

AMENDED AND RESTATED BYLAWS

OF

THE TELLURIDE FOUNDATION

(Adopted by the Board of Directors July 3, 2003)

ARTICLE 1: PURPOSES

As provided in the Foundation's Articles of Incorporation, the Foundation is organized and operated exclusively for charitable purposes (which are all of those purposes described in Section 501(c)(3), 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code of 1986).

ARTICLE 2: PRINCIPAL OFFICE AND CORPORATE SEAL

2.1 Principal Office. The principal office of the Foundation is located at 620 Mountain Village Boulevard, Suite 2B, Telluride, Colorado 81435 (or at such other location as the Board of Directors may determine).

2.2 Corporate Seal. The seal of the Foundation, if any, will be inscribed with the name of the Foundation and the words "Colorado" and "Seal," and will be in a form approved by the Board of Directors, which may alter the same at its pleasure.

ARTICLE 3: BOARD OF DIRECTORS

3.1 Number. The affairs and activities of the Foundation will be managed by a Board of Directors. The number of Directors will be fixed by these Bylaws from time to time. Unless these Bylaws are amended to provide for a different number of Directors, there will be not more than 40 Directors of the Foundation. The Board of Directors will select a Chairperson from among them.

3.2 Qualifications. A Director of the Foundation must be an individual who is at least 18 years of age. Subject to 3.3, any other qualification will be in the discretion of the Directors who fill any vacancy as provided in 3.8.

3.3 Initial Directors. The initial Directors of The Foundation will be those persons whose names are set forth in The Foundation's Articles of Incorporation. The Articles of Incorporation will also set forth the date on which each such initial Director's initial term terminates.

3.4 Tenure. Except set forth in the Articles of Incorporation, a Director will hold office for a two year term or, if earlier, until such person's resignation, removal, incapacity or death. Additionally, the following members of local government bodies will hold office as a Director as long as he or she holds the respective government position, or until his or her successor is elected and qualified: Mayor of the Town of Telluride, Mayor of the Town of

Mountain Village, a representative of the San Miguel County Board of Commissioners, Director of Social Services for San Miguel County.

3.5 Resignation. A Director may resign at any time by in writing delivered to the Board of Directors.

3.6 Removal. Any Director may be removed upon the vote of two-thirds of the other Directors.

3.7 Incapacity. A Director will cease to act if incapacitated. The rights to remove and appoint Directors and to approve bylaw amendments may not be exercised by a person who is incapacitated. Incapacity will be determined either by court order or by in writing signed by the Director's personal physician certifying that such individual no longer has capacity to act as a Director or to exercise such rights due to illness, age or any other cause.

3.8 Vacancies. If a vacancy occurs in the Board of Directors for any reason (including the end of a Director's term), such vacancy will be filled by the remaining members of the Board of Directors. Any Directorship to be filled by reason of an increase in the number of Directors will be filled in the same manner.

3.9 Delivery of Notice. Any written notice will either be actually delivered (in any manner, including personal delivery, telecopier or facsimile transmission, courier service or mail) or such writing will be deemed delivered when it is mailed, postage prepaid, certified mail, return receipt requested, to the then current mailing address of the recipient. Any notice to the Board of Directors must be made in writing to all members of the board.

3.10 Annual Meeting. The annual meeting of the Board of Directors will be held at the principal office of the Foundation on the second Monday in December of each year, at 1:30 p.m. (local time). No separate notice of the annual meeting will be required. The place, date and time of the annual meeting may be changed by notice given by the Chairperson of the Board of Directors. The annual meeting of the Board of Directors will be for the purpose of electing officers, filling vacancies in the Board of Directors and for the transaction of such other business as may come before the meeting.

3.11 Special Meetings. Special meetings of the Board of Directors (or of any committee) may be called at any time by the Chairperson of the Board of Directors and may be held within or outside the State of Colorado, at such time and place as the notice (or waiver of notice) may specify. Special meetings of the Board of Directors (or any committee) may be held without notice at any time that all Directors are present in person, and presence of any Director or member of such committee at a meeting constitutes waiver of any required notice except as otherwise provided by law. Unless specifically required by these Bylaws, neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors (or of any committee) need be specified in the notice or waiver of notice of such meeting.

3.12 Notice of Meeting. Whenever notice of a special meeting of Directors is required, such notice will be given: [a] by actual or deemed delivery (under 3.9) to each Director at least five days before the date fixed for the meeting or [b] in person or by telephone or other method capable of instantaneous transmission of voice communications or plain language document copy at least 48 hours before the time fixed for the meeting. In the case of a change relating to

the annual meeting, such notice will be given at least 30 days prior to the scheduled annual meeting date.

3.13 **Waiver.** Any Director may, in writing, waive any notice required by statute, the Foundation's Articles of Incorporation or these Bylaws (whether before or after such required notice).

3.14 **Meetings by Telephone.** Any Director may participate in any annual or special meeting (or the meeting of any committee) by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation will constitute presence in person at the meeting and waiver of any required notice except as otherwise provided by law.

3.15 **Quorum.** A quorum at any annual or special meeting of the Board of Directors (or of any committee) will consist of a one-third of the number of Directors (or members of such committee), but a smaller number may adjourn from time to time without further notice until a quorum is secured.

3.16 **Majority Action.** The act of a majority of the Directors (or committee members) present at a meeting at which a quorum is present will be the act of the Board of Directors (or committee), unless the act of a greater number is required by law, the Articles of Incorporation, or these Bylaws.

3.17 **Action Without a Meeting.** Any action required by law to be taken at a meeting of Directors (or committee), or any other action which may be taken at a meeting of Directors (or committee), 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 committee members). Any such consent will have the same force and effect as a unanimous vote, and may be signed in counterparts.

3.18 **Compensation.** Directors will serve without compensation, as a community service. However, all Directors will be entitled to reimbursement for reasonable and necessary expenses incurred in connection with service to the Foundation. A Director who is employed by the Foundation as an officer or otherwise may be paid a reasonable salary for such employment as provided in 4.4 (provided that no Director will vote on his or her own salary as an employee).

3.19 **Director Liability.** As provided in the Foundation's Articles of Incorporation, no Director will have personal liability to the Foundation for breach of fiduciary duty as a Director, except that a Director will be liable to the Foundation for monetary damages for: [a] any breach of the Director's duty of loyalty to the Foundation; [b] any act or omission which is either not in good faith or involves intentional misconduct or a knowing violation of the law; [c] any transaction from which the Director derived an improper personal benefit; and [d] any prohibited distributions made to the extent Director liability is required by the Colorado Revised Nonprofit Corporation Act.

3.20 **Indemnification.** With respect to any liability incurred in any proceeding to which an individual is made a party because he or she is or was a Director, the Foundation will indemnify such individual to the fullest extent permitted by governing law. This includes any mandatory indemnification and any court-ordered indemnification that is set forth, either directly or by reference, in the Colorado Revised Nonprofit Corporation Act then in effect. In addition,

the Foundation will advance reasonable expenses to a Director with respect to any such proceeding to the fullest extent permitted by governing law.

3.21 Committees.

(a) The Board of Directors may by resolution designate from among its members an Executive Committee and one or more other committees, each of which will have and may exercise such authority in the management of the Foundation as will be provided in such resolution or in these Bylaws. The Board of Directors or such committees may also select subcommittees that may include persons who are not members of the Board, although such subcommittees have no authority to act without the approval and ratification of the Board of Directors. Committee members and subcommittee members shall serve for two years or, if earlier, until such person's resignation, removal, incapacity or death. Except as otherwise set forth below, no committee member or subcommittee member may serve on a committee or subcommittee for more than three consecutive two-year terms. A committee member or subcommittee member who has served for three consecutive two-year terms shall be eligible to serve on the same committee or subcommittee only after one year off from the committee or subcommittee. The term of each Chairperson of each committee or subcommittee shall be two years. No Chairperson of a committee or subcommittee may serve more than three consecutive two-year terms. A Chairperson of a committee or subcommittee who has served for three consecutive two-year terms shall be eligible to serve as a Chairperson of the same committee or subcommittee only after one year off as Chairperson.

(b) The Board of Directors and/or Executive Committee may make such provision for appointment of the members and Chairperson of such committees, establish such procedures to govern the activities of the committees, and delegate to the committees such authority as may be necessary or desirable for the efficient management of the property, affairs, business and activities of the Foundation; provided that the Board of Directors shall not delegate to any committee authority to: 1) adopt a plan of merger or consolidation; 2) authorize the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Foundation; 3) authorize the voluntary dissolution of the Foundation or revoking proceedings therefore; 4) adopt a plan for the distribution of the assets of the Foundation; 5) excepting the Executive Committee, elect, appoint, or remove any member of any such committee or any Director or officer; 6) adopt any amendment or restatement of the Articles of Incorporation or the Bylaws; or 7) amend, alter or repeal any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered or repealed by such committee. Unless otherwise specified in the resolution establishing a committee, its authority shall continue until terminated by the Board of Directors.

3.21.1 Executive Committee. There shall be an Executive Committee, the members of whom shall consist of the Chairperson of the Board, President, Secretary and Treasurer of the Foundation, Chairperson of the Grants Committee, Chairperson of the Development Committee, Chairperson of the Investment and Finance Committee and three at-large seats. Appointments to the three at-large seats shall be made from members of the Board of Directors who are not otherwise members of the Executive Committee. The Chairperson of the Board of Directors shall serve as the Chairperson of the Executive Committee.

The Executive Committee shall, during the intervals between the meetings of the Board of Directors and subject to such limitations as may be required by law or imposed by

resolution of the Board of Directors, have and may exercise all powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, except that those powers or authorities reserved to the Board as provided in Section 3.21.

3.21.2 Grants Committee. The Grants Committee shall have three to nine members, each of whom shall be a member of the Board of Directors. Each member shall serve only one three -year term. The Chairperson of the Grants Committee shall be selected by the Executive Committee and shall serve a one or two-year term.

The Grants Committee is established and authorized to (a) review applications and opportunities for grants and funding by the Foundation and to make recommendations for grants to be awarded by the Board of Directors; and (b) establish program and grantmaking guidelines and procedures, monitor and assess community needs, collect information about nonprofit organizations, conduct research, and search for effective or new programs which might be funded by the Foundation, and make recommendations to the Board on grant recipients and amounts.

3.21.3 Development Committee. There shall be a Development Committee which shall have no fewer than three and no more than nine members, each of whom shall be a member of the Board of Directors. The Chairperson of the Development Committee shall be selected by the Executive Committee.

During the intervals between the meetings of the Board of Directors and subject to such limitations as may be required by law or imposed by resolution of the Board of Directors, the Development Committee is authorized to and shall establish resource and asset development goals, approve a development and fundraising plan, monitor and evaluate implementation of the plan, assist in the process of developing resources and building relationships with donors, and ensure the Foundation has adequate resources and assets for its administrative operations and intended programs and grantmaking activities; except those powers or authorities reserved to the Board in Section 3.21.

3.21.4 Investment and Finance Committee. There shall be an Investment and Finance Committee which shall have no fewer than three and no more than five members, each of whom shall be a member of the Board of Directors. The Chairperson shall be selected by the Executive Committee.

During the intervals between the meetings of the Board of Directors and subject to such limitations as may be required by law or imposed by resolution of the Board of Directors, the Investment and Finance Committee is authorized to and shall review budgets initially prepared by staff, work with staff to design financial reports and ensure that reports are accurate and timely, review and monitor event budgets, oversee short and long-term investments, and recommend spending policy of investment income;

321.5 Audit Committee. There shall be an Audit Committee which shall have no fewer than three and no more than five members, each of whom shall be a member of the Board of Directors free from any relationship that would interfere with the exercise of his or her independent judgment. The Audit Committee shall select from among its members a Chairperson.

During the intervals between the meetings of the Board of Directors and subject to such limitations as may be required by law or authorities reserved to the Board, or imposed by resolution of the Board of Directors, the Audit Committee is authorized to and shall select auditors for the Foundation, meet with the auditor and respond to the auditor's recommendations, adopt the final financial statements provided by the auditor's, report to the board on the Foundation's finances and any financial irregularities, concerns, or opportunities, recommend financial guidelines to the board, review annual IRS tax return, and oversee other external and internal financial standards adopted by the Board..

3.21.6 Committee Meetings. Meetings of the committees may be called at any time by the Chairperson of that committee and shall be held at such time and place as shall be specified in the written notice, delivered by the Chairperson to each committee member. Meetings may also be held without notice at any time that all members are present in person, and the presence of any member of such committee at a meeting constitutes waiver of any required notice. Only the time and place of the meeting need be specified in the notice of meeting.

ARTICLE 4: **OFFICERS**

4.1 Officers. The officers of the Foundation shall be a Chairperson, Vice-Chairperson, President, Secretary, and Treasurer. Any offices may be held by the same individual. The Board of Directors may appoint such other officers and assistant officers, as it may deem advisable. All officers and assistant officers shall serve a term of two years or, if earlier, until such person's resignation, removal, incapacity or death. No officer may hold office for more than three consecutive two-year terms. An officer who has held office for three consecutive two-year terms shall be eligible to hold office only after one year off from holding office.

4.2 Powers and Duties. The officers of the Foundation will exercise and perform the respective powers, duties and functions as are stated below, and as may be assigned to them by the Board of Directors:

(a) The Chairperson will chair and lead the meetings of the Board and will perform all duties and have all powers commonly associated with the chair of a corporation, and such other duties and powers as the Board of Directors may designate. Upon termination of the Chairperson's term, such individual shall retain a position on the Executive Committee for one additional year.

(b) The Vice-Chairperson shall chair and lead the meetings of the Board in the absence of the Chairperson. The Vice-Chairperson shall automatically secede to the office of Chairperson upon the resignation or termination of the term of the Chairperson.

(c) The President will be the chief executive officer of the Foundation and will, subject to the control and direction of the Board of Directors, have executive management authority over the Foundation's activities. The President, unless some other person is specifically authorized by the Board of Directors or by these Bylaws, will sign all contracts and other agreements on behalf of the Foundation. The President will perform all the duties and have all the powers commonly associated with a chief executive officer of a corporation, and such other duties and powers as the Board of Directors may designate.

(d) The Secretary will keep accurate minutes of all meetings of the Board of Directors (and of any committee). The Secretary will be responsible for the giving of notice of meetings of the Board of Directors. The Secretary will be custodian of the records and of the seal of the Foundation, and will attest the affixing of the seal of the Foundation when so authorized. The Secretary will perform all the duties and have all the powers commonly associated with such office, and such other duties and powers as the president or the Board of Directors may designate.

(e) An assistant secretary may, at the request of the Secretary or in the absence or disability of the secretary, perform all the duties and have all the powers of the Secretary. Such person will also perform such other duties and have such other powers as may be assigned to such person by the President, by the Secretary or by the Board of Directors.

(f) The Treasurer, subject to the order of the Board of Directors, will have the care and custody of the money, funds, valuable papers, and documents of the Foundation. The Treasurer will keep accurate books of accounts of the Foundation's financial transactions, which will be the property of the Foundation, and will render financial reports and statements of condition of the Foundation when so requested by the president or by the Board of Directors. The Treasurer will perform all the duties and have all the powers commonly associated with such office, and such other duties and powers as the President or the Board of Directors may designate.

(g) An assistant treasurer may, at the request of the treasurer or in the absence or disability of the treasurer, perform all the duties and have all the powers of the treasurer. Such person will also perform such other duties and have such other powers as may be assigned to such person by the president, by the treasurer or by the Board of Directors.

4.3 Qualifications. Any officer of the Foundation will be an individual who is at least 18 years of age. The President must be a member of the Board of Directors of the Foundation.

4.4 Compensation. Any officer of the Foundation may receive reasonable compensation for services actually performed for the Foundation as determined by the president. In the case of the President and of the executive Director, any such compensation will be determined by the Board of Directors (excluding such officer acting as a Director). Any employment contract or other agreement relating to the compensation of any officer must be approved by the Board of Directors.

4.5 Delegation. In the event of absence or inability of any officer to act, the Board of Directors may delegate the powers or duties of such officer to any other officer, Director or person whom it may select.

4.6 Vacancies. Any vacancy occurring in the elective offices of the Foundation may be filled by vote of the Board of Directors. An officer elected to fill a vacancy will be elected for the unexpired term of such person's predecessor in office and will hold office until such person's successor is duly elected and qualified.

4.7 Removal. Any officer or agent may be removed, with or without cause, by the Board of Directors whenever in its judgment the best interests of the Foundation will be served

by such removal. Any such removal will be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent will not, of itself, create contract rights.

4.8 **Indemnification.** With respect to any liability incurred in any proceeding to which an individual is made a party because he or she is or was an officer of the Foundation, the Foundation will indemnify and advance reasonable expenses to such individual in the same manner as provided in 3.20 for Directors.

ARTICLE 5: FINANCIAL MATTERS

5.1 **Contracts.** The Board of Directors may authorize any officer or agent to enter into any contract, or to execute and deliver any instrument, in the name of and on behalf of the Foundation. Any such authority may be general, or limited to specific instances.

5.2 **Loans.** No loan will be contracted for or on behalf of the Foundation (and no evidence of indebtedness will be issued in its name) unless authorized by a resolution of the Board of Directors. Such authority may be general if confined to a maximum dollar amount specified by the Board of Directors by resolution from time to time. Such authority will otherwise be limited to specific instances.

5.3 **Checks.** All checks, drafts or other orders for payment of money, notes or other evidence of indebtedness issued in the name of the Foundation will be signed by such officer or agent of the Foundation, and in such manner, as will from time to time be determined by resolution of the Board of Directors.

5.4 **Deposits.** All funds of the Foundation not otherwise invested will be deposited from time to time to the credit of the Foundation in such banks or other depositories as the Board of Directors may select.

5.5 **Prudent Investor.** The Board of Directors will invest and manage the Foundation's assets in the same manner as would a prudent investor, exercising reasonable care, skill and caution in the context of an overall investment strategy which incorporates risk and return objectives reasonably suited to the purposes of the Foundation.

5.6 **Investment Advice.** The Board of Directors may consult on a continuing basis with one or more investment counselors concerning the investment program for the Foundation. The Board of Directors will bear no liability or accountability for any act, failure to act or for any transaction entered into on the advice of any investment counselor, as long as such person is selected and retained by the Board of Directors with reasonable care.

5.7 **Fiscal Year.** The fiscal year of the Foundation will be the calendar year.

5.8 **Accounting Method.** The Foundation will use the cash receipts and disbursements method of accounting.

ARTICLE 6: GIFTS TO THE FOUNDATION

6.1 Manner of Gift. Donors may make gifts to the Foundation by naming or otherwise identifying the Foundation, whether or not as trustee, custodian, or agent. Gifts shall vest in the Foundation upon receipt and acceptance by it. The Foundation may enter into agreements with trustees having custody of funds of the Foundation, specifying additional terms of such custody.

6.2 Terms of Gift. Each donor by making a gift to the Foundation understands that it is subject to all the terms of the Articles of Incorporation and these Bylaws and that the fund so created shall be subject to the restrictions set forth in the agreement through which the gift is accepted by the Foundation.

6.3 Donor Recommendations. Within such limits of policy as may from time to time be adopted by resolution of the Board of Directors, a donor may express a desire in the instrument of transfer that the net income and/or principal of such gift shall be distributed and used for one or more specific purposes within the general purposes of this Corporation. However, no direction may be made regarding the timing of any distribution other than by a recommendation in the instrument that some or the entire principal, as opposed to specific assets, shall not be distributed for a specified period.

6.4 Presumed Intent. Each fund of the Foundation shall be presumed to be intended (a) to be used only for charitable purposes, (b) to produce a reasonable return of net income over a reasonable period of time, which is to be distributed at least annually, or, if accumulated, is to be accumulated only in a reasonable amount and for a reasonable period for charitable purposes, and (c) to be used only so as not to disqualify the gift from deduction as a charitable contribution, gift or bequest in computing any federal income, gift or estate tax of the donor or his or her estate and not to disqualify this Foundation from exemption from federal income tax as a qualified charitable organization described in Section 501(c)(3) and 509(a)(1) of the Internal Revenue Code of 1986, as amended. A donor may not impose any material restriction or condition that prevents the Foundation from freely and effectively employing the transferred assets or the income derived therefrom, in furtherance of its charitable purposes. If a direction by the donor, however, expressed, would, if followed, result in use contrary to this presumed intent, or if the Board of Directors is advised by counsel that there is substantial risk of such result, the direction shall not be followed, but shall be varied by the Board of Directors so far as necessary to avoid such result. However, if the donor has clearly stated that compliance with the direction is a condition of the gift, then the gift shall not be accepted unless an appropriate judicial or administrative body first determines that the condition and direction need not be followed. Reasonable charges and expenses of counsel for such advice and proceedings shall be proper expenses of the Foundation.

6.5 Power to Modify. Notwithstanding any provision in these Bylaws or in any instrument of transfer creating or adding to a fund of this Foundation, the Board of Directors by the affirmative vote of a majority of Directors, shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations, if in the sole judgment of the Board of Directors, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community or communities to be served.

ARTICLE 7: MISCELLANEOUS PROVISIONS

7.1 **Application of Assets.** The assets of the Foundation will be held and applied for the purposes of the Foundation as declared in the Articles of Incorporation.

7.2 **Bylaw Purpose.** These Bylaws are adopted in order to facilitate the discharge, in an orderly manner, of the purposes of the Foundation. These Bylaws will not be construed in any way that would impair the efficient operation of the Foundation.

7.3 **Bylaw Amendments.** These Bylaws may be amended, altered or repealed, and new Bylaws may be adopted, by the Board of Directors; provided that, the full text of the proposed action must be delivered to each Director at least five days prior to the meeting at which the proposed action will be presented (unless waived in writing). No change to the Bylaws may be inconsistent with the provisions of the Foundation's Articles of Incorporation.

CERTIFICATION

I hereby certify that the above Bylaws were adopted by the Board of Directors of The Telluride Foundation, a Colorado nonprofit corporation, by minutes of action dated July 3, 2003 .

Harmon Brown
Secretary