

AMENDED AND RESTATED
BYLAWS
OF
THE ANACONDA CONDOMINIUM ASSOCIATION, INC.

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**AMENDED AND RESTATED
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OF
THE ANACONDA CONDOMINIUM ASSOCIATION, INC.**

**ARTICLE I
DEFINITIONS**

1.01 Declaration.

As used herein "Declaration" means the Amended and Restated Declaration of Covenants, Conditions and Restrictions for The Anaconda Condominiums, recorded on _____, 1996, 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 given to them in the Declaration.

**ARTICLE II
OFFICES**

The Association is a Colorado nonprofit corporation, with its principal office at 035 Wheeler Place, Suite 102, Copper Mountain, Colorado 80443-3216. 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.

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

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 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 between Memorial Day and Labor Day of each year at a convenient location in the State of 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.

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 twenty-five percent (25%) of the Memberships then-outstanding, and shall be held at a convenient location in the State of Colorado, to be selected by the Executive Board.

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 regular 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 ten (10) nor more than fifty (50) 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 Order of Business.

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

- (a) Roll call
- (b) Proof of notice of meeting, or waiver of notice
- (c) Reading of minutes
- (d) Reports of officers
- (e) Reports of committees
- (f) Election of Directors
- (g) Unfinished business
- (h) New business

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. Pursuant to Section 7.01 of the Articles, the Board shall consist of three to five directors. The number of Directors shall be three until this Section 5.01(a) is amended. Each Director 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 organizational Owner or Lessee. Each Director shall serve a one-year term, and shall be elected annually by the members entitled to vote at the annual meeting. Each Director shall hold office until the election and qualification of his successor or until his earlier death, resignation or removal. Any amendment of this paragraph shall provide that the term of at least one-third ($\frac{1}{3}$) of the Directors shall expire annually (such that at least one Director will always be elected on an annual basis).

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 members then entitled to vote at an election of Directors. 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. A Director selected to fill a newly created directorship shall hold office until the next annual meeting of the members.

5.03 Powers.

Except as provided to the contrary in the Declaration, the Articles and these Bylaws, the Executive Board may act on behalf of the Association in accordance with Section 7.01 of the Articles.

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 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 the State of Colorado or by telephonic conference call 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 shall constitute a quorum for the transaction of business, but a lesser number may adjourn any meeting. The Executive Board may conduct a meeting by any means of communication by which the 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 Managing Agent.

The Executive Board, by resolution adopted by a majority of the Directors in office, may designate and appoint a managing agent (the "Managing Agent") of the Association. Such Managing Agent shall always be responsible to the Executive Board and shall have and exercise all the authority of the Executive Board, except that such Managing Agent shall not have the authority of the Executive Board in reference to electing, appointing or removing any officer or manager of the corporation; 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 corporation 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. Nothing contained herein shall be construed as relieving the Board of its responsibilities under the Declaration. If, and to the extent that, the Executive Board delegates its powers relating to the collection, deposit, transfer or disbursement of Association funds to a manager or Managing Agent, or both, such manager or Managing Agent, or both shall:

(a) maintain fidelity insurance coverage or a bond in an amount not less than \$50,000 or such higher amount as the Executive Board may require, the premiums of which shall be paid by the Association;

(b) maintain all funds and accounts of the Association separate from the funds and accounts of any other associations managed by the manager or managing agent, and maintain all reserve accounts of each association so managed separate from operational accounts of the Association; and

(c) have prepared and present to the Association a periodic accounting for Association funds and a financial statement, which accounting and financial statement shall be prepared by the managing agent, a public accountant, or a certified public accountant.

5.10 Compensation.

The Association shall not pay compensation to any member of the Executive Board for services provided in the capacity of a Director, but may reimburse Directors for out-of-pocket expenses incurred in that regard.

5.11 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.

5.12 Alterations and Improvements.

Any exterior modifications to a Unit must be pre-approved by the Copper Mountain Architectural Control Committee. All subdivisions, partitions and relocation of the boundaries of a Unit, and all alterations and improvements to the Project must be made in accordance with all applicable laws, rules, regulations, and building codes. Any subdivision, partition or relocation of the boundaries of a Unit, and any alteration or improvement to the Project affecting the Common Elements may be approved by the Executive Board on the conditions that (a) the Executive Board delivers written notice thereof to all members, and (b) not more than one member delivers a written objection thereto to the Executive Board within 30 days after the delivery of such notice to the members. If more than one member delivers written objection within such 30-day objection period, the Executive Board will call a special meeting for the purpose of voting on such subdivision,

partition, boundary relocation or alteration or improvement, and a majority vote of all votes allocated to the Memberships entitled to vote and represented at such meeting either in person or by proxy will prevail. Owners and Lessees shall not commence any such subdivision, partition, boundary relocation or alteration or improvement described in this paragraph 5.12 before the earlier to occur of (i) the termination of the 30-day objection period if two or more members do not object, or (ii) if two or more members object within the 30-day objection period then the date on which the members approve the same by the vote described in this paragraph 5.12. Notwithstanding the foregoing, the Executive Board may approve an alteration or improvement that is for all practical purposes, identical to one previously approved by the Association, and member approval shall not be required therefor. Any subdivision, partition or relocation of the boundaries of a Unit shall be subject to mortgagee approval as set forth in Section 14.03(c) of the Declaration.

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 of whom shall be appointed from among the Board of Directors to serve for terms not exceeding one (1) year as prescribed by the Board. 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. One person may hold any two offices, except that the President shall not hold any other office. 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 action of 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.

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 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: The Anaconda Condominium Association, Inc., 035 Wheeler Place, P. O. Box 3216, Suite 102, Copper Mountain, Colorado 80443-3216.

ARTICLE IX
SECURITY INTEREST IN MEMBERSHIP

Members entitled to vote shall have the right irrevocably to constitute and appoint a 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 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 Mortgagee with the secretary of the Association at such time or times as the 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 Mortgage 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 Mortgagee the duties and obligations of a member.

ARTICLE X
ACCOUNTING PROCEDURES

10.01 Collections.

The Association collects Assessments from the members to provide for the operation, management, maintenance and repair of the Project.

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; and

(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

ARTICLE XI
AMENDMENTS

The members may, by the vote of the holders of a majority of the votes of all Memberships entitled to vote and represented in person or by proxy, 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. The Executive Board shall not have the right to amend the Bylaws.

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 January 1 to December 31, 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. Rent receipts received by the managing agent or Executive Board shall be deemed the property of the Owner or Lessee to whom such rent receipts are attributable, and deposits to the Association bank account shall be deemed only as a convenience to such Owner or Lessee.