

BYLAWS

OF THE

WESTERMERE CONDOMINIUM OWNERS ASSOCIATION, INC.

I. INTRODUCTION.

The purpose of these bylaws is to establish rules and regulations for the governance of Westermere Condominium Owners Association, Inc., a not for profit corporation.

II. DEFINITIONS.

2.1 Affirmative Vote of a Majority of the Members. The affirmative vote of a majority of the members shall be achieved on any particular matter if, and only if, members representing in excess of 50% of the voting rights represented at the meeting or otherwise voting on the matter, vote in favor of the matter. Unless otherwise specified herein, an affirmative vote of a majority of the members shall be sufficient to decide any matter.

2.2 Articles of Incorporation. "Articles of incorporation" shall mean the articles of incorporation of this corporation.

2.3 Association. "Association" or "corporation" means the Colorado nonprofit corporation, formed by declarant to govern the administration of this condominium property, the members of which shall be all of the owners of condominium units. The official name of the association shall be: Westermere Condominium Owners Association, Inc. The board of directors of the association shall be elected by the members and shall manage the affairs of the association.

2.4 Board of Directors. "Board of directors" or "board" shall mean the governing board of the association elected pursuant to the applicable provisions of the declaration, articles of incorporation and by-laws and subject to the laws of the state of Colorado.

2.5 Building. "Building" means any building containing units as shown on the condominium map unless specific reference is made to one or more particular building structures located on the property or any additional property.

2.6 By-Laws. "By-laws" means the duly adopted by-laws of the association.

2.7 Commercial Unit. "Commercial unit" shall mean a condominium unit which may be used for commercial purposes in accordance with the general declaration for the Telluride Mountain Village, as amended and supplemented, and the San Miguel County Land Use Code.

2.8 Common Elements. "Common Elements" or "General Common

Elements" means all the property except the condominium units. The common elements include the improvements which are, or may be necessary or convenient to the support, existence, use, occupation, operation, maintenance, repair, or safety of the building and the units therein including but not limited to the following: (i) all the property which is not located within a unit as shown on the condominium map including specifically the air space above and below the units and the land on which the building is located; (ii) all foundations, columns, girders, beams and supports of the building; (iii) the exterior walls, to the undecorated and/or unfinished interior surfaces, thereof, the main or bearing walls of the building, the main or bearing subflooring and the roof of the building; (iv) any and all utility, service and maintenance rooms, space, fixtures, apparatus, conduits, wires, installations and central facilities or improvements for power, light, gas, telephone, television, hot and cold water, heating, refrigeration, air conditioning, chutes, ducts, flues, incineration or similar utilities which are provided for the service, safety, or maintenance of the units.

2.9 Common Expenses. "Common expenses" shall mean and include each of the following: (i) all sums lawfully assessed against the owners and their units by the association; (ii) expenses of administration, management, common utility service, maintenance, repair replacement of the common elements located within or on the property; (iii) expenses declared common expenses by provisions of this declaration, the by-laws or pursuant thereto; (iv) expense of snow removal and maintenance of public or private roadways, walkways or other areas within and/or adjacent to the property and necessary and/or convenient to the property or parts thereof; (v) expenses agreed upon as common expenses by a vote of the owners as provided herein. "Common expenses" does not include expenses arising out of the use, maintenance, repair or improvement of limited common elements.

2.10 Condominium Map. "Condominium Map" means the condominium map or plat, including any supplements or amendments thereto, of the property, filed or to be filed in the official records of the County of San Miguel, State of Colorado, showing the location of the building(s) with respect to the boundaries of the property, the boundaries of each unit, together with unit numbers identifying the units, including horizontal and vertical locations and dimensions of the building, the units, the common elements, limited common elements and such other information as may be included thereon in the discretion of the declarant pursuant to the terms of the Colorado Condominium Ownership Act.

2.11 Condominium Unit or Unit. "Condominium Unit" or "Unit" means the individual air space within the interior unfinished surfaces of the perimeter walls, floors, ceilings, closed windows

and doors as shown on the condominium map to be recorded, together with all the fixtures and improvements contained therein but not including any of the structural components of the building, if any, located within such units, such as bearing walls, floors, halls, corridors, lobbies, stairways, stairs, fire escapes, entrances, exits, roofs (except for the interior surface thereof, if a perimeter wall, floor or ceiling), foundations, columns, girders, beams, supports, shafts, installations or improvements for central utilities services such as power, light, gas and heating, elevators and other fixtures or improvements which are part of or serve more than one unit and, in general, all improvements installed for common use in the building. "Unit" also includes the undivided interest in and to the general common elements appurtenant to each unit and the right to use of limited common elements appurtenant to such unit.

2.12 Declaration. "Declaration" shall mean the condominium declaration for Westermere Condominium.

2.13 Limited Common Elements. "Limited common elements" means those common elements designated as such on the condominium map or in the declaration which are reserved for use by fewer than all the owners of condominium units.

2.14 Mortgage. "Mortgage" means any mortgage, deed of trust, or any other security instrument which encumbers a condominium unit or any part thereof.

2.15 Mortgagee. "Mortgagee" means any person named as the mortgagee or beneficiary under any mortgage or deed of trust which encumbers a condominium unit or any part thereof.

2.16 Owner. "Owner" means any person owning a condominium unit. The term "owner" shall not refer to any mortgagee, as herein defined, unless such mortgagee has acquired title pursuant to foreclosure or by any conveyance in lieu of foreclosure.

2.17 Parking Space. "Parking Space" means a portion of the property or additional property designated on the condominium map as such and to be used for the parking of motor vehicles.

2.18 Parking Space Owner. "Parking space owner" shall mean the person who owns or has the right, by lease agreement with the owner, to use a parking space, including the declarant, unit owners, third parties or the association.

2.19 Person. "Person" shall mean any individual or any legal entity, including but not limited to a corporation, trust, partnership, limited liability company, which may hold title to

real property in the State of Colorado.

2.20 Property. "Property" shall mean the real property described in section 1.2 of the declaration.

2.21 Residential Unit. "Residential unit" means a unit to be used as a residence in accordance with the general declaration for the Telluride Mountain Village, as amended and supplemented, and the San Miguel County Land Use Code.

III. PRINCIPAL OFFICE OF THE ASSOCIATION.

The principal office of the corporation shall be at 646 Mountain Village Boulevard, Telluride Mountain Village, San Miguel County, Colorado. The corporation may also have offices and may carry on its purposes at such other places within and outside the State of Colorado as the board of directors may from time to time determine.

IV. MEMBERSHIP, VOTING, QUORUM AND PROXIES.

4.1 Membership. The members of the corporation shall be as set forth in the articles of incorporation as from time to time are in force and effect.

4.2 Voting Rights. The voting rights of the members shall be as set forth in the declaration and articles of incorporation.

4.3 Quorum. A majority of the members of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at any meeting of shareholders, except as otherwise provided by the Colorado Corporation Code and the articles of incorporation.

4.4 Proxies. Votes may be cast in person or by proxy. Every proxy must be in a form approved by the board of directors and must be executed in writing. 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 months from the date of its execution, unless otherwise provided in the proxy and every proxy shall automatically be cancelled when the member granting the proxy no longer qualifies as a voting member of the corporation.

4.5 Majority Vote. At any meeting of members where a vote is required, if a quorum is present, the vote of a majority of the votes represented at the meeting, in person or by proxy, shall be the action of the members unless the vote of a greater number is required by law, the articles of incorporation, the declaration or these bylaws which from time to time are in force and effect.

V. MEETINGS OF MEMBERS.

5.1 Annual Meeting. An annual meeting of the members shall be held at 9:00 a.m on the ___th day the month of _____ each year, beginning with the year following the year of incorporation, or at such other time on such other day as shall be fixed by the board of directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday, the meeting shall be held on the next succeeding business day. This provision shall constitute notice to the members of the annual meeting and no other notice of the annual meeting shall be required.

5.2 Special Meetings. Special meetings of the members, for any purpose, unless otherwise prescribed by statute, may be called by the president, or by the board of directors, or shall be called by the president at the request of the members entitled to vote thirty (30) percent or more of the total votes.

5.3 Place of Meeting. The board of directors may designate any place, either within or outside the State of Colorado, as the place for any annual meeting or for any special meeting called by the board of directors. If no designation is made, or if a special meeting is otherwise called, the place of meeting shall be the principal office of the corporation in Colorado.

5.4 Notice of Special Meeting. Written notice stating the place, day and hour of a special meeting, the purposes for which the meeting is called, shall be given not less than ten nor more than fifty days before the date of the meeting, either personally or by mail, by or at the direction of the president, the secretary, or the person calling the meeting, to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, addressed to the member at his address as it appears in the records of the corporation, with postage thereon prepaid. If requested by the person or persons lawfully calling such meeting, the secretary shall give notice thereof at corporate expense.

5.5 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 consent in writing, setting forth the action so taken, is signed by all of the members entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect as a unanimous vote of the members, and may be stated as such in any documents filed with the Secretary of State of Colorado.

5.6 Voting. In the election of directors and other matters of business of the corporation, each member shall have the right to vote as set forth in the articles of incorporation as from time to time are in force and effect.

VI. BOARD OF DIRECTORS.

6.1 Number, Tenure and Qualifications. The business and affairs of the corporation shall be managed by a board of directors consisting of 3 directors who must be members of the corporation. The initial directors shall hold office until the election or appointment of their successors at the first annual meeting. Thereafter, directors shall be elected or appointed annually by the members at the annual meeting. Each director shall hold office until the election or appointment and qualification of his successor. If an initial director resigns, his replacement shall hold office only until the next annual meeting of the corporation. The number of directors may be changed by amendment to these bylaws except as limited by the articles of incorporation.

6.2 Resignations and Vacancies. Any director may resign at any time by giving written notice to the president or to the secretary of the corporation. Such resignation shall take effect at the time specified therein, but not retroactively; 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 a majority of the remaining directors though less than a quorum. Any directorship to be filled by reason of an increase in the number of directors shall be filled by the affirmative vote of a majority of the directors then in office at a regular meeting or at a special meeting called for that purpose, or by election at an annual meeting or at a special meeting of members called for that purpose. A director chosen to fill a vacancy or a newly created directorship shall hold office until the next annual meeting of the members and until his successor shall have been elected and qualified.

6.3 Removal of Directors. Directors may be removed at any time, with or without cause, upon the affirmative vote of a majority of members.

6.4 Declarant's Rights with Respect to Board. Notwithstanding any provisions expressly or impliedly to the contrary contained in this declaration, the articles of incorporation or bylaws of the association, declarant reserves the right to elect, select and remove directors of the association until all of the condominium units in the property have been conveyed by declarant or December 31, 1994, whichever occurs first.

6.5 Powers and Duties of the Board of Directors.

6.5.1 General Powers. The board of directors shall have and may exercise all the powers of the corporation except as are expressly conferred upon the members by law, by the articles of incorporation, the declaration or these bylaws as from time to time are in force and effect.

6.5.2 Specific Powers and Duties. In addition to its general powers, the board of directors shall have the authority and the responsibility to:

(a) administer and enforce the covenants, conditions restrictions, easements, uses, limitations, obligations and all other provisions set forth in the articles of incorporation, the declaration or the bylaws as from time to time are in force and effect.

(b) establish, make, amend, publish and enforce compliance with such reasonable rules and regulations governing operation and use of the common elements and limited common elements and the personal conduct of the members and guests, and to establish, make, amend, publish and enforce payment and reasonable charges for the use of the common elements and limited common elements.

(c) maintain in good order, condition and repair, the common elements and limited common elements and all items of personal property of the corporation used in the enjoyment of such common elements and property.

(d) obtain and maintain insurance in connection with common elements and limited common elements and related personal property in the manner and amounts provided in the declaration and such other insurance as the board of directors may consider appropriate.

(e) estimate and establish an annual budget.

(f) fix, determine, levy and collect all assessments to meet the common expenses and costs of the corporation, and to create a reasonable reserve therefor, as more fully set forth herein VIII hereof.

(g) collect promptly all delinquent assessments by suit or otherwise and to enjoin and/or seek damages from a member or guest for any violation or breach of the terms and conditions of the declaration.

(h) collect the charges, sums, liquidated damages or fees set forth in the declaration, and otherwise provided for in the corporation's articles of incorporation and these bylaws, which are in effect from time to time.

(i) issue, or cause an appropriate officer to issue, upon written demand of any member a certificate setting forth whether any assessment, charge, fine or penalty has been paid by such member. Such certificate shall be conclusive evidence against the corporation for all purposes. The corporation may charge a reasonable fee for such certificate.

(j) protect and defend the common elements and limited common elements from loss and damage by suit or otherwise.

(k) borrow funds in order to pay for any expenditure authorized by these bylaws, the declaration and the articles of incorporation as from time to time are in force and effect, including but not limited to, funds borrowed from declarant or any affiliate thereof, and to execute all such instruments evidencing such indebtedness as may be necessary or advisable.

(l) establish a bank account for the common treasury and for all separate funds which are required or may be deemed advisable by the board of directors.

(m) maintain full and accurate books and records showing all of the receipts, expenses or disbursements of the corporation. Any member may inspect such records upon reasonable notice at any reasonable time.

(n) prepare and upon request, deliver to any requesting member an annual statement showing all receipts, expenses or disbursements since

the last such statement.

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

6.5.3 Discretionary Powers. The board shall also have the power to engage the services of a manager or managing agent and to specify the delegation to such agent of certain of the board's powers and duties, provided, however, the board shall not be relieved of any of its duties imposed by the declaration.

6.6 Compensation. By resolution of the board of directors, any director may be paid his reasonable expenses incurred, if any, in furtherance of the business or affairs of the corporation. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

6.7 Regular Meetings. Regular meetings of the board of directors may be held without call or formal notice at such places within the State of Colorado, and at such times as the board may from time to time by vote determine. Any business may be transacted at a regular meeting. Until further determination, the regular meeting of the board of directors for the election of officers and for such other business as may come before the meeting may 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 at which a board of directors is elected.

6.8 Special Meetings. Special meetings of the board of directors may be called by or at the request of the president or any two directors upon prior reasonable notice of the time and place thereof being given personally to each director, or by giving notice to each director at his residence or usual place of business, or by mailing it prepaid, addressed to him at the address for him in the records of the corporation, at least ten days prior to the meeting.

6.9 Quorum. A majority of the number of directors fixed by the bylaws shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting of the board of directors at which a quorum is present shall be the act of the board except as otherwise required by law or by the articles of incorporation. If less than a quorum is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

6.10 Waiver of Notice. Before, at or after any meeting of the

board of directors, 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 board shall be a waiver of notice by him except when a director attends the meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

6.11 Informal Action Taken by Directors. Any action required or permitted to be taken at a meeting of the board of directors or any committee thereof may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the directors or all of the committee entitled to vote with respect to the subject matter thereof.

6.12 Executive Committee. An executive committee of the board may be appointed pursuant to the articles of incorporation as from time to time are in force and effect.

VII. OFFICERS AND AGENTS.

7.1 Officers. The officers of the corporation shall be a president, a secretary, and a treasurer. The first officers of the corporation shall be appointed by the first board. Thereafter, officers shall be elected annually by the members.

Each officer shall hold office until the first of the following to occur: until his successor shall have been duly elected and shall have qualified; or until his death; or until he shall resign; or until he shall have been removed in the manner hereinafter provided. Any two or more offices may be held by the same person, except the offices of president and secretary. All officers shall be eighteen years of age or older. The board of directors may appoint such other officers as they may consider necessary and advisable.

7.2 Removals and Vacancies. Any officer may be removed by the affirmative vote of a majority of the members, with or without cause, and his successor elected at any regular meeting of the members or at any special meeting called for the purpose of electing an officer for the unexpired portion of the term.

7.3 President. The president shall be elected from among the board of directors and shall be the chief executive officer of the corporation. The president shall have general charge and control of all of the corporation's business and affairs and shall perform all duties incident to the office of president. He shall preside at all member and board of directors meetings. He shall have such power and perform such other duties as from time to time may be

determined by the board of directors.

7.4 Secretary. The secretary shall:

(a) keep the minutes of the proceedings of the members, executive committee and the board of directors;

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

(c) keep at its registered office or principal place of business within or outside Colorado, a record containing the names and registered addresses of all members, the designation of the property owned or leased by each member, and, if such property is mortgaged and the mortgagee has given the Homeowners Company notice thereof, the name and address of the mortgagee;

(d) 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/her by the board of directors. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.

7.5 Treasurer. The treasurer shall be the principal financial officer of the corporation and shall: (a) have custody of, and when proper, may pay out, disburse or otherwise dispose of, all funds and securities of the corporation which may have come into his hands; (b) receive and give receipts for moneys due and payable to the corporation, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with these by-laws; (c) enter or cause to be entered regularly in the books of the corporation kept for that purpose full and accurate accounts of all moneys received or paid or otherwise disposed of by him; and (d) pay out of the funds of the corporation all bills, payrolls and other just debts of the corporation; (e) at the request of the board of directors make such reports to it as deemed appropriate by the board; (f) give the corporation a bond in such amount and with such sureties as shall be satisfactory to the board, conditioned upon the faithful performance of his duties and on the return to the corporation all property, money and records in his possession or

under his control belonging to the corporation; and (g) in general perform all duties incident to the office of treasurer and such other duties as may be assigned to him from time to time by the board of directors or the president. The treasurer may also serve as secretary. The cost of the bond to be provided by the treasurer shall be paid by the association.

VIII. CORPORATION BUDGET.

8.1 Corporation Budgets. At the first meeting of the board of directors, the corporation shall adopt a fiscal year which should be the calendar year. At such meeting, the board shall also adopt estimated budgets for the remainder of that fiscal year for both the residential and commercial units. Such budgets shall include: (a) the estimated operating costs and expenses and proposed capital expenditures which will be chargeable to the corporation to fulfill its obligations under the declaration, the articles of incorporation and the bylaws as then in force and effect; (b) the estimated income and other funds which will be received by the corporation; and (c) the estimated total amount required to be raised by assessments to cover such costs, expenses and capital expenditures of the corporation and to provide a reasonable reserve for capital improvements, repairs, and alterations. For each subsequent fiscal year, the board of directors shall, prior to the beginning of such fiscal year, adopt similar budgets which shall also include all long-term or continuing commitments of the corporation made in connection with or contemplated under any previously approved budgets. The board of directors shall make copies of the proposed budgets available to all interested members at the principal office of the corporation. At the budget meeting, members shall have the right to be heard concerning the budget; however, the board of directors shall retain the sole power to approve the budget. Special meetings may be held in like manner upon notice to consider supplementation or revision of any budget. Notice of any such special meeting shall contain a reasonably detailed description of the supplement or revision proposed. Except as emergencies may require, the corporation shall make no commitment or expenditures in excess of the funds reasonably expected to be available to the corporation through assessments, all other sources of income and borrowing.

In estimating the amount of the budgets and establishing a reserve fund, the board shall consider the experience of other condominiums of similar size, location, construction features and other relevant factors.

IX. OBLIGATIONS OF MEMBERS.

9.1 Assessments.

(a) Each member shall be obligated to pay any and all assessments levied with respect to such member's unit, and each member shall comply with any determinations made by the board of directors with respect to such assessments.

(b) If a special assessment is validly levied, each member shall be obligated to pay and shall pay to the corporation, its proportionate share of such assessment based upon the determinations made by the board of directors with respect to such assessments.

(c) Each member shall pay all charges, fines, penalties, interest or other amounts payable to the corporation in connection with or payable under the declaration, the articles of incorporation or these bylaws.

9.2 Time of Payment. The amount of any assessment, charge, fine, liquidated damage, penalty or other amount payable with respect to any member or such member's unit or site shall become due and payable as specified in the assessment, declaration, the articles of incorporation or these bylaws, as from time to time are in force and effect, or by the board of directors and any such amount which is delinquent shall bear interest at the rate of 18 percent per annum from the date due and payable unless specified otherwise.

9.3 Lien for Assessments and Other Amounts. In addition to the rights set forth in these bylaws, the articles of incorporation or the declaration, the corporation shall have a lien against each unit to secure payment of any assessment, charge, fine, penalty, liquidated damages or other amount due and owing to the corporation with respect to such unit or the owner of that unit, plus interest from the date due and payable, as specified in section 9.2, hereof, and all costs and expenses, including reasonable attorney's fees incurred by the corporation in collecting and attempting to collect the amount due. All such liens shall be junior to any first lien or encumbrance on a unit taken in good faith and for value and perfected by recording in the office of the clerk and recorder of San Miguel County, Colorado, prior to the time a notice of failure to pay any such amount is recorded in said office, describing the

site, and naming the owner of the site. Such lien may be foreclosed in the manner for foreclosures of mortgages in the State of Colorado and shall have priority over all liens and encumbrances except a first purchase money deed of trust.

9.4 Compliance with the Declaration, Articles of Incorporation, Bylaws and Rules and Regulations. Each member shall comply with all provisions of the declaration, articles of incorporation, these bylaws, and any rules and regulations issued by the board of directors a from time to time are in force and effect. The membership rights and privileges, including, but not limited to, the right to vote and the right to use facilities and functions of any member or guest, may be suspended by action of the board of directors during the period when any assessments or other amounts due relating to such member's site remain unpaid; but, upon payment of such assessments or other amounts, such rights and privileges shall be automatically restored. If the board of directors has adopted and published rules and regulations governing the use of the common elements and limited common elements and the personal conduct of any persons related thereto, the directors or the officers of the corporation may, in their discretion, suspend the rights of any such person with respect to the common elements and limited common elements, for violation of such rules and regulations for a period until such time as the violations cease. At the time such continuous violation ceases, the 30-day suspension may be applied to such person.

X. GENERAL PROVISIONS.

10.1 Reports and Payments. Any payment or report required hereunder to be made to the corporation shall be deemed to have been made in a timely fashion if sent to the principal office of the corporation by first class mail, postage prepaid, and postmarked no later than the date such payment or report is due, provided the corporation thereby actually receives such payment or report. The corporation, at its own expense shall have the right at any time during regular business hours to inspect and copy all records and to audit all accounts of any member which are reasonably related to such members' obligations hereunder to pay assessment to make reports to the corporation.

10.2 Indemnification of Corporation. Each owner shall hold harmless and indemnify the corporation and its directors, agents and employees from and against any and all costs, losses, obligations, penalties, expenses, liabilities and damages of every kind whatsoever, including court costs and all reasonable attorney's fees, incurred by or imposed upon the corporation or any of its agents or employees in the collection of such owner's or member's assessments hereunder which are not paid when due or

otherwise in the enforcement of any such owner's or member's obligations.

10.3 Binding Determination of Board. The board of directors shall have the power to determine any matter and to resolve any dispute arising out of the application, determination, payment and collection of any assessment or the making of any report provided for in these bylaws, and may promulgate such additional rules and regulations which are consistent with the provisions hereof as the board of directors may deem necessary, useful or appropriate to the reasonable and efficient administration of such provisions.

10.4 Evidence of Membership and Registration of Mailing Address. Each person on becoming a member shall furnish to the corporation a single name and address to which notices to such member may be sent. Such member shall also provide the name, address and telephone number of all mortgagees and trust deed holders of record. Each member shall notify the corporation of any changes of address or telephone number of the member and any mortgagees. As against any member, the corporation may, but shall not be obligated to, rely, for any and all purposes, on the information reflected in the most recent written notice furnished with respect to such member. The corporation shall keep and preserve the most recent written notice received by the corporation with respect to each member.

10.5 Corporation Determination as to Membership. The corporation, based upon written notices furnished by members aforesaid and based upon its own investigation, shall have the right, authority and obligation to fix and determine the number and class of votes existing with respect to each member in accordance with the declaration. The corporation shall make such determination at least annually, and in any event, as of any record date and shall make supplemental determinations from time to time as may be necessary after any record date in the light of changes which may come to its attention. The corporation shall keep records of its determinations hereunder which shall be used and may be relied upon by it for any and all purposes. No party shall be entitled to any notice or the right to vote until it has been determined by the corporation that such party is a member. Any party aggrieved by any determination of the corporation with respect to its voting rights may contest such action within 45 days after it has notice hereof by commencing a legal action in the District Court of San Miguel County, Colorado, within such 45-day period. If such action is not commenced in such period, the determination of the corporation shall be final.

10.6 Address of the Corporation. The mailing address of the corporation shall be: Westermere Condominium Owners Association,

P.O. Box 11001, Telluride, Colorado, 81435. Such address may be changed from time to time upon written notice to all members and all mortgagees or beneficiaries of deeds of trust whose names and addresses have been previously filed with the corporation.

10.7 Notice. All notices or demands which may or are required to be given pursuant to this agreement must be in writing and shall be deemed to have been given when deposited in the U.S. mail certified, return receipt requested, postage pre-paid, to the addresses provided to the corporation by members and mortgagees as provided in the declaration.

Notice shall also be deemed to have been fully given or made or sent when made in writing and hand delivered to any person. The address to which any notice, demand, or writing may be given or made or sent to any party as above provided may be changed by written notice given by such person as above provided.

10.8 Security Interest in Membership. Members shall have the right irrevocably to constitute and appoint the mortgagee or the beneficiary of a trust deed their true and lawful attorney-in-fact to vote in the corporation and to vest in the mortgagee or the beneficiary any and all rights, privileges and powers that they have as members under the articles of incorporation and these bylaws or by the virtue of the declaration as from time to time are in force and effect. Such proxy and vesting shall become effective upon the filing of notice by the mortgagee or the beneficiary with the secretary of the corporation at such time or times as the mortgagee or the beneficiary shall deem its security in jeopardy by reason of the failure, neglect or refusal of the corporation, the board of directors or the members to carry out their duties as set forth in the declaration. A release of the mortgage or other beneficiary's deed of trust shall operate to revoke such proxy and vesting. Nothing contained in this section shall be construed to relieve members, as mortgagors, of their duties and obligations as members to impose upon the mortgagee or the beneficiary of the deed of trust the duties and obligations of an owner.

XI. AMENDMENTS.

11.1. By Directors. Except as restricted by law, the articles of incorporation, the declaration or these bylaws, either declarant or the board of directors shall have power to make, amend and repeal the bylaws of the corporation at any time; provided, however, if the declarant shall make, amend and repeal any bylaw, the members or directors shall not thereafter amend the same in such manner as to defeat or impair the object of the declarant in taking such action. Declarant's power and authority to amend these bylaws shall terminate when it no longer owns property within

Westermere Condominium, sufficient to control a majority of the votes in the corporation.

11.2 By Members. The combined membership may, by the affirmative vote of a majority of the members, unless expressly made subject to a higher voting requirement by law, the articles of incorporation, the declaration or these bylaws, make, alter, amend and repeal the bylaws of the corporation at any annual meeting or at any special meeting called for that purpose at which a combined quorum shall be represented.

XII. MISCELLANEOUS.

12.1 Seal. The corporate seal of the corporation shall be circular in form and shall contain the name of the corporation, and the words, "Seal, Colorado".

12.2 Right to Inspect Records. Unit owners and their mortgagees may inspect the records of receipts and expenditures of the board of directors at convenient weekday business hours, and upon ten days' notice to the manager or the board of directors and payment of a reasonable fee, any unit owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such owner.

These bylaws were executed by the initial directors of the corporation on June 30, 1991.

Directors:

Benny J. King
