

Received from owner about 7/20/00

BY-LAWS

for

TELLURIDE PINES HOME OWNERS' ASSOCIATION, INC.

ARTICLE I: OFFICES

The principal office of the corporation shall be located at the residence of the president of the corporation as the same may be determined from year to year.

ARTICLE II: MEMBERS

SECTION 1: Annual Meeting. The annual meeting of the membership shall be held during the month of July, the exact date, time and place of said meeting to be determined by the board of directors and the purpose of the annual meeting will be for electing officers and directors for the transaction of business for the next ensuing year, assessment of membership, and for such other general business as may come before the meeting.

SECTION 2: Special Meetings. A special meeting of the membership for any purpose, unless otherwise prescribed herein may be called by the president or by the board of directors. A special meeting shall be called by the president at the request of the holders of not less than one-tenth (1/10th) of all outstanding certificates entitled to vote at the meeting.

SECTION 3: Place of Meeting. The board of directors shall designate the place for the annual or any special meeting, but they shall endeavor to hold the same in San Miguel County or adjoining counties as may be convenient for the membership.

SECTION 4: Notice of Meeting. Written or printed notice stating the place, date and hour of the meeting, and, in the case of a special meeting, the purposes for which the meeting is called, shall be mailed, in the case of the annual meeting, thirty days prior thereto, and in the case of a special meeting, ten days prior thereto.

SECTION 5: Closing of Transfer Books or Fixing of Record Date.

For the purpose of determining certificate holders entitled to notice of or to vote at any meeting of members or any adjournment thereof, or in order to make a determination of certificate holders for any other purpose, the board of directors may provide that the certificate transfer books shall be closed for any stated period not exceeding fifty (50) days. If the certificate transfer book shall be closed for the purpose of determining certificate holders entitled to notice of or those to vote at a meeting of members, such books shall be closed for at least ten (10) days immediately preceding such meeting. In lieu of closing the certificate transfer books, the board of directors may fix in advance a date as a record date for any such determination of certificate holders, such date in any case not to be more than fifty (50) days and not less than ten (10) days prior to the date on which the particular action, requiring such determination of certificate holders is to be taken. If the certificate transfer book is not closed and no record date is fixed for the determination of certificate holders entitled to notice of or to vote at a meeting of members, the date on which notice of the meeting is mailed shall be the record date of such determination of certificate holders. When a determination of certificate holders entitled to vote at any meeting of the members has been made as provided in this section, such determination shall apply to any adjournment thereof except where the determination has been made through the closing of the certificate transfer book and the stated period of closing has expired.

SECTION 6. Voting List. The officer having charge of the certificate transfer books for certificates in the corporation shall make, at least ten (10) days before each meeting of the members, a complete list of certificate holders entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order with the addresses of and the number of shares held by each, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the principal office of the corporation and shall be subject to inspection by any certificate holder at any time during the usual business hours. Such list shall also be produced and kept open at

the time and place of the meeting and shall be subject to any inspection of any certificate holder during the whole time of the meeting. The original certificate transfer books shall be prima facie evidence as to who are certificate holders entitled to examine such list or transfer book or to vote at any meeting of certificate holders.

SECTION 7: Quorum. Fifty percent (50%) of the outstanding certificates of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of members. If less than fifty percent (50%) of the outstanding certificates are represented at a meeting, a majority of the certificates so represented may adjourn the meeting from time to time without further notice. At each adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The certificate holders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough certificate holders to leave less than a quorum.

If a quorum is present, the affirmative vote of a majority of the certificates represented at the meeting entitled to vote on the subject matter shall be the act of the certificate holders, unless the vote of a greater number is required by law, these by-laws, or the articles of incorporation.

SECTION 8: Proxies. At all meetings of members, a certificate holder may vote by a proxy executed in writing by the certificate holder or by his duly authorized attorney fact. Such proxy shall be filed with the secretary of the corporation before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the day of its execution unless a shorter time is provided in the proxy.

SECTION 9: Voting of Shares. Each outstanding share shall be entitled to one (1) vote, on each matter submitted to a vote at a meeting of members. In the election of directors, each certificate holder entitled to vote at such election shall have

the right to vote the number of shares owned by him for as many persons as there are directors to be elected and for whose election he has the right to vote. In the event more than one individual owns any outstanding certificate, the share represented by said certificate shall be divided by the number of owners thereof, and each of those owners shall have the right to vote such fractional interest in the said certificate.

SECTION 10: Voting of Certificates by Certain Owners.

Certificates standing in the name of another corporation may be voted by such officer, agent, or proxy as the by-laws of such corporation may prescribe, or, in the absence of such provision, as the board of directors of such corporation may determine.

Certificates held by an administrator, executor, guardian, or conservator may be voted by him, either in person or by proxy, without a transfer of such certificates into his name. Certificates standing in the name of a trustee may be voted by him, either in person or by proxy, but no trustee shall be entitled to vote certificates held by him without a transfer of such certificates into his name.

Certificates standing in the name of a receiver may be voted by such receiver, and certificates held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his name if authority so to do be contained in an appropriate order of the court by which such receiver was appointed. The certificate holder who pledges shares shall be entitled to vote such shares until the shares have been transferred in the name of the pledgee, and thereafter the pledgee shall be entitled to vote his shares as so transferred.

SECTION 11: Assessment of Shares. At each annual meeting, or any special meeting called for such purposes, the membership shall determine the amount to be assessed against each share for income to cover expenses and operating costs of the corporation. The assessment for any given year shall be determined by a majority vote if a quorum is present. If, however, a quorum is not present for an annual meeting,

or special meeting, and if a quorum is also not available at a continuance thereof within thirty (30) days after the date fixed for the annual meeting, or special meeting, the board of directors may fix the annual assessment. Annual assessments shall be payable within thirty (30) days after mailing of the same.

ARTICLE III: BOARD OF DIRECTORS

SECTION 1: General Powers. The business and affairs of the corporation shall be managed by its board of directors, and the officers as elected by the membership shall constitute the board of directors.

SECTION 2: Number, Tenure, and Qualification. The number of directors of the corporation shall be three (3) and shall be elected at each annual meeting of members. Each director shall hold office until the next annual meeting of members and thereafter until a successor shall have been elected and qualified. Directors need not be residents of Colorado but must be certificate holders of the corporation.

SECTION 3: Vacancies. Any director may resign at any time by giving written notice to the president or secretary of the corporation. Such resignation shall take effect at the time specified therein; and unless otherwise specified therein; the acceptance of such resignation shall not be necessary to make it effective. Any vacancy occurring in the board of directors may be filled by the affirmative vote of the majority of the remaining directors though less than a quorum. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

SECTION 4: Regular Meetings. The regular meeting of the board of directors shall be held without other notice than by these by-laws immediately after, and at the same place as, the annual meeting of certificate holders. The board of directors may provide, by resolution, the time and place, either within or outside Colorado, for the holding of additional regular meetings without other notice than such resolution.

SECTION 5: Special Meetings. Special meetings of the board of directors may be called by or at the request of the president or any two directors. The person or persons authorized to call special meetings of the board of directors may fix any place, either within or outside Colorado, as the place for holding any special meeting of the board of directors called by them.

SECTION 6: Notice. Notice of any special meeting shall be given at least seven (7) days previously thereto by written notice delivered personally or mailed to each director at his business address, or by notice given at least two days previously by telegraph. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with the postage thereon prepaid. If notice be given by telegraph, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting except where 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. 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.

SECTION 7: Quorum. A majority of the directors fixed by Section 2 shall constitute a quorum for the transaction of business at any meeting of the board of directors, but if less than such majority is present at a meeting, a majority of the directors may adjourn the meeting from time to time without further notice.

SECTION 8: Manner of Acting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors.

SECTION 9: Presumption of Assent. A director of the corporation who is present at a meeting of a board of directors at which action on any corporate matter is taken shall be presumed to assent

to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

SECTION 10: 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 they consent in writing setting forth the action so taken and if 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 the unanimous vote of the directors, and it may be stated as such in any articles or documents filed with the Secretary of the State of Colorado under the Colorado Corporation Act.

ARTICLE V: OFFICERS AND AGENTS

SECTION 1: General. The officers of the corporation who shall also be its directors shall be president, vice president, and a combined secretary and treasurer. The directors may appoint additional vice presidents or an assistant secretary and treasurer.

SECTION 2: Election and Term of Office. The officers of the corporation shall be elected at the annual meeting of members and the officers so elected shall then constitute the board of directors.

SECTION 3: President. The president shall, subject to the direction and supervision of the board of directors, be the chief executive officer of the corporation and shall have general and active control of its affairs and business and general supervision of its officers, agents and employees.

SECTION 4: Vice President. The vice president shall assist the president and shall perform such duties as may be designated to him by the president or by the board of directors. In the absence of the president, the vice president shall have the powers and perform the duties of the president.

SECTION 5: Secretary. The secretary shall: (a) Keep the minutes of the proceedings of members and directors meetings; (b) See that all notices are duly given in accordance with the provisions of these by-laws or as required by law; (c) Be custodian of the corporation's records and of the seal of the corporation and affix the seal to all documents when authorized by the board of directors; (d) Keep at its office or principal place of business a record containing names and addresses of all certificate holders and the number of shares held by each; (e) Sign with the president or a vice president certificates of corporation; (f) Have general charge of the certificate transfer books of the corporation; and (g) 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 by the president or by the board of directors.

SECTION 6: Treasurer. The treasurer shall be the principal financial officer of the corporation and shall be the same individual as the secretary. The treasurer shall have care and custody of all funds, securities, evidences of indebtedness, and other personal property of the corporation and shall deposit the same in accordance with the instruction of the board of directors. He shall receive and give receipts and acquittances for monies paid in on account of the corporation, and shall pay out of the funds on hand all bills, payrolls, and just debts of the corporation of whatever nature upon maturity. He shall perform all of the duties incident to the office of the treasurer and upon the request of the board, shall make reports as may be required at any time. He shall have such other powers and perform such other duties as may be from time to time prescribed by the board of directors or the president.

ARTICLE V: CERTIFICATES

The certificates of the corporation shall be represented by consecutively numbered certificates signed in the name of the corporation by its president or a vice president and the secretary,

and shall be sealed with the seal of the corporation, or a facsimile thereof. Certificates shall be in such form consistent with law as shall be prescribed by the board of directors. Certificates shall be issued only to persons owning land in Telluride Pines Subdivisions and shall be issued one (1) share for each lot as shown by the plat thereof. Each share shall entitle the owner or owners thereof to one (1) vote and shall be assessable in accordance with the articles of incorporation and these by-laws. It is understood that many of the lots of land in Telluride Pines Subdivisions may be purchased under contract and this being the case, even though the full consideration called for by said contract may not have been paid, the purchasers thereunder shall be considered as full participating members of the corporation, and certificates shall be issued accordingly. Should forfeiture under any of the said contracts occur, however, and upon proper proof thereof by the subdividers and developers of Telluride Pines Subdivisions, the said certificates shall be cancelled on the corporation's books and thereafter will be of no further force or effect, and if such forfeiture is completed, a new certificate will be issued to the person or persons acquiring such land as a result of said forfeiture.

SECTION 2: Lost Certificates. In case of the alleged loss, destruction or mutilation of a certificate, the board of directors may direct the issuance of a new certificate in lieu thereof upon such terms and conditions in conformity with law as may be prescribed. The board of directors may in its discretion require a bond in such form and amount and with such surety as it may determine before issuing a new certificate.

SECTION 3: Transfer of Certificates. Upon surrender to the corporation of a certificate duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, and cancel the old certificate. Every such transfer of a certificate shall be entered on the certificate book of the corporation which shall be kept at its principal office. The

corporation shall be entitled to treat the holder of record for any certificate as a holder in fact thereof, and accordingly shall not be bound to recognize any equitable claim to or interest in such share on the part of any other person whether or not it shall have express or other notice thereof except as may be required by the laws of Colorado.

ARTICLE VI: ENFORCEMENT OF RESTRICTIVE COVENANTS

SECTION 1: General. A further function of the corporation is to enforce restrictive covenants imposed upon land in Telluride Pines Subdivisions. The procedure for enforcement of the same are as provided in the articles of incorporation, restrictive covenants of record, and these by-laws, and such procedures shall be followed with respect thereto.

ARTICLE VII: MISCELLANEOUS

SECTION 1: Waivers of Notice. Whenever notice is required by law, by the certificate of incorporation, or by these by-laws, a waiver thereof in writing signed by the director or certificate holder or other person entitled to said notice, whether before, at, or after the time stated therein, or his appearance at such meeting in person or (in the case of a members meeting) by proxy shall be equivalent to such notice.

SECTION 2: Collection of Annual Assessments. If any member fails or refuses to pay the annual assessments imposed by the corporation, the corporation may collect the same by an action at law through the courts of the State of Colorado and in such event, the certificate holder shall be responsible for the costs of such proceeding, and including a reasonable attorney's fee.

SECTION 3: Seal. The corporate seal of the corporation shall be circular in form and shall contain the name of the corporation and the words "Seal, Corporation".

SECTION 4: Fiscal Year. The fiscal year of the corporation shall be as determined by the board of directors.

SECTION 5: Amendments. The board of directors shall have the power to make, amend and repeal the by-laws of the corporation at any regular meeting of the board or at any special meeting called for that purpose, except with respect to those items as are reserved to the general members as herein specified or as in the articles of incorporation specified.

Duly approved and passed at a meeting held by the board of directors for Telluride Pines Home Owners' Association, Inc., incorporated this 3rd day of October, 1973.

Ray Coffey

Harold Ross

Ray Ross