the Association under the Declaration, the Articles, these Bylaws and a member's Condominium Lease shall be applied in the following order of priority:

(a) first, to costs and expenses of collection, enforcement and protection of the Association's rights, including reasonable attorneys' and accountants' fees and disbursements;

(b) second, to Assessments levied for Common Expenses incurred by the Association to provide for the operation of the Association and for the operation, management, maintenance and repair of General Common Elements;

(c) third, to Assessments levied for Common Expenses incurred by the Association to provide for the operation, management, maintenance and repair of Limited Common Elements and other special Assessments levied in connection with expenses incurred by the Association for the benefit of fewer than all of the members; and

(d) fourth, to the rent payable by a member under a Condominium Lease.

10.03 Accounts.

The funds and expenditures of the Owners and Lessees by and through the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be Common Expenses:

(a) Current expense, which shall include all funds and expenditures within the year for which the funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves or to additional Improvements.

(b) Reserves for deferred maintenance, which shall include funds for maintenance items which occur less frequently than annually.

(c) Reserves for replacement, which shall include funds for repair or replacement, including capital items, required because of damage, wear or obsolescence.

ARTICLE XI AMENDMENTS

11.01 Members.

The members may, by the vote of the holders of at least two-thirds of the votes of all Memberships entitled to vote, unless a greater percentage is expressly required by law, the Articles, the Declaration or these Bylaws, make, alter, amend or repeal the Bylaws of the Association at any annual meeting or at any special meeting called for that purpose at which a quorum shall be represented.

ARTICLE XII
MISCELLANEOUS

12.01 Seal.

The corporate seal of the Association shall be circular in form and shall contain the name of the Association, the year of its organization and the words "Seal, Colorado."

12.02 Fiscal Year.

The fiscal year of the Association shall be October 1 to September 30, or such other period as may from time to time be established by the Executive Board.

12.03 Association - Not For Profit.

This Association is not organized for profit. No member, member of the Executive Board, officer or Person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any member of the Executive Board, officer or member; provided, however, always (1) that reasonable compensation may be paid to any member, Director or officer while acting as a professional, consultant, agent or employee of the Association for services rendered on behalf of the Association, and (2) that any member, Director or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.