

BY-LAWS OF  
TELLURIDE LODGE ASSOCIATION

ARTICLE I

OFFICES

The principal office of the corporation shall be c/o The Telluride Lodge, Telluride, Colorado. The Board of Directors in its discretion may keep and maintain other offices within or without the state of Colorado whenever the business of the corporation may require.

ARTICLE II

MEMBERSHIPS

1. Memberships. There shall be one membership in the corporation for each Condominium Unit, as defined in the Declaration—The Telluride Lodge (hereinafter referred to as “Declaration”) recorded in Book [?] , Pages [?] of the records of the County Clerk and Recorder of San Miguel County, Colorado, and the memberships shall have the percentage vote as is set forth therein. No person or entity other than an owner of a Condominium Unit may be a member of the corporation.

2. Transfer of Membership. A membership in the corporation and the share of a member in the assets of the corporation shall not be assigned or transferred except as provided in the Declaration, as amplified by the Articles of Incorporation of Telluride Lodge Association (hereinafter referred to as “Articles of Incorporation”). The corporation shall be entitled to treat the person or persons in whose name or names the membership is recorded on the books and records of the corporation as the member until such time as evidence of a transfer of title, satisfactory to the corporation, has been submitted to the Secretary.

3. Voting Rights. Where the vote of the members is required or permitted by the statutes of Colorado, the Declaration, the Articles of Incorporation or these By-laws, any one of the co-owners of a membership present or represented by proxy shall be accepted automatically by the corporation as the agent and attorney in fact for other co-owners not present or represented by proxy, for the purpose of casting the percentage vote of that membership. Voting by proxy shall be permitted. Proxy must be executed in writing by the owner or co-owner or his duly authorized attorney in fact and must be filed with the Secretary before the appointed time of each meeting. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy. The corporation may suspend the voting rights of a member for failure to comply with rules and regulations of the corporation or for failure to comply with any other obligations of the owners of a Condominium Unit under the Declaration.

4. Voting by Mail. The Board of Directors may decide that voting of the members on any matter required or permitted by the statutes of Colorado, the Declaration, the Articles of Incorporation or these By-laws shall be by mail.

In case of election of directors by mail, the existing Board of Directors shall advise the Secretary in writing of the names of proposed directors sufficient to constitute a full Board of Directors and of a date not less than 50 days nor more than 75 days after such advice is given by which all votes are to be received. The secretary within 5 days after such advice is given shall give written notice of the number of directors to be elected and of the names of the nominees to all owners and co-owners of each membership. The notice shall state that any such owner or co-owner may nominate an additional candidate or candidates, not to exceed the number of directors to be elected, by notice in writing to the Secretary at the specified address of the principal office of the corporation, to be received on or before a specified date 15 days after such specified date the Secretary shall give written notice to all owners or co-owners of a membership stating: (a) the number of directors to be elected; (b) the names of all persons nominated by the Board of Directors and by the members on or before said specified date; (c) that each owner or co-owner may vote by mail and shall have a right to cumulate his votes by giving one candidate as many votes as the number of directors multiplied by the number of votes or fractional votes which he has a right to cast shall equal, or by distributing such votes on the same principle among any number of such candidates; and (d) the date established by the Board of Directors by which such votes must be received by the Secretary at the address of the principal office of the corporation, which shall be specified in the notice. Votes received after that date shall not be effective. All persons elected as Directors pursuant to such an election by mail shall take office effective on the date specified in the notice for receipt of such votes.

In the case of a vote by mail on any matter required or permitted by the Declaration, or in the case of a vote by mail on any proposed amendment to the Articles of Incorporation or these By-laws, the Secretary shall give written notice to all owners or co-owners of each membership which notice shall include a proposed written resolution setting forth a description of the proposed action, and shall state that such persons are entitled to vote by mail for or against such proposal and stating a date not less than 20 nor more than 50 days after the date such notice shall have been given on or before which all votes must be received and stating that they must be sent to the specified address of the principal office of the corporation. Votes received after that date shall not be effective. Any such proposal relating to a matter under the Declaration requiring a decision of the members shall be adopted if approved in the manner provided in the Declaration. Any proposal to amend the Articles of Incorporation shall be adopted if approved by the affirmative vote of not less than two-thirds of the votes entitled to be cast on such question. Any proposals relating to an amendment of these By-laws shall be adopted if approved in the manner provided herein.

Delivery of a vote in writing to the principal office of the corporation shall be equivalent to receipt of a vote by mail at such address for purpose of this paragraph 4.

5. Annual Meeting.<sup>1</sup> An annual meeting of the members for the purpose of voting on such matters as properly may come before the meeting shall be held on the second Saturday in February of each year, commencing February, 1974; provided, however, if deeds to not less than 51% of the Condominium Units built on the Initial Real Property referred to in Article VI (b) of the Articles of Incorporation have been delivered to the buyers of such Condominium Units prior to such date in February, 1974, or if a period of one year from delivery of the first deed to a buyer of a Condominium Unit will expire prior to February 1974, the first annual meeting shall be held within 30 days after 51% of such deeds have been delivered or prior to the expiration of such one-year period of time. All subsequent annual meetings shall be held as provided herein, commencing with the February 1975, meeting.

6. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors or by written request of ten percent or more of the members and shall be held at a convenient location in Telluride, Colorado, to be selected by the person calling the meeting.

7. Notices, Waiver. Notices of annual and special meetings of the members must be given in writing and must state the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called. Such notices shall be delivered not less than 10 nor more than 50 days before the date of the meeting, by or at the direction of the President, or the Secretary, or the persons calling the meeting, and shall be given to each owner or co-owner of a membership entitled to vote at such meeting. The place, day and hour of such meetings shall be reasonable.

Any notice given pursuant to this Article II, shall be deemed to be delivered when deposited in the United States mail addressed to such owner or co-owner at his address as it appears on the records of the corporation, with postage thereon prepaid.

Written waiver of notice signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

8. Quorum; Vote Required; Adjournment. One-half of the votes, represented in person or by proxy, shall constitute a quorum at any meeting of members. If a quorum exists, the action of a majority of the votes present or represented by proxy shall be the act of the members. If a quorum does not exist, a majority of the votes present in person or by proxy may adjourn the meeting to a time not less than 48 hours nor more than 30 days from the date of the meeting, at which meeting one-fourth of the votes, represented in person or by proxy, shall constitute a quorum without further notice other than announcement of the meeting.

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<sup>1</sup> Amended. See Article VIII, Amendments

9. Action of Members Without a Meeting. Any action required to be taken, or any action which may be taken, at a meeting of the members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the owners and co-owners of memberships entitled to vote with respect to the subject matter thereof.

## ARTICLE III

### BOARD OF DIRECTORS

1. Number. The Board of Directors shall consist of five members. The number of directors may be increased or decreased by amendment for these By-laws; provided, however, that the number of directors shall not be reduced to fewer than three, nor increased to more than seven; and, provided further, that no decrease in the number of directors by amendment of these By-laws shall have the effect of shortening the term of any incumbent director.

2. Qualifications; Election; Term. Directors need not be members of the corporation, need not be residents of the State of Colorado, and shall be elected by members of the corporation at their annual meeting or by mail as provided above. Elections of directors shall be subject to Article VI (b) of the Articles of Incorporation. Directors shall serve a term of one year and until their successors are duly elected and qualified.

3. Removal; Resignation: At any meeting of members, the notice of which indicates such purpose, directors may be removed in the manner provided in this paragraph. The entire board of directors or any lesser number may be removed, with or without cause, by a vote of a majority of the votes entitled to be cast at an election of directors. If less than the entire board is to be removed, no one of the directors may be removed if a sufficient number of votes are cast against his removal, which, if then cumulatively voted at an election of the entire Board of Directors, would be sufficient to elect him. Any director may resign by submitting a written notice to the Board stating the effective date of his resignation, and acceptance of the resignation shall not be necessary to make the resignation effective.

4. Vacancies. Any vacancy in the board of Directors and any directorship to be filled by reason of an increase in the number of directors may be filled by an affirmative vote of a majority of the remaining directors, though less than a quorum, of the Board. A director selected to fill a vacancy on the Board shall hold office for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors may be filled by the board of Directors for a term of office continuing only until the next election of directors.

5. Meetings. There shall be a regular annual meeting of the Board immediately following the annual meeting of the members of the corporation, and the Board may establish regular meetings to be held at such other places and at such other times as it may determine from time to time. After the establishment of the time and place for such regular meetings, no further notice thereof need be given. Special meetings of the Board may be called by the President, or, upon written request delivered to the Secretary of the corporation, by any two directors.

6. Notices; Waivers. Three days' notice of special meetings shall be given to each director by the Secretary. Such notice may be given in person, orally, or in writing to each director. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Written waiver of notice signed by a director, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a director at any meeting shall constitute a waiver of notice of such meeting except when a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

7. Quorum; Vote Required; Adjournment. At any meeting of the Board, one-half of the number of directors acting and qualified, shall constitute a quorum for the transaction of business. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except as otherwise specifically required by law, the Articles of Incorporation or these By-laws. If a quorum does not exist, a majority of the directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting.

8. Action of Directors Without a Meeting. Any action required to be taken, or any action which may be taken, at a meeting of the directors, may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all of the directors entitled to vote with respect to the subject matter thereof.

9. Executive Committee of Board of Directors. The Board of Directors, by resolution adopted by a majority of the directors in office, may designate and appoint an Executive Committee of the Board. The number of members of the Executive Committee and the persons who shall be members thereof shall be determined by the Board, but the number of such members shall not be fewer than two. Unless limited by resolution of the Board, the Executive Committee shall have and exercise all the authority of the Board of Directors, except that such Committee shall not have the authority of the Board of Directors in reference to amending, altering, or repealing the By-laws' electing, appointing or removing any member of such Committee or any officer or director of the corporation; amending the articles of incorporation; restating the articles of incorporation, adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange of mortgage of all or substantially all of the property and assets of the corporation; authorizing the voluntary dissolution of the corporation or

revoking proceeding therefor; adopting a plan for the distribution of assets of the corporation; or amending altering or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered or repealed by such Committee. All of the provisions in these By-laws with respect to notice of meeting of directors, 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.

10. Compensation. By resolution of the Board of Directors, any director may be paid any one or more of the following: his expenses, if any, of attendance at meetings; a fixed sum for attendance at each meeting; or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

11. Insurance<sup>2</sup>

ARTICLE IV

OFFICERS

1. General. The officers of the corporation shall consist of a President, one or more Vice Presidents, a Secretary, and a Treasurer, each of whom shall be appointed by the Board of Directors, to serve for terms not exceeding three years as prescribed by the Board. The Board of Directors may appoint such other officers, agents, factors and employees as it may deem necessary or desirable. Officers may be, but need not be, directors or owners of memberships in the corporation. Any person may hold two or more offices simultaneously, except that the President shall not hold any other office.

2. President. The President shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall direct, supervise, coordinate and have general control over the affairs of the corporation, and shall have the powers generally attributable of the chief executive officer of a corporation. The President shall preside at all meetings of the members of the corporation.

3. Vice President. Vice Presidents may act in place of the president in case of his death, absence, inability or failure to act, and shall perform such other duties and have such authority as is from time to time delegated by the Board of Directors or by the President.

4. Secretary. The Secretary shall be the custodian of the records and of the seal of the corporation and shall affix the seal to all documents requiring the same; shall see that all notices are duly given in accordance with provisions of these By-laws and as required by law, and that the books, reports, and other documents and records of the corporation are properly kept and filed; shall keep minutes of the proceedings of the members, Board of Directors and Executive Committee; shall keep at the registered office of the corporation a record of the names and addresses of the owners and co-owners entitled to

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<sup>2</sup> Amended. See Article VIII, Amendments

vote; and, in general, shall perform all duties incident to the office of Secretary and such other duties as may, from time to time, be assigned to him by the board of directors or by the President. The Board may appoint one or more Assistant Secretaries who may act in place of the Secretary in case of his death, absence inability or failure to act.

5. Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the corporation, shall deposit all such funds in the name of the corporation in such depositories as shall be designated by the Board of Directors, shall keep correct and complete books and records of account and records of financial transactions and condition of the corporation and shall submit such reports thereof as the Board of Directors may, from time to time, be assigned to him by the Board of Directors or by the President. The Board may appoint one or more Assistant Treasurers who may act in place of the Treasurer in case of his death, absence, inability or failure to act.

6. Removal of Officers. Any officer may be removed by the Board of Directors whenever in their best judgment the best interests of the corporation will be served thereby.

7. Compensation. Officers, agents, factors and employees shall receive such reasonable compensation for their services as may be authorized or ratified by the Board of Directors. Appointment of an officer, agent, factor or employee shall not of itself create contractual rights to compensation for services performed as such officer, agent, factor or employee.

## ARTICLE V

### CONTRACTS, CONVEYANCES, CHECK AND MISCELLANEOUS

1. Contracts. The Board of Directors may authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of the corporation, except as otherwise specifically required by the Articles of Incorporation or by these By-laws.

2. Conveyances and Encumbrances. Corporate property may be conveyed or encumbered by authority of the Board of Directors or such other person or persons to whom such authority may be delegated by resolution of the Board. Conveyances or encumbrances shall be by instrument executed by the President or a Vice President and by the Secretary or an Assistant Secretary, or executed by such other person or persons to whom such authority may be delegated by the Board.

3. Checks.<sup>3</sup> All checks, drafts, notes and orders for the payment of money shall be signed by the President or a Vice President or the Treasurer, or shall be signed by such other officer of the corporation as shall be duly authorized by resolution of the Board of Directors.

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<sup>3</sup> Amended. See Article VIII, Amendments

4. Fiscal Year. The fiscal year of the corporation shall be May 1 to April 30.
5. Seal. The Board of Directors may adopt a corporate seal of such design as it may deem appropriate.

## ARTICLE VI

### RIGHTS AND OBLIGATIONS OF THE CORPORATION AND THE MEMBERS

1. Annual Assessments. The Board of Directors shall fix, levy and collect assessments in the manner and for the purposes specified in the Declaration and the members shall pay assessments as therein provided.
2. Other Rights and Obligations. The corporation may agree with another entity that such other entity will perform the duties of the Corporation as set forth in the Declaration.

## ARTICLE VII

### AMENDMENTS

1. Articles of Incorporation. Amendments may be made to the Articles of Incorporation in the manner provided by law by vote of the membership of the corporation at any annual meeting or special meeting of the membership, provided, that the notice of such meeting states that such amendment is to be considered. Such amendments may also be made pursuant to voting by mail as herein provided.
2. By-laws. These By-laws may at any time and from time to time be amended, altered or repealed by a vote of the membership of the corporation by mail or at any annual or special meeting provided that the notice of such meeting states that such amendment, alteration or repeal is to be considered.
3. Limitation on Amendments. No amendment of the Articles of Incorporation or of these By-laws shall be contrary to or inconsistent with any provision of the Declaration.



## ARTICLE VIII

### AMENDMENTS

1. It is hereby declared that the following paragraphs are true and exact amendments, alterations or repeals of the By-laws of the Telluride Lodge Association; that they have been implemented by a vote of the membership by mail or at any annual or special meeting; and, that if notice of such meeting did not state the intention of alteration or amendment that subsequent notice has been given for at least two years, or that it was voted into effect by a quorum of registered voters-homeowners.

#A April 9, 1977. Amendment, ARTICLE II, SECTION 5

4. Annual Meeting. An annual meeting of the members for the purpose of voting on such matters as properly may come before the meeting shall be held pursuant to notice by the Board of Directors given at least 30 days prior to said meeting, which meeting shall be held on a Saturday between March 1<sup>st</sup> and April 15<sup>th</sup>.

#B April 9, 1977. Amendment, ARTICLE V, SECTION 3

3. Checks. All checks, drafts, notes and orders for the payment of money shall be signed by the President or a Vice President or the Treasurer, or shall be signed by such employee as shall be duly authorized by resolution of the Board of Directors.

#C April 15, 1978. Amendment, ARTICLE III, SECTION 11

12. Insurance. The Board of Directors is authorized to provide officers and directors liability insurance in amounts determined to be adequate by the Board of Directors, and that the premiums on said policy shall be paid by the Association.

#D April 15, 1978 Amendment. ARTICLE II, SECTION 5

5. Annual Meeting. An annual meeting of the members for the purpose of voting on such matters as properly may come before the meeting shall be held pursuant to notice by the Board of Directors given at least 30 days prior to said meeting, which meeting shall be held on a Saturday between March 1<sup>st</sup> and June 30<sup>th</sup>.