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SILVIA DAVIS PITKIN COUNTY CLERK & RECORDER 5.00

STATE OF COLORADO

DEPARTMENT OF
STATE

CERTIFICATE

I, NATALIE MEYER, Secretary of State of the State of Colorado hereby certify that ACCORDING TO THE RECORDS OF THIS OFFICE,

THE PINES - EAST VILLAGE HOMEOWNER'S ASSOCIATION, INC.
(COLORADO NONPROFIT CORPORATION)

FILED ARTICLES OF INCORPORATION ON SEPTEMBER 22, 1994.

Dated: SEPTEMBER 22, 1994

Natalie Meyer

SECRETARY OF STATE

FILED CO

941106157 $50.00

ARTICLES OF INCORPORATION

OF

THE PINES - EAST VILLAGE HOMEOWNER'S ASSOCIATION, INC.

305 07-22-94 11:02

The undersigned person, acting as the incorporator of a corporation under the Colorado Nonprofit Corporation Act, signs and acknowledges in duplicate the following Articles of Incorporation for such corporation and states:

ARTICLE I

The name of the corporation is The Pines - East Village Homeowner's Association, Inc.

ARTICLE II

The period of its duration is perpetual.

ARTICLE III

The corporation is organized as a non-stock, non-profit membership corporation exclusively as a homeowners' association to advance the common interests of the corporation's members, to own, operate, manage and maintain those certain portions of the property, and facilities thereon, located in Parcel G-The Pines, East Village Planned Unit Development, Town of Snowmass Village, Pitkin County, Colorado, as described in the Declaration of Covenants, Conditions and Restrictions for Parcel G-The Pines, East Village P.U.D. (the "Declaration"), executed by Snowmass Land Company, an Illinois general partnership, (the "Declarant"), and to be recorded in the office of the Clerk and Recorder of Pitkin County, Colorado, and to perform certain additional functions in accordance with the provisions of the Declaration. Terms which are defined in the Declaration shall have the same meaning when used in these Articles, unless the context clearly requires otherwise. The term Declarant as used herein shall mean and shall include the Declarant's successor and assign as designated by the Declarant in the manner provided for in the Declaration.

ARTICLE IV

The corporation shall have all powers granted to corporations by the Colorado Nonprofit Corporation Act, as amended from time to time, C.R.S. 1973, as amended Title 7 Article 20-29 and any substitute statute therefor.

ARTICLE V

No part of the net earnings of the corporation shall inure to the benefit of or be distributable to, its managers, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and

distributions in furtherance of the purposes set forth in Article III. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

ARTICLE VI

The address of the initial registered office and principal place of business of the corporation is 5131 Owl Creek Road (P. 0. Box 6119), Snowmass Village, Colorado 81615, and the name of its initial registered agent at such address is Kenneth R. Sontheim.

ARTICLE VII

The name and address of the Incorporator of the corporation is:

Kenneth R. Sontheim
P.0. Box 6119
Snowmass Village, Colorado 81615

ARTICLE VIII

The number of directors constituting the initial Board of Directors of the Corporation is three, and the names and addresses of the persons who are to serve as the initial directors are:

Kenneth R. Sontheim
P.0. Box 6119
Snowmass Village, Colorado 81615

Stark King
P.0. Box 6119
Snowmass Village, Colorado 81615

James F. Wells
P.0. Box 6119
Snowmass Village, Colorado 81615

The directors of this Association shall elect an equal number of directors of the East Village Master Association, Inc. as other Specific Parcel Associations as such are described in the Declaration.

ARTICLE IX

A. The members of the corporation shall be those persons or entities, including the Declarant, who are the owners, from time to time, of Lot Nos. 1 through 51, inclusive, PARCEL G-

THE PINES, EAST VILLAGE P.U.D. as shown on the Plat of East Village P.U.D. recorded in the office of the County Clerk and Recorder of Pitkin County, Colorado, herein called the Lots. The membership of an owner shall automatically terminate when such person or entity ceases to be an owner of any of the Lots.

B. The members shall be entitled to one vote for each of the Lots owned by such member, subject to the right of the Declarant to appoint directors of the corporation as provided for in the Declaration. Cumulative voting should not be permitted for the election of Directors.

ARTICLE X

Upon dissolution or final liquidation of the corporation, other than merger or consolidation, the assets of the corporation shall be allocated to the members in the same proportion as the number of the Lots owned by each member bears to the total number of the Lots, and shall be disbursed, net of expenses and debts of the corporation, to the members and their mortgagees, as their interests may appear.

ARTICLE XI

The corporation reserves the right to amend, alter or repeal any provisions contained in, and to add any provisions to, its Articles of Incorporation in any manner now or hereafter prescribed or permitted by the Colorado Nonprofit Corporation Act, and all rights and powers conferred upon the officers, directors and members by these Articles of Incorporation are granted subject to this reservation; provided, however, that for so long as the Declarant is a member of the corporation no provision contained in these Articles of Incorporation shall be amended, altered or repealed, nor shall any provision be added to these Articles of Incorporation, without the written consent of the Declarant.

EXECUTED this 21 day of September, 1994.

Kenneth R. Sontheim, Incorporator

CONSENT AND ACCEPTANCE OF APPOINTMENT AS REGISTERED AGENT

Kenneth R. Sontheim hereby accepts the appointment as Registered Agent of The Pines - East Village Homeowner's Association, Inc.

Kenneth R. Sontheim
Registered Agent

STATE OF COLORADO)
) ss.
COUNTY OF PITKIN)

The foregoing instrument was acknowledged before me this 21st day of September, 1994, by Kenneth R. Sontheim, Incorporator and as Registered Agent.

Witness my hand and official seal.

KARIN LAMAR NOTARY PUBLIC STATE OF COLORADO

My commission expires: April 17, 1998.

Notary Public

BYLAWS
OF
THE PINES - EAST VILLAGE HOMEOWNER'S ASSOCIATION, INC.

ARTICLE 1
GENERAL

1.1 Purpose. The Pines - East Village Homeowner's Association, Inc. ("Association") is a non-profit corporation formed, pursuant to Articles of Incorporation filed with the Colorado Secretary of State ("Articles"), to own and govern certain facilities and functions which are or will be located on real property in the Town of Snowmass Village, Pitkin County, Colorado, ("Property") as described in the Declaration of Covenants, Conditions and Restrictions for Parcel G-The Pines, East Village P.U.D. to be recorded in the office of the Clerk and Recorder of Pitkin County, Colorado ("Declaration") by Snowmass Land Company, an Illinois general partnership ("Declarant"). Terms which are defined in the Declaration shall have the same meaning when used in these Bylaws, unless the context clearly requires otherwise. The term Declarant as used herein shall mean and shall include the Declarant's successor and assign as designated by the Declarant in the manner provided for in the Declaration.

1.2 Binding Effect. All present and future Owners and their Lessees or other persons who might use the Property are subject to the regulations set forth in these Bylaws. The mere acquisition, rental or occupancy of any Lot or the improvements thereon or the use of the Association Property will signify that these Bylaws are accepted, ratified and will be complied with.

ARTICLE 2
MEMBERSHIP AND VOTING RIGHTS

2.1 Membership. The Members of the Association shall be as provided for in the Articles.

2.2 Voting Rights. The voting rights of the Members shall be as provided for in the Articles.

2.3 Designation of Voting Member.

(a) If a Lot has only one Owner, that person or entity shall have the right to vote with respect to such Lot, provided that if the Owner is a legal entity, the entity shall designate a voting agent and register his name with the Secretary. Otherwise, the vote may be cast by any person present at a meeting of the Members who purports to be the agent of the entity or, if there is more than one such person, the vote must be cast in accordance with their unanimous agreement. There is unanimous agreement if either of the agents casts a vote without prompt protest to the presiding officer of the other agent(s). With respect to mail-in votes, if no designated agent has been registered with the Secretary, the Association is entitled to mail all voting materials, in care of the entity, at its last known address, and may accept whatever voting materials are returned by the entity.

(b) If a Lot has more than one Owner, the Owners may designate a voting agent and register his name with the Secretary. If no such registration is made, the vote may be cast by any Owner present at a meeting of the Members or, if more than one of the Owners is present, the vote must be cast in accordance with their unanimous agreement. There is unanimous agreement if any one of the multiple Owners casts his Lot's vote without protest being made promptly to the presiding officer by any other multiple Owner. Votes by mail may be cast only through a representative selected by the Owners and registered with the Association. If no representative is registered with the Association the Board may send all voting materials to any one Owner, who is then entitled to vote on behalf of the Lot.

2.4 Election of Directors. The election of Directors shall be subject to the right of the Declarant to appoint Directors as provided for in the Declaration. Cumulative voting shall not be permitted in the election of Directors.

2.5 Majority Vote. Unless otherwise expressly provided in these Bylaws or the Declaration, any action which may be taken by the Association may be taken by a majority vote of a quorum.

2.6 Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Members representing at least 50% of the total votes of the Association then entitled to be cast, shall constitute a quorum. A quorum shall be deemed present throughout any meeting of the Members if a quorum was present at the beginning of such meeting.

2.7 Proxies. Votes may be cast in person or by proxy. If a Unit is owned by more than one person, each Owner of the Lot may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. An Owner may not revoke a proxy except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven (11) months after its date, unless it provides otherwise. Upon conveyance by the Member of title to his Lot a proxy shall automatically cease to be effective.

ARTICLE 3
MEETINGS OF MEMBERS

3.1 Place of Meetings. Meetings Of the Members shall be held at a suitable place designated by the Board of Directors of the Town Of Snowmass Village, Pitkin County, Colorado.

3.2 Annual Meetings. The annual meetings of the Members shall be held at a time designated by the Board of Directors in the month of September in each year, for the purpose of electing Directors and for the transaction of such other business as may come before the meeting.

3.3 Special Meetings. Special meetings of the Members may be called by the President, or by a majority of the Board of Directors, or by Members having twenty percent (20%) of the votes of the Association.

3.4 Attendance. Meetings shall be open to attendance by all Members, any persons holding currently valid voting proxies of Members, and the designated representatives of the First Mortgagees of record.

3.5 Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting to each member of record and to each First Mortgagee of record if such First Mortgagee has filed a written request for such notice together with a current address with the Secretary at least 10 days prior to any such meeting. The notice shall state the purpose of the proposed meeting or that it is a regular meeting, as well as the day, hour and place where it is to be held. Each notice must be sent by first class mail, postage prepaid, not less than 10 days more than 50 days prior to the date of the proposed meeting. The notice may set forth time limits for speakers and nominating procedures for the meeting. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes and any proposal to remove an officer or members of the Board of Directors.

3.6 Adjournment. If any meeting cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is obtained. Adjourned meetings may be reconvened only upon the giving of further notice as above provided.

3.7 Action Without Meeting. Any action which, under the provisions of the Colorado Nonprofit Corporation Act, may be taken at a meeting of the Members, may be taken without a meeting if such action is authorized by a writing signed by all of the Members who would be entitled to vote at a meeting and filed with the Secretary or as otherwise provided in the Colorado Nonprofit Corporation Act.

3.8 Waiver. The transaction of business at any regular or special meeting of the Members, however called and noticed, shall be valid as though transacted as a meeting duly held after regular call and notice, if a quorum be present either in person (or by proxy, and if, either before or after the meeting, each of the Members not present in person or by proxy signs a written waiver of notice, a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

3.9 Minutes. Minutes or a similar record of the proceedings of meetings of Members, when signed by the President or Secretary, shall be presumed to truthfully evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE 4
BOARD OF DIRECTORS

4.1 Directors. The affairs of the Association shall be governed by a Board of Directors composed of not less than three (3) nor more than seven (7) persons, as may be determined from time to time by the Members, except as may be otherwise provided in the Declaration. Directors may, but

need not be, Members of the Association. Directors shall not receive any salary for their services as Directors, but any Director may serve the Association in some other capacity and receive compensation therefor, and any Director may be reimbursed for his actual expenses incurred in the performance of his duties as a Director. The Directors of this Association shall be voting members of the East Village Master Association, Inc. as provided below and in the Articles and Bylaws of the East Village Master Association, Inc.

4.2 East Village Master Association, Inc. Pursuant to the Act at Section 38-33.3-220 (4) and (5), the members of the Board of Directors of this Association shall be voting members of the East Village Master Association, Inc. along with all Directors of each Specific Parcel Association created under the authority of the East Village Declaration. The Board of Directors shall elect an equal number of Directors of the East Village Master Association, Inc. as all other Specific Parcel Associations created pursuant to the East Village Declaration incorporated by reference herein. The Board of Directors of this Association shall meet annually with all other Boards of Directors of the Specific Parcel Associations, so created, to elect the Board of the East Village Master Association, Inc. as provided in the East Village Declaration and the Articles and Bylaws of the East Village Master Association, Inc.

4.3 General Powers. The Board has the powers and duties necessary for the administration of the affairs of the Association and may do all acts which are authorized by law, the Declaration, or these Bylaws directed to be exercised exclusively by the Members. The Board shall not enter into any service contract for a term exceeding three years without the approval of the Members, except for any contract with a public utility company which requires a term in excess of three years or any maintenance contract with the seller or entity related to the seller of an asset which the Association has purchased or leased.

4.4 Specific Powers. Without limitation on the general powers stated in Section 4.3, the Board is vested with, and responsible for, the following powers and duties:

(a) to elect and remove all officers of the Association, and to appoint and remove all agents and employees of the Association; to prescribe such powers and duties for them as may be consistent with law, the Articles, the Declaration, and these Bylaws; to fix their compensation; and to require from them security for faithful service when and in the amount deemed advisable by the Board;

(b) to conduct the business of the Association;

(c) to change the principal office for the transaction of the business of the Association from one location to another within the Town of Snowmass Village, Colorado, to designate any place within the Town of Snowmass Village, Colorado for the holding of any annual or special meeting of Members; and to adopt a corporate seal and to alter the form of such seal from time to time, as the Board in its sole judgment may deem best and in compliance with the provisions of law;

(d) to borrow money and to incur or assume indebtedness for the Association, and to cause to be executed and delivered therefor, in the Association's name, promissory notes, bonds,

debentures, deeds of trust, mortgages, pledges, hypothecations, or other evidences of debt and securities; provided, however, that any portion of the Association Property may be conveyed or subjected to a security interest by the Association only if persons entitled to cast at least eighty percent (80%) of the votes agree to that action;

(e) to prepare, adopt, and modify from time to time, the Association's annual budget; to fix and levy from time to time assessments upon the Owners as provided in the Declaration, to determine and fix the due date for the payment of installments of such assessments and the date upon which the same shall become delinquent; and to hold all funds collected by reason of such assessments for the Owners and in accordance with the purpose for which the assessments were collected;

(f) to establish a working capital reserve fund as set forth in the Declaration;

(g) to enforce the provisions of the Declaration; these Bylaws, its rules, deed restrictions and covenants, or other agreements of the Association;

(h) to contract and pay the premiums for insurance coverage in accordance with provisions of the Declaration and agreements with The Aspen Skiing Company or third parties requiring insurance coverage relative to the ski lifts and ski trails and to review, not less frequently than annually, all insurance policies and bonds obtained by the Board;

(i) to contract, pay for, and discharge personnel to provide Maintenance and services relating to the Association Property; to employ personnel necessary for the operation of the Association Property, including legal and accounting services; to contract and pay for alterations, improvements, and Maintenance;

(j) to grant easements to and over the Association Property;

(k) to take and hold by purchase, gift, or otherwise real and personal property for the Association, to exercise all of the rights, powers and privileges of ownership to the same, and to use, manage, mortgage, sell, transfer, lease, license, or otherwise dispose of any such property or any interest therein; provided, however, that any portion of the Association Property may be conveyed or subjected to a security interest by the Association only if persons entitled to cast at least eighty percent (80%) of the votes agree to that action;

(l) to adopt and amend, by majority vote, such rules consistent with the Declaration, the Articles and these Bylaws as the Board may deem necessary for the management and operation of the Association Property;

(m) to enter into a management agreement with a managing agent to perform such duties and services as the Board shall authorize, to the extent such services and duties do not require the collective decision-making authority of the Board, including but not limited to the duties listed in Section 4.4 other than this Subparagraph (m); provided, that, if the Association delegates the powers of an executive board or officers relating to collection deposit, transfer, or disbursement of Association funds to other persons or to a managing agent, the following shall be required:

(i) That the other persons or managing agent maintain fidelity insurance coverage or a bond in an amount not less than fifty thousand dollars or such higher amount as the executive board may require;

(ii) That the other persons or managing agent maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the other persons or managing agent and maintain all reserve accounts of each association so managed separate from operational accounts of the association;

(iii) That an annual accounting for association funds and a financial statement be prepared and presented to the association by the managing agent, a public accountant, or a certified public accountant.

(n) to enter into agreements with third parties for the Maintenance of the Association Property and maintenance of the Easements for the benefit of the Association, including with limitation the grooming of the ski trails and maintenance of ski lift;

(o) to establish and prescribe the standards of care for the maintenance of such Association property and the Easements for the benefit of the Association;

(p) to establish orderly procedures for giving notice and an impartial hearing to any Owner who is alleged to be in default in paying his assessments or the installments thereof or to have violated the Declaration, Articles these Bylaws, or the Association's rules;

(q) to obtain a fidelity bond or fidelity insurance on behalf of the Board.

4.5 Election of Directors. Subject to the right of the Declarant to appoint and remove Directors as provided for in the Declaration, the initial Board of Directors designated in the Articles shall serve until the first annual meeting of Members, and, thereafter, the Directors shall be elected by the Members. Any person serving as Director may be reelected, and there shall be no limitation on the number of terms which he may serve. Any person desiring to be a candidate for Director shall submit a written statement to that effect to the Secretary, signed by the candidate, or be nominated orally by a Member at the meeting at which voting is to occur.

4.6 Terms of Office. The Directors shall serve for a term of one (1) year and/or until their respective successors are elected.

4.7 Vacancies. A vacancy shall be deemed to exist in the case of death, resignation, an adjudication of the incompetence of any Director, or in case the Members fail to elect the full number of authorized Directors at any meeting at which such election is to take place. Subject to the right of the Declarant to appoint Directors as provided for in the Articles and the Declaration, a vacancy in a Director's seat, caused by any reason other than the removal of a Director by a vote of the Members or Declarant, shall be filled by a vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the Members or at a special meeting of the Members called for that purpose.

4.8 Removal. At any annual or special meeting of the Members duly called, if the prior notice of the meeting states this as one of its purposes, any one or more of the Directors may be removed with or without cause by sixty-seven percent (67%) of the Members present in person or by proxy, other than a director appointed by the Declarant. A successor or successors may then and there be elected to fill the vacancy thus created. Any such successor shall serve for the unexpired term of his predecessor in office. Any Director whose removal has been proposed by any Member shall be given an opportunity to be heard at the meeting, if he is present. This Section shall be subject to the right of the Declarant to remove and appoint Directors as provided for in the Articles and Declaration.

4.9 Board Meetings. The first meeting of the newly elected Board shall be held as soon as practicable following the meeting at which the Board is elected. Other regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a resolution adopted by the majority of the Directors, but at least one such meeting shall be held during each fiscal year. Notice of regular meetings of the Board (other than the first meeting of the newly elected Board) shall be given by the Secretary to each Director, personally or by mail, telephone, or telegraph, at least two days prior to the date set for such meeting.

4.10 Special Board Meetings. Special meetings of the Board may be called by the President or, if he is absent or refuses to act, by the Vice President or by any two Directors. At least two days' notice shall be given by the Secretary to each Director, personally or by mail, telephone, or telegraph. Such notice shall state the time, place, and purpose of the meeting. If service is by mail, each such notice shall be sent, postage prepaid, to the address reflected on the records of the Association and shall be deemed given, if not actually received earlier, at 5:00 p.m. of the second day after it is deposited in a regular depository of the United States mail. Whenever any Director has been absent from any special meeting of the Board, an entry in the minutes to the effect that notice has been duly given shall be presumptive evidence that due notice of such meeting was given to such Director.

4.11 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 and receipt of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at a meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.

4.12 Quorum. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board. A quorum shall be deemed present throughout any meeting of the Directors if a quorum was present at the beginning of such meeting. If at any meeting of the Board there is less than a quorum, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, which shall be reconvened only upon the giving of notice as above provided, any business which might have been transacted at the meeting as originally called may be transacted.

4.13 Consent by Directors. The Directors shall have the right to take any action without a meeting which they could have taken at a meeting by obtaining the vote or written consent of all the Directors or as otherwise provided in the Colorado Nonprofit Corporation Act, as amended from time to time. Any action so approved shall have the same effect as though taken at a meeting of the Board.

4.14 Committees. The Board may, by resolution, from time to time designate such committees as it shall desire and may establish the purposes and powers of each such committee created. The resolution establishing the committee shall provide for the appointment of its members, as well as a chairman, shall state the purposes of the committee, the specific powers delegated to it, and shall provide for such reports, termination, and other administrative matters as the Board deems appropriate.

ARTICLE 5
OFFICERS

5.1 Officers. The Association shall have a President, one or more Vice Presidents, a Secretary, and a Treasurer (who may be the Secretary). All such officers shall be elected by the Board and hold office at its pleasure. Only the President need be a Director, although other officers may be Directors.

5.2 Removal. Upon an affirmative vote of a majority of the entire Board, any officer may be removed, either with or without cause, and his or her successor elected except as otherwise provided in the Articles and Declaration. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary, such resignation taking effect at the date of receipt of the notice or at any later time specified therein, and unless otherwise specified in the notice, acceptance of such resignation by the Board shall not be necessary to make it effective.

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

5.4 President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties which are usually vested in the office of the President of a corporation, including but not limited to the power to appoint committees from among the Members from time to time as he may deem appropriate to assist in the conduct of the affairs of the Association. The President shall be ex officio a member of all standing committees and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

5.5 Vice President. The Vice President (in order of designation at the time of appointment, if more than one) shall take the place of the President and perform his duties whenever the President shall be absent, disabled, unwilling, or unable to act. If neither the President nor any Vice President is able to act, the Board shall appoint some member of the Board to do so on an

interim basis. The Vice President Shall also perform such other duties as shall from time to time be imposed upon him by the Board or these Bylaws.

5.6 Secretary. The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Association at the principal office of the Association or at such other place as the Board may order. The Secretary shall perform all other duties given to him by the Board or these Bylaws. The Secretary shall keep the seal of the Association, shall have charge of such books and papers as the Board of Directors may direct, shall give or cause to be given notices of meetings of the Members and of the Board, shall maintain a book of record Members listing the names, addresses, and telephone numbers of the Members as furnished to the Association, and shall ascertain, certify, record, and publicize the outcome of all votes taken by the Directors or the Members, as the case may be. The Secretary shall also be responsible for all filings required by law, except tax returns. The Secretary shall also be responsible for the preparation, execution, certification and recordation of any amendments to the Declaration, Articles or Bylaws on behalf of the Association.

5.7 Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping, or causing to be kept, full and accurate accounts, tax records, and business transactions of the Association, including accounts of all assets, liabilities, receipts and disbursements, and books belonging to the Association. The Treasurer's books and records shall be open to inspection by all Owners and First Mortgagees at convenient weekday business hours. The Treasurer shall make a report, at least once annually, to the Board containing the Association's balance sheet as of the end of the fiscal period covered by the report and a statement of the Association's income and expenses for the same period. The Board shall cause to be transmitted a summary of the Treasurer's Report to each Member. The Treasurer shall co-sign with another person designated by the Board all checks and promissory notes on behalf of the Association. The Treasurer shall be responsible for keeping the assessment roll required in the fiscal management of the Association and for filing tax returns as required by law.

ARTICLE 6
FISCAL MANAGEMENT

6.1 Assessments. Assessments shall be in amounts sufficient to pay for the estimated Common Expenses, including the following expenses: Maintenance, insurance, service and leasing contracts for the Association and the Association Property, management fees, debt service, debt retirement, printing supplies and postage, employees' compensation, and taxes paid by the Association, and all other fiscal outlays required or permitted under the Declaration.

6.2 Assessment Roll. The Treasurer shall maintain an assessment roll which shall include a separate account for each Lot, except for any Lot which is Association Property. Such account shall designate the name and address of the Owner, the amount of each assessment against the Owner, the due dates of all assessment installments, the amounts paid by the Owner, and all unpaid assessments.

6.3 Statement of Assessments. Upon written request to the Treasurer by any Owner, prospective Mortgagee or purchaser of any Lot and payment of a reasonable service fee established by the Board, the Treasurer shall issue a written statement of the unpaid assessment receivable or other charges due and owing from the Owner for the Lot involved, and such statement shall be conclusive upon the Association if the person to whom it is given relies upon it in good faith. If the statement is not given within 10 days of the making of an authorized request for it, the person making the request shall, as against the Association, be entitled to assume that no assessments or other charges are unpaid, unless the lien securing the same shall have been recorded in the land records in Pitkin County, Colorado or unless the person making the request has actual notice that assessments or other charges are unpaid.

6.4 Budget. Annually it shall be the responsibility of the Board to establish and adopt an operating budget for the Association's fiscal year. The budget shall be estimated based on the previous year's budget and projected expense for the coming year. The budget shall provide for the allocation of any surplus funds remaining from any prior budget period. Within thirty (30) days after adoption of the proposed budget by the Board, the Board shall mail, by ordinary first class mail, or otherwise deliver a summary of the budget to all the Owners and shall set a date for a meeting of the Owners to consider ratification of the budget which date shall be not less than fourteen (14) days nor more than sixty (60) days after the date of mailing or delivery of the summary. Unless at that meeting a majority of all Owners reject the budget, the budget is ratified and adopted. In the event the Owners reject the proposed budget, the last budget ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Board.

6.5 Fiscal Year. The fiscal year shall be determined by the Board of Directors. This shall be the Association's budgeting and accounting period. Assessments shall be prepared, levied, and collected at such times and in such manner as to insure that sufficient funds are available for budgeted expenditures and operations when needed.

6.6 Bank Accounts. One or more bank accounts shall be maintained in the name of the Association. All checks and drafts upon the funds to the credit of the Association in any of its depositories shall be signed by such of its officers or agents and shall from time to time be determined by resolution of the Board of Directors, which may provide for the use of facsimile signatures under specified conditions; and all notes, acceptances, drafts and other evidences of indebtedness payable to the Association shall, for the purpose of deposit, discount or collection, be endorsed by such officers or agents of the corporation and in such manner as shall From time to time be determined by resolution of the Board of Directors.

6.7 Records and Inspections. The Board shall keep detailed, accurate records of the receipts and expenditures affecting the Association Property. Such records authorizing the payments shall be available for examination by the Owners at convenient weekday business hours.

ARTICLE 7
MISCELLANEOUS

7.1 Indemnification. Subject to the limitations and standards of care set forth in Sections 7.2 and 7.3 and the Act, any person who is or was a Director, officer, employee, fiduciary, or agent of the Association or is or was serving at the request of the Association as a director, manager, officer, employee, fiduciary, or agent of another corporation, partnership, joint venture, trust, or other enterprise and who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was serving in such capacity, may be indemnified by the Association to the extent and in the manner described herein. The indemnification authorized by this Section shall continue as to any person who has ceased to be a Director, officer, employee, fiduciary, or agent and shall inure to the benefit of the heirs, executors, and administrators of such person.

(a) The Association shall indemnify such person who has been successful on the merits in defense of any such proceeding against expenses, including reasonable attorneys' fees, actually and reasonably incurred by him in connection therewith.

(b) The Association shall indemnify such person against expenses, including reasonable attorneys' fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in such proceeding (other than an action brought by or in the right of the Association) if he acted in good faith and in a manner he reasonably believed to be in the best interests of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

(c) In any threatened, pending or completed action by or in the right of the Association to procure a judgment in its favor against such person, the Association shall indemnify such person against expenses, including reasonable attorneys' fees, actually and reasonably incurred by him in connection with the defense or settlement of such action, if he acted in good faith and in a manner he reasonably believed to be in the best interests of the Association. The Association shall not indemnify such person if he shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association unless and only to the extent the court in which such action was brought determines upon application that such person is fairly and reasonably entitled to such indemnity for such expenses as the court shall deem proper.

(d) Any indemnification authorized under Subparagraphs (b) and (c) (unless ordered by a court) shall be made only upon a determination that such person has met the standard of conduct set forth in such subparagraphs. Such determination shall be made by a majority of a quorum of disinterested Directors, so if a disinterested quorum is not available, or even if obtainable, if a quorum of disinterested Directors so directs, by independent legal counsel chosen by the Board in a written opinion, or by vote of the Members.

(e) Expenses (including reasonable attorneys' fees) incurred in defending such proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized in Subparagraph (d) upon receipt of an undertaking by or on behalf of such

person to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association.

The Association shall also have the power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee, fiduciary, or agent of the Association or is serving at the request of the Association in said capacity or a similar capacity of another Association against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this Section.

Rights of indemnification under this Section shall be in addition to rights which such person may otherwise be lawfully entitled.

7.2 Declarant's Acts or Omissions. Neither the Association nor any Owner except the Declarant is liable for any cause of action based upon the Declarant's acts or omissions in connection with any part of the planned community known as The Pines which the Declarant has the responsibility to maintain.

7.3 Standard of Care. If appointed by the Declarant, in the performance of their duties the officers and members of the Board of Directors are required to exercise the care required of fiduciaries. If not appointed by the Declarant, no member of the Board of Directors and no officer shall be liable for actions taken or omissions made in the performance of such members' duties except for wanton and willful acts or omissions.

7.4 Conflicts Null and Void. In case any of these Bylaws conflict with any provisions of the laws of the State of Colorado, the Articles, or the Declaration, such conflicting Bylaws shall be null and void, but all other Bylaws shall remain in full force and effect.

7.5 Amendment.

(a) By Directors. Except as committed to action by the Members or otherwise limited by law, the Articles, the Declaration or these Bylaws, the Board of Directors shall have the power to make, amend and repeal the Bylaws of the Association at any regular meeting of the Board or at any special meeting called for that purpose at which a quorum is present. However, if the Members shall make, amend and repeal any Bylaw, the Directors shall not thereafter amend the same in such manner as to defeat or impair the object of the Members in taking such action.

(b) By Members. Except as limited by law, these Bylaws may be amended by majority vote of the Members in a duly constituted meeting of Members for such purpose.

(c) Consent of Declarant. Notwithstanding the foregoing, for so long as the Declarant is a Member of the Association, these Bylaws shall not be subject to amendment or repeal without the written consent of the Declarant.

(c) Consent of Declarant. Notwithstanding the foregoing, for so long as the Declarant is a Member of the Association, these Bylaws shall not be subject to amendment or repeal without the written consent of the Declarant.

(d) References to Bylaws. From and after any amendment of these Bylaws, any references to "the Bylaws" shall be deemed to include any such amendments, unless otherwise stated.

7.6 Copy of Bylaws. This association shall keep in its office for the transaction of business the original or a copy of these Bylaws, as amended from time to time, certified by the Secretary, which shall be open to inspection by the Members and First Mortgagees at reasonable times during office hours.

7.7 Limitation of Liability. Subject to the limitations set forth in Sections 7.2 and 7.3 and the Act, the Board shall not be liable for any failure of any service to be obtained and paid for by the Board hereunder, or for injury or damage to person or property caused by the elements or by another Owner or person, unless caused by the willful and wanton acts or omissions of the Board. No diminution of abatement of Common Expense assessments shall be claimed or allowed for inconveniences or discomfort arising for the making of repairs or improvements to the Association Property or from any action taken by the Board to comply with any law, ordinance, or order of a governmental authority.

7.8 Severability. The provisions hereof shall be deemed independent and severable, and invalidity or partial invalidity or unenforceability of any provision or portion hereof shall not affect the validity or unenforceability of any other provision hereof.

7.9 Interpretation. The provisions of these Bylaws shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of a planned community. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce such provision or any other provision hereof.

The foregoing Bylaws of The Pines - East Village Homeowner's Association, Inc. were adopted by its Board of Directors with the approval and consent of Declarant on the 3rd day of October, 1996.

APPROVED:

SNOWMASS LAND COMPANY, an Illinois general partnership

By: _____
James F. Wells, as its Attorney-in-Fact, pursuant to Power of Attorney recorded in Book N/A at Page N/A in the office of the Clerk and Recorder of Pitkin County

_____
JAMES E. WELLS

_____
GUY DECARLO

_____
ALETA L. RANDALL

Estimated Homeowner's Association Budget for The Pines
1997

Management				
	Supplies		$500	
	Accounting/Audit		$2,000	
	Secretarial		$500	
	Annual Meeting		$500	
	TOTAL		$3,500	
Maintenance/Operations				
	Ski Lifts	[1,2]	$80,000	
	Snowgrooming	[1,3]	$15,000	
	Snowcat	[1,4]	$3,000	
	Landscaping		$3,000	
	Electricity		$500	
	TOTAL		$101,500	
Taxes/Insurance	General Liability Ins.	[5]	$5,000	
	Ski Lift Liability Ins.	[1,5]	$5,000	
	TOTAL		$10,000	
TOTAL			$115,000	
	Total / 51 Homeowners		$2,255	Per Homeowner
			$563.75	Per Quarter

[1] The cost of shared expenses will be reduced by an additional 10 units at the completion of the Owl Creek Homes on Parcel H.

[2] The cost of ski lifts assumes: $50,000 in labor(labor cost assumes, approximately: four persons for 5 hours a day for 7 days a week for 15 weeks at $24.00 per hour), $6,000 in electricity, $10,000 in maintenance and repairs, $10,000 in reporting, inspections, etc. and $4,000 in contingency.

[3] The cost of ski trail grooming is based on distance of trails times an estimated cost per foot in a normal snow year.

[4] The cost of Snowcat maintenance and repair shown represents half of the total, which is shared between The Pines and Two Creeks.

[5] Insurance costs are based on estimates.

* This budget assumes no additional funds for any capital improvements categories.

SPECIAL CONDITIONS
FOR LOTS IN
THE PINES SUBDIVISION
SNOWMASS VILLAGE, COLORADO

Dear Prospective Purchaser:

For your convenience, this letter coupled with the color coded map entitled "The Pines Reference Map" are intended to highlight conditions which relate to individual lots in The Pines Subdivision. All conditions are noted on the drawings and documents in your documentation package. THIS LETTER AND THE REFERENCE MAP ARE NOT TO BE CONSTRUED AS LISTING THE ONLY CONDITIONS OR RESTRICTIONS WHICH APPLY TO LOTS IN THE SUBDIVISION. Please note the contract specifies that you acknowledge receipt of all documentation relating to The Pines for your complete and thorough review and approval. We suggest that you review the documentation provided so you are fully informed.

DEVELOPMENT SUMMARY

The Pines is part of the East Village Planned Unit Development. Development approved as part of this Planned Unit Development is as follows and set out in more detail on the Land Use Plan Map:

- 51 single family lots in Two Creeks, now complete;
- 21 townhomes of 3,500 square feet each located on Parcel E, under construction and 11 townhomes of 3,500 square feet each located on Parcel H; and
- a 4,250 square foot office building plus parking for the Snowmass Land Company (SLC), now complete.

Separate from the East Village PUD are two Out-Parcels:

- Out-Parcel Number 1 is owned by GDBS at Snowmass, Inc. and is not part of the East Village Planned Unit Development; and
- Out-Parcel Number 2 was conveyed to the Aspen Skiing Company for the development of a 400 car parking lot and two skier services buildings totaling 7,000 square feet, now complete.

DRIVEWAYS/PRIVATE DRIVES

Lots 1 and 2 are served by a common driveway, which begins on Lot 2 for access to both lots. This driveway alignment must be used to access these lots. This common driveway will be constructed by SLC at the time of the infrastructure improvements to The Pines. The driveway will be 12 feet wide with 2 foot shoulders and surfaced with 3 inches of asphalt.

DRIVEWAYS/PRIVATE DRIVES CONTINUED

SLC will construct private drives to Lots 7, 8 and 12, 13, 14 and 31, 32 and 45, 46, 47. These drives will be 18 feet wide with two foot shoulders and surfaced with four inches of asphalt.

Driveway access easements are across Lot 19 for the benefit of Lot 18.

Common driveway easements are provided on the plat for Lots 7, 8 and 12, 13, 14 and 31, 32 and 45, 46, 47.

RETAINING WALLS

Throughout The Pines, there will be numerous timber retaining walls located on the uphill side of the roadways as well as the downhill side of the roadways.

CULVERTS

The drainage culvert under the driveways for Lots 12, 13, 14, 26, 27, 45, 46, 47, 48, 49, 50 and 51 is required to be 24" in diameter.

WATER TANKS AND PUMP STATION

A buried water tank is located on the eastern side of Lot 11 along with a partially above grade water pump house.

An underground water pressure reducing vault is located on Lot 30. Both the water tank and pressure reducing vault will have grade access doors along with miscellaneous vents, pipes and electrical service. The location of these structures is set forth on the plat map as water and sewer easements.

WATER LINES

The water pressure for lot 5 is calculated at 66 pounds per square inch (psi).

The water pressure for lot 6 is calculated at 57 psi.

This calculation is found by using the highest elevation on the building envelope. A reduction of this pressure may be experienced on the upper level of the home. To achieve an increased pressure, a pressure tank may need to be installed in the individual home.

FIRE SPRINKLING REQUIREMENTS

Houses on Lots 28, 29, 33, 34, 35 and 48 through 51 will require fire sprinkling systems. Plans for a fire sprinkling system will need to be provided as part of the architectural plans submitted to the Town of Snowmass Village's Building Department for construction of a home on these lots and issuance of a building permit.

OVERALL CONDITIONS

At anytime 10 townhomes, 4,200 square foot in size, will be built on Parcel H.

Parcel F, Lot 3, is owned by the Town of Snowmass Village.

SKI LIFT

A ski lift will be located on Lots 11, 12, 35 and 36 as set forth on the plat map.

A surface ski lift will be partly on Lot 21.

SKI TRAILS

The section of the equestrian/nordic/hiking trail indicated on the maps across Lots 11 and 12 is not anticipated being constructed. This trail was actually constructed in an alternative location. Snowmass Land Company is in the process of working with the Town of Snowmass Village to have this easement abandoned. At this time we do not know what the outcome of this process will be.

The area designated on the buyer's maps regarding the location of the upper lifts and ski trails is in the process of being finalized. Once this has been completed, the buyers will receive the amended plan.

NO CONSIDERATION CONVEYANCE
NO DOCUMENTARY FEE REQUIRED

RECORDING REQUESTED BY:
WHEN RECORDED RETURN TO:
Michael J. Herron, Esq.
Garfield & Hecht, P.C.
601 East Hyman Avenue
Aspen, Colorado 81611

412060 12/31/1997 10:36A B & S DE DAVIS SILVI
1 of 3 R 16.00 D 0.00 N 0.00 PITKIN COUNTY CO

BARGAIN AND SALE DEED

The Snowmass Land Company, an Illinois general partnership, whose address is P.O. Box 6119, Snowmass Village, CO 81615-6119 for TEN DOLLARS ($10.00) and other good and valuable considerations, in hand paid, hereby sell and convey to The Pines - East Village Homeowner's Association, Inc., a Colorado non-profit corporation, whose address is P.O. Box 6119, Snowmass Village, CO 81615-6119, the following real property in the County of Pitkin, State of Colorado, to wit:

> That certain real property described as and defined as "Ski Trail Easements No. 2 and Ski Lift Easements No. 2" in the Declaration of Covenants, Conditions and Restrictions for Parcel G - The Pines - East Village P.U.D. Town of Snowmass Village, Colorado recorded in Book 764 at Page 344 of the Pitkin County real estate records which property is located upon the real property described on Exhibit "A" attached hereto and made a part hereof.

with all its appurtenances.

The within conveyance is subject to all of the following:

A. Easements, conditions, restrictions, and encumbrances of record.

B. All of the obligations relating to the property herein conveyed set forth in that certain real property described as and defined as "Ski Trail Easements No. 2 and Ski Lift Easements No. 2" in the Declaration of Covenants, Conditions and Restrictions for Parcel G - The Pines - East Village P.U.D. Town of Snowmass Village of Colorado recorded in Book 764 at Page 344 of the Pitkin County real estate records, including the right of other users to access such property and use the improvements located thereon.

SIGNED this 16TH day of December, 1997.

SNOWMASS LAND COMPANY, an Illinois general partnership

By: _____
James F. Wells as Attorney-in-Fact

STATE OF COLORADO)
)ss
COUNTY OF PITKIN)

The foregoing Bargain and Sale Deed was acknowledged this 16th day of December, 1997 by James F. Wells as Attorney-in-Fact of SNOWMASS LAND COMPANY, an Illinois general partnership.

WITNESS my hand and official seal.

My commission expires: 12-5-2000

_____
Notary Public

NOTARY PUBLIC

412060 12/31/1997 10:36A B & S DE DAVIS SILVI
2 of 3 R 16.00 D 0.00 N 0.00 PITKIN COUNTY CO

EXHIBIT "A"

PARCEL G-THE PINES, EAST VILLAGE P.U.D. according to the Plat thereof recorded on October 14, 1994 in Plat Book 35 at Page 54, and according to the Declaration of Covenants, Conditions and Restrictions for East Village P.U.D. recorded on October 14, 1994 in Book 764 at Page 285 and according to the Declaration of Covenants, Conditions and Restrictions for PARCEL G-THE PINES, EAST VILLAGE P.U.D. recorded on October 14, 1994 in Book 764 at Page 344, County of Pitkin, State of Colorado.

412060 12/31/1997 10:36A B & S DE DAVIS SILVI
3 of 3 R 16.00 D 0.00 N 0.00 PITKIN COUNTY CO

375299 B-764 P-370 10/14/94 09:02A PG 27 OF 33

NOTE: All references to the recorded documents refer to the Real Estate Records of Pitkin County, Colorado.