

BYLAWS
OF
EAST VILLAGE MASTER ASSOCIATION, INC.

ARTICLE 1
GENERAL

1.1 **Purpose.** East Village Master Association, Inc. ("East Village Master Association") is a non-profit corporation formed, pursuant to C.R.S. 1973 as amended 38-33.3-220 as a Master Association and pursuant to the Articles of Incorporation filed with the Colorado Secretary of State ("Articles"), to own, govern, and maintain facilities and functions which may be hereafter acquired or assumed for the benefit of the members of the East Village P.U.D. as such are described in the Declaration of Covenants, Conditions and Restrictions for 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, Parcel, Unit, or Single Family Lot or the improvements thereon or the use of the East Village Association Property will signify that these Bylaws are accepted, ratified and will be complied with.

ARTICLE 2
VOTING RIGHTS OF THE EXECUTIVE BOARD
OF EACH SPECIFIC PARCEL ASSOCIATION

2.1 **Voting Membership.** All the members of the Executive Board of each Specific Parcel Association shall, by reason of holding that office, be the voting members of the East Village Master Association pursuant to the authority of the Act, Section 38-33.3-220 (4) and (5). The rights and responsibilities of this Master Association set forth in the Act, Section 38-33.3-303, 38-33.3-308, 38-33.3-309, 38-33.3-310, and 38-33.3-312 apply in the conduct of the affairs of this Master Association only to persons who elect the Board of this Master Association, including without limitation, notice and attendance with respect to annual meetings, the election of the Directors, removal of Directors, the conveyance or encumbrance of common elements, and the establishment and ratification of the budget.

2.2 **Voting Rights and Proxies.** A member of the Executive Board of each Specific Parcel Association may cast its vote through a duly executed proxy which may not be revoked 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 months after its date unless it provides otherwise.

2.3 **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. Upon the expiration of the period of Declarant control, the Executive Board of each Specific Parcel Association, as such is defined in the East Village Declaration, shall appoint an equal number of directors to the Board of this East Village Master Association pursuant to the authority of the Act, Section 38-33.3-220 (5).

2.4 **Majority Vote.** Unless otherwise expressly provided in these Bylaws or the Declaration, any action which may be taken by the Executive Board of each Specific Parcel Association may be taken by a majority vote of a quorum.

2.5 **Quorum.** Except as otherwise provided in these Bylaws, the presence in person or by proxy of at least 50% of the total votes then entitled to be cast, shall constitute a quorum. A quorum shall be deemed present throughout any meeting if persons entitled to cast fifty percent (50%) of the votes are present at the beginning of such meeting.

ARTICLE 3
MEETINGS OF THE EXECUTIVE BOARDS OF
EACH SPECIFIC PARCEL ASSOCIATION

3.1 **Place of Meetings.** Meetings of the executive boards of all the Specific Parcel Associations shall be held at a suitable place designated by the Board of Directors of the East Village Master Association in the Town of Snowmass Village, Colorado.

3.2 **Annual Meetings.** Pursuant to C.R.S. 1973 as amended, Section 38-33.3-220 (4) and (5), the provision of C.R.S. 1973 as amended, Section 38-33.3-303, shall apply only to the annual meeting of the executive boards of the Specific Parcel Associations and 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. At this Annual Meeting, the executive board of each Specific Parcel Association shall elect an equal number of the directors of this Master Association as set forth hereafter.

3.3 **Special Meetings.** Special meetings of the executive boards of all the Specific Parcel Associations may be called by the President, or by a majority of the Board of Directors, or by the executive boards of all the Specific Parcel Associations having twenty percent (20%) of the votes in the East Village Master Association.

3.4 **Notice of Meetings.** It shall be the duty of the Secretary to mail a notice of each annual or special meeting to each Director of the Executive Boards of each Specific Parcel Association for the election of directors 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 member of the executive board.

3.5 Adjournment. If any meeting cannot be organized because a quorum has not attended, those 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.

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

3.7 Waiver. The transaction of business at any regular or special meeting, 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 may sign 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.

3.8 Minutes. Minutes or a similar record of the proceedings of meetings, 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 East Village Master Association shall be governed by a Board of Directors composed of not less than three (3) nor more than eight (8) persons, as may be determined from time to time by the Board of Directors, provided that each Executive Board of the Specific Parcel Associations shall each elect an equal number of Directors and the number of directors shall be determined so that this may be accomplished. For example, if there are Two Specific Parcel Associations, the Board of Directors shall consist of no less than four (4), and each Specific Parcel Association shall elect two (2) directors; if there are Three Specific Parcel Associations, the Board of Directors may consist of no less than three (3) and each Specific Parcel Association shall elect one (1) director. Directors may, but need not be, Members of the East Village Master Association. Directors shall not receive any salary for their services as Directors, but any Director may serve the East Village Master 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.

4.2 General Powers. The Board has the powers and duties necessary for the administration of the affairs of the East Village Master Association and may do all acts which are authorized by law, the Declaration.

4.3 Specific Powers. Without limitation on the general powers stated in Section 4.2, the Board is vested with, and responsible for, the following powers and duties:

(a) to elect and remove all officers of the East Village Master Association, and to appoint and remove all agents and employees of the East Village Master 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 East Village Master Association;

(c) to change the principal office for the transaction of the business of the East Village Master 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 East Village Master Association, and to cause to be executed and delivered therefor, in the East Village Master 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 East Village Association Property may be conveyed or subjected to a security interest by the East Village Master Association only if persons entitled to cast eighty percent (80%) of the votes agree to that action.

(e) to prepare, adopt, and modify from time to time, the East Village Master 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 East Village Master 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, if any, and to review, not less frequently than annually, all insurance policies and bonds obtained by the Board in the event any East Village Master Association Property is hereafter acquired for which insurance is required;

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

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

(k) to take and hold by purchase, gift, or otherwise real and personal property for the East Village Master 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 East Village Association Property may be conveyed or subjected to a security interest by the East Village Master Association only if persons entitled to cast 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 East Village 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 4.3 other than this Subparagraph (m); provided, that, if the East Village Master Association delegates the powers of an executive board or officers relating to collection deposit, transfer, or disbursement of East Village Master 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 East Village Master 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 East Village Association Property and maintenance of the Easements for the benefit of the East Village Master Association, including with limitation the grooming of the ski trails;

(o) to establish and prescribe the standards of care for the maintenance of such East Village Association Property and the Easements for the benefit of the East Village Master 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 East Village Master Association's rules;

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

4.4 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 Executive Boards of each Specific Parcel Association as set forth in Sections 2.2 and 4.1. 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.

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

4.6 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 respective Executive Boards of the Specific Parcel Associations 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 the 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 or at a special meeting of the Directors called for that purpose.

4.7 Removal. At any annual or special meeting of the Directors 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 executive board of the Specific Parcel Associations 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 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 or Declaration.

4.8 **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.

4.9 **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 East Village Master 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.

4.10 **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 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.

4.11 **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.

4.12 **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.

4.13 **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 East Village Master 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 East Village Master Association. He shall preside at all meetings of the East Village Master 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 East Village Master 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 East Village Master Association at the principal office of the East Village Master 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 East Village Master 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 East Village Master 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 East Village Master Association.

5.7 **Treasurer.** The Treasurer shall have the responsibility for East Village Master 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 East Village Master Association, including accounts of all assets, liabilities, receipts and disbursements, and books belonging to the East Village Master 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 East Village Master Association's balance sheet as of the end of the fiscal period covered by the report and a statement of the East Village Master 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 East Village Master Association. The Treasurer shall be responsible for keeping the assessment roll required in the fiscal management of the East Village Master Association and for filing tax returns as required by law.

ARTICLE 6 **FISCAL MANAGEMENT**

6.1 **Assessments.** Assessments, if any, shall be in amounts sufficient to pay for the estimated Common Expenses, if any exist, including the following expenses: Maintenance, insurance, service and leasing contracts for the East Village Master Association and the East Village Association Property, management fees, debt service, debt retirement, printing supplies and postage, employees' compensation, and taxes paid by the East Village Master 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 Unit or Single Family Lot, except for any Unit or Single Family Lot which is East Village 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 Unit or Single Family 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 Unit or Single Family Lot involved, and such statement shall be conclusive upon the East Village Master 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 East

Village Master 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 a budget, if any Association Property is acquired as provided in the Declaration. 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 the Executive Boards of each Specific Parcel Association and shall set a date for a meeting of the Executive Boards of each Specific Parcel Association 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 the Executive Boards of each Specific Parcel Association reject the budget, the budget is ratified and adopted. In the event the Executive Boards of each Specific Parcel Association reject the proposed budget, the last budget ratified by the Executive Boards of each Specific Parcel Association must be continued until such time as the Executive Boards of each Specific Parcel Association 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 East Village Master 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.** In the event the East Village Master Association acquires any East Village Association Property or East Village common expenses, one or more bank accounts shall be maintained in the name of the East Village Master Association. All checks and drafts upon the funds to the credit of the East Village Master 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 East Village Master 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 East Village 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 standard of care set forth in Sections 7.2 and 7.3, with respect to the Declarant, any person who is or was a Director, officer, employee,

fiduciary, or agent of the East Village Master Association or is or was serving at the request of the East Village Master 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 East Village Master 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 East Village Master 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 East Village Master 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 East Village Master Association) if he acted in good faith and in a manner he reasonably believed to be in the best interests of the East Village Master 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 East Village Master Association to procure a judgment in its favor against such person, the East Village Master 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 East Village Master Association. The East Village Master 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 East Village Master 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 East Village Master 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 East Village Master Association.

The East Village Master 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 East Village Master Association or is serving at the request of the East Village Master 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 East Village Planned Unit Development 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 executive boards of each Specific Parcel Association are required to exercise the care required of fiduciaries. If not appointed by the Declarant, no member of the Board 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 East Village Master 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 East Village Master 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 East Village Master 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 of Sections 7.2 and 7.3 of the Act, the Board shall not be liable for any failure to 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 wanton and willful 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 East Village 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 East Village Master Association, Inc. were adopted by its Board of Directors with the approval and consent of Declarant on the 2 day of October, 1994.

APPROVED:

SNOWMASS LAND COMPANY, an Illinois
general partnership

By: Kenneth R. Sontheim
Kenneth R. Sontheim, as its Attorney-in-
Fact, pursuant to Power of Attorney
recorded in Book 590 at Page 443 in the
office of the Clerk and Recorder of Pitkin
County

Kenneth R. Sontheim
KENNETH R. SONTHEIM

Stark King
STARK KING

James F. Wells
JAMES F. WELLS

Being all of the Directors of East Village
Master Association, Inc.