

229579

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR WOODRUN FIVE
Community Assoc.
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DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR WOODRUN FIVE

This Declaration is made this 8th day of December, 1980, by The Snowmass Company, Ltd., a Colorado limited partnership (the "Declarant").

PREAMBLE

Declarant and Woodrun Townhouses, Ltd., a Colorado limited partnership, are the owners of certain real property located in Pitkin County, Colorado, as described on Exhibit A attached hereto, and the improvements thereon. Declarant desires to submit such property to this Declaration in order to provide for the use, operation, administration and maintenance of certain community facilities located on such property.

This Declaration establishes certain rights and obligations with respect to the above-described property and the improvements thereon for the Declarant and all present and future owners of such property. Declarant intends that such owners, occupants, mortgagees and any other persons now or hereafter acquiring any interest in such property and the improvements thereon shall hold their interests subject to the rights, privileges, obligations, and restrictions set forth below. All such rights, privileges, obligations and restrictions are declared to be in furtherance of a plan to promote and protect the value, desirability and attractiveness of such property and the improvements thereon and any additions thereto.

Therefore, Declarant declares as follows:

1. Definitions

The terms hereinafter set forth shall have the following meaning unless the context clearly requires otherwise.

1.1 "Additional Property" shall mean the real property described on Exhibit B attached hereto, together with all buildings, structures and improvements of any kind thereon, which Declarant may make subject to this Declaration in the future.

1.2 "Association" shall mean the Woodrun Five Community Association, Inc., a Colorado non-stock, non-profit corporation, its successors and assigns, by which all Owners act as a group under the Association's Articles of Incorporation, By-Laws and this Declaration.

1.3 "Association Property" shall mean the Property described as Parcel 3, Woodrun Unit Five Subdivision, Pitkin County, Colorado, according to the recorded plat thereof, and any additional real and personal property, owned or leased by the Association for the use, enjoyment and benefit of the Owners.

1.4 "Board" shall mean the Board of Managers of the Association as constituted from time to time.

1.5 "By-Laws" shall mean the by-laws of the Association existing from time to time, whether or not recorded.

1.6 "Common Expense" shall mean the estimated and actual expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves.

1.7 "Condominium Unit" shall mean the fee simple interest and title in and to an individual air space unit, together with an undivided interest in all common elements appurtenant thereto, in the Woodrun Five Townhouse Condominiums in Pitkin County, Colorado, as defined and described in the Condominium Declaration for the Woodrun Five Townhouse Condominiums, and supplements thereto, recorded in the office of the Clerk and Recorder of Pitkin County, Colorado from time to time and as shown on the Woodrun Five Townhouse Condominium Map, and supplements thereto, appearing in such records.

1.8 "Condominium Unit Owner" shall mean the person, persons, firm, corporation, partnership, association, other legal entity, or combination thereof, holding fee title to a Condominium Unit.

1.9 "Declarant" shall mean The Snowmass Company, Ltd., a Colorado limited partnership and its successors and assigns specifically designated as such by an instrument executed by Declarant and recorded in the office of the Clerk and Recorder of Pitkin County, Colorado.

1.10 "Maintenance" shall mean such repair, upkeep, renovation, restoration, reconstruction, rebuilding or replacement of any portion of the Association Property as may be necessary to maintain the Association Property in substantially the same condition as originally or subsequently constructed, altered or improved.

1.11 "Mortgage" shall mean any mortgage, deed of trust or security instrument creating a real property security interest in the Association Property, or any part thereof, excluding any statutory, tax or judicial liens. "Mortgagee" shall include any grantee, beneficiary or assignee of a Mortgage, and "Mortgagor" shall include any grantor, trustor or assignor of a Mortgage. A "first priority Mortgage" shall mean a Mortgage having the highest priority as a Mortgage against the Association Property, or any part thereof, but only if the Mortgagee of such Mortgage, the "first priority Mortgagee", claims such status in a written notice delivered to the Association.

1.12 "Owner" shall mean a Condominium Unit Owner and a Residential Lot Owner. The Declarant shall be an Owner so long as the Association's Class B membership exists.

1.13 "Property" shall mean that real property described in Exhibit A hereto, together with all buildings, structures and any kind of improvements thereon, and the Additional Property, or any part thereof, submitted to this Declaration pursuant to Article 12 hereof.

1.14 "Residential Lot" shall mean each subdivided lot within Woodrun Unit Five Subdivision of Parcel 11, Pitkin County, Colorado, according to the recorded plat thereof, but only following the issuance by appropriate governmental authorities of a certificate of occupancy for a residence constructed thereon.

1.15 "Residential Lot Owner" shall mean the person, persons, firm, corporation, partnership, association, other legal entity, or combination thereof, holding fee title to a Residential Lot.

2. Submission of the Property

Declarant, as owner of or under a reserved right with respect to the Property, hereby submits the Property to this Declaration and declares that the Property shall at all times be owned, used or occupied subject to the provisions of this Declaration, all of which shall constitute covenants

running with the land and shall be binding upon and shall inure to the benefit of the Association, all Owners, and their respective successors and assigns.

3. Owners' Rights and Limitations

3.1 Easement to Association Property.

Appurtenant to each Condominium Unit and Residential Lot shall be a nonexclusive easement to the Association Property. This easement is subject to the following rights of the Association, except as limited in Section 5.4 hereof:

(a) The right to reasonably limit the number of guests (not including lessees or members of the Owner's or lessee's family residing in a Unit or on a Residential Lot) using any facilities on the Association Property;

(b) the right to establish uniform rules as to the use of any facilities on the Association Property, including without limitation the right to establish and enforce parking restrictions;

(c) the right to charge uniform and reasonable admission and any other fees to persons other than Owners, their families and guests residing with Owners for the use of any limited capacity facilities on the Association Property; and

(d) the right to suspend the right of an Owner, his lessees and their families or guests to use any facilities on the Association Property for any period of time during which any assessment against a Condominium Unit or Residential Lot remains unpaid and delinquent and also for a period of time not exceeding 30 days for any single infraction of the rules of the Association.

3.2 Right to Use Recreational and Other Facilities. If the Association Property, or a part thereof, becomes part of and is deemed within the West Village, subject to the provisions of the General Declaration for West Village Snowmass-at-Aspen Area, Pitkin County, Colorado dated June 1, 1967 and recorded in the office of the Clerk and Recorder of Pitkin County, Colorado, and any amendments thereto, no person or persons, except as expressly provided in Section 3.1 hereof, shall have the right to use any recreational or other facility located on the Association Property including, but not limited to a swimming pool, jacuzzi, exercise room, sauna or steam room, library and conference room and a television and game room.

4. Use Restrictions

4.1 Nuisances. There shall be no noxious or offensive activity carried on, in or upon the Association Property, and no loud noises or noxious odors shall be permitted anywhere on the Association Property. Nothing shall be done on the Association Property which may be or become an unreasonable annoyance or a nuisance to any Owner. The Board has the right to determine if any activity, noise or odor constitutes a nuisance. No Owner shall permit or cause anything to be done or kept on the Association Property which will increase the rate of insurance obtained under Section 10.1 hereof or which will result in the cancellation of such insurance. Each Owner shall be accountable to the Association and the other Owners for the conduct and behavior of persons visiting his Condominium Unit or Residential Lot. Any damage to the Association Property caused by any such visitors shall be repaired at the sole expense of the Owner whose Condominium Unit or Residential Lot such persons are visiting.

4.2 Sign Restrictions. Without the prior written consent of the Board, no sign or advertising device shall be displayed to the public view on any portion of the Association Property, except as may be used by Declarant or its designated agents to advertise the availability of Condominium Units or Residential Lots.

4.3 Parking Restrictions. No Owner shall park any vehicle on the Association Property except wholly within a designated parking area. No inoperable vehicle shall be stored on the Association Property, and no Owner shall park any large commercial-type vehicle on the Association Property. The Board may restrict or prohibit parking on the Association Property of trailers, camper-type vehicles and motor homes. No Owner shall conduct major repairs or restorations of a vehicle or permit any such activity to be conducted upon the Association Property.

4.4 Eyesores and Fire Restrictions. Nothing shall be hung out or exposed on any part of the Association Property visible to the public. The Association Property shall be kept free and clear of rubbish, debris and other unsightly materials. Trash, garbage or other waste shall be disposed of in a designated trash container. No portion of the Association Property visible to the public shall be used for the storage of building materials, refuse or any other materials, other than in connection with approved construction. There shall be no exterior fires except in contained barbeques unless otherwise regulated or prohibited by the Board.

4.5 Pet Restrictions. The Board shall have the right to issue any rules it deems appropriate concerning the bringing of pets on the Association Property and the obligations of Owners and residents in connection therewith. Such rules may be different for pets of Owners and pets of lessees. The Board, in its sole discretion, may elect to prohibit any or all pets on the Association Property. An Owner shall be absolutely liable to the Association and to all other Owners, their guests and lessees for any unreasonable noise or damage to any person or property caused by any animal brought on the Association Property by such Owner or by members of his family, his guests or lessees. It is also the absolute responsibility of each Owner and his lessees to clean up after any animal which has used any portion of the Association Property in any manner.

4.6 Out-Building Restrictions. No temporary building shall be placed upon any portion of the Association Property, except as permitted by the Board or except in connection with approved construction. No storage unit, trailer, camper, motor home or recreation vehicle shall be used, either temporarily or permanently, as a residence on the Association Property.

4.7 Permissions to Declarant. In order that Declarant's work may be completed and the Association Property may be established as a fully developed community facility, Declarant and its agents, employees and contractors shall have the broadest possible rights during any period of construction on the Association Property and during the period of the disposition of Condominium Units and Residential Lots, subject to Declarant's responsibility for mechanics' liens as set forth in Section 6.4 hereof. Neither the Association nor any Owner shall do anything to prevent Declarant and its agents, employees and contractors from the following:

(a) Doing whatever Declarant deems necessary or advisable in connection with the completion of any work on or to the Association Property, including without limitation the alteration of construction plans and designs and the alteration or addition of easement locations for utilities and rights of way as Declarant deems advisable in the course of development of the Association Property;

(b) erecting, constructing and maintaining such structures on any portion of the Association Property as may be reasonably necessary for the completion of the work, the establishment of the Association Property as a community facility and the disposition of the Condominium Units or Residential

Lots by sale, lease or otherwise;

(c) conducting the business of developing, subdividing, grading and constructing improvements on the Association Property; and

(d) maintaining such sign or signs on the Association Property as may be necessary in connection with the sale or lease of Condominium Units or Residential Lots.

5. The Association

5.1 Business and Membership. The Association through its Board shall govern and manage the Association Property and shall enforce provisions of this Declaration. All Owners shall automatically be members of the Association, and such membership shall automatically cease upon termination of the Owner's interest in his Condominium Unit or Residential Lot. Membership shall be appurtenant to a Condominium Unit or Residential Lot and shall not be separately conveyed, encumbered or abandoned.

5.2 Binding Effect. Each Owner, his lessees, their families, guests and any other persons using or occupying a Condominium Unit or Residential Lot shall be bound by and shall strictly comply with the provisions of this Declaration, the By-Laws, any deed restrictions and covenants and all rules and agreements lawfully made by the Association. The Association shall have the right and power to bring suit in its own name for either legal or equitable relief for any lack of compliance with any such provisions. An Owner aggrieved by lack of compliance may also bring suit for legal and equitable remedies.

5.3 Power of the Association. Each Owner agrees that the Association shall exercise all powers granted it by the Colorado Non-Profit Corporation Act and any amendments or supplements thereto and replacements thereof. Such powers shall include without limitation the making of assessments chargeable to the Owners, the imposing of a lien on Condominium Units or Residential Lots for any Common Expenses and the foreclosing of any such lien, the enforcing of any deed restrictions and covenants and the acquiring, holding, leasing, mortgaging or conveying of the Association Property.

5.4 Additional Activities, Functions or Services. The Association may undertake, to the extent the Board, in its sole discretion, so elects, to provide any activity, function or service, for the benefit of or to further the interests of all, some or any Owners on a self-supporting,

special assessment, or general assessment basis. Such activities, functions or services may include, but are not necessarily limited to, a front-desk or check-in service, a van service, a valet service and maid and cleaning service for individual Condominium Units or Residential Lots, and the use of conference or party room facilities on the Association Property. The Board shall determine in its sole discretion, whether the costs and expenses in connection with any such service shall be designated as a Common Expense or as a charge allocated solely to Owners utilizing such service. Any such charge shall be reasonable and shall be uniformly applied. If any such activity, function or service includes furnishing or providing services for the care and maintenance of a Condominium Unit or Residential Lot, no Owner shall be required to utilize the Association for such services.

6. Maintenance

6.1 Responsibilities of the Association. The Association is responsible for Maintaining the Association Property as a Common Expense. Maintenance responsibility for the Association Property shall include, at a minimum, Maintenance of any and all storm sewer facilities located on the Association Property but not within a publicly dedicated right-of-way, professional landscaping, general grounds Maintenance, reseeding, replanting, reshrubbing and rechipping.

6.2 Notice to Maintain. An Owner shall immediately report to the Board the need for any Maintenance which is the Association's responsibility to provide. In the event of any disagreement as to the need for or the responsibility of the Association to provide the Maintenance, the decision of the Board shall be final.

6.3 Approvals Required. Subject to the provisions of Article 8 hereof, no improvement to the Association Property (other than for Maintenance) which results in a Common Expense shall be constructed except with the prior approval of the Owners having at least 66-2/3% of the total number of votes of the Association. Dissenting Owners shall be not relieved of their obligation to pay their proportionate share of any Common Expenses.

6.4 Mechanics' Liens. As against the Association and the Owners, Declarant shall be responsible for the release of all mechanics' liens filed with respect to the Association Property, or any part thereof, if any such liens arise or are alleged to arise from labor performed or materials furnished at the instance of Declarant, its agents, contractors or subcontractors. Except as the result

of labor performed or materials furnished at the instance of the Association, no labor performed or materials furnished with respect to the Association Property, Condominium Units or Residential Lots shall be the basis for filing a lien against the Association Property. No labor performed or materials furnished at the instance of the Association shall be the basis for filing a lien against any Condominium Unit or Residential Lot.

6.5 Management Agreement. The Association shall enter into a management agreement (the "Agreement") with a professional managing agent which shall provide for the management of the Association Property. Such Agreement will be terminable by the Association for cause upon 30 days' written notice. Either party may terminate the Agreement without cause and without payment of a termination fee upon 90 days' written notice. No Agreement shall be for a term exceeding one year but it may be renewed by agreement of the parties for successive one-year periods. Professional managing agents shall be selected by the Board. The Association shall have the right to enter into an agreement with or through the Woodrun Five Townhouse Corporation for the management of the Association Property, thereby enabling the Association and the Woodrun Five Townhouse Corporation to enter into a single management agreement with a professional managing agent. Each Owner, his successor and assigns, shall be bound by the Agreement for the purposes therein expressed, including but not limited to:

(a) Adopting, ratifying, confirming, and consenting to the execution of the Agreement by the Association;

(b) covenanting and promising to perform each and every one of the covenants, promises, and undertakings to be performed by Owners as provided in the Agreement; and

(c) recognizing that some or all of the persons comprising the original Board are or may be partners, shareholders, officers, directors or employees of the managing agent or the Declarant, and that such circumstances shall not and cannot be construed or considered as a breach of their duties and obligations to the Association, nor as grounds to invalidate the Agreement, in whole or in part.

7. Assessments

7.1 Obligation and Purpose. Each Condominium Unit and Residential Lot shall be subject to such assessments as the Association may levy from time to time.

The assessments collected shall be used exclusively to promote the first class operation, administration and management of the Association Property for the use and benefit of all Owners. Each Owner shall be obligated to pay all such assessments assessed against his Condominium Unit or Residential Lot.

7.2 Assessments. General assessments, which shall be based on a budget for a fiscal year designated by the Association, shall include funds for the current Common Expenses of the Association and shall also include funds as a reserve for Maintenance which cannot be expected to occur on a regular annual basis. Assessments shall be equally apportioned among the total number of Condominium Units and Residential Lots. Assessments which are equitably attributable to only particular Owners may be allocated, in the sole judgment of the Board, to those Owners. A brief summary of the annual budget shall accompany each general assessment notice.

7.3 Assessment Lien and Liability. Installments of the annual assessment shall become due and payable at such time or times as the Board may determine. The Board has the right to accelerate the due date of the unpaid installments of the annual assessment if an Owner defaults on his obligation to pay an installment when due. The Association shall have a lien for any amount unpaid on the Condominium Unit or Residential Lot affected. This lien shall be subordinate to the lien of the first priority Mortgage on such Condominium Unit or Residential Lot. Any such lien on a Condominium Unit shall also be subordinate to any lien in favor of the Woodrun Five Townhouse Corporation. The Association shall have the right to foreclose such lien in the manner provided by Colorado law for mortgages upon real property. The lien and amount unpaid shall be evidenced by a statement executed by the Association and recorded in the office of the Clerk and Recorder of Pitkin County, Colorado. If the collection of the assessment requires legal proceedings, any costs of such proceedings, including without limitation reasonable attorneys' fees, shall be added to the assessment and shall be collectible in the same fashion as the assessment. The Association shall have the power to bid on the Condominium Unit or Residential Lot at a foreclosure sale and to acquire, hold, lease, mortgage and convey the same. A suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien securing the same, and this provision or any institution of suit to recover a money judgment shall not constitute an affirmation of the adequacy of money damages. Any recovery resulting from such a suit shall include costs of the suit and reasonable attorneys' fees. An assessment shall be the personal

obligation of the Owner of the Condominium Unit or Residential Lot at the time the assessment is levied against the Condominium Unit or Residential Lot affected. An Owner may not exempt himself from liability by waiver of the use or enjoyment of any of the Association Property or by an abandonment of his Condominium Unit or Residential Lot. Overdue assessments shall bear interest at 18% per annum until paid, and there shall also be such additional late charge as the Association may from time to time determine.

7.4 Grantee and Mortgagee Obligations. No Owner shall convey or mortgage his Condominium Unit or Residential Lot unless and until all sums due the Association, whether or not evidenced by a recorded statement, are currently paid. If there is a delinquency, an Owner's grantee or Mortgagee shall apply the proceeds of any such transaction first to the payment of delinquent amounts due the Association before paying or disbursing any amount to the Owner. The grantee of a Condominium Unit or Residential Lot shall be jointly and severally liable with his grantor for all unpaid assessments against the latter up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. Upon written request to the Treasurer and payment of such reasonable fee as may be set by the Association, the Association shall issue a written statement under signature of the Treasurer or other person designated by the Board to such grantee or Mortgagee verifying the status of all assessments or charges affecting the Condominium Unit or Residential Lot. Any statement that there are no delinquencies shall conclusively bind the Association. At or prior to the closing of the first sale of a Condominium Unit or Residential Unit by Declarant to a prospective Owner, Declarant shall certify to such person that no assessments have been levied against such Condominium Unit or Residential Lot, or Declarant shall secure a certificate from the Treasurer of the Association or other person designated by the Board which states that all due assessments against such Condominium Unit or Residential Lot have been paid and which further states the total amount of assessments which have been levied against such Condominium Unit or Residential Lot.

7.5 Contribution for Tort Liability. In the event of any tort liability which is not covered completely by insurance, each Owner shall contribute for the payment of such liability as a Common Expense. The Association may, however, require a larger contribution from fewer than all Owners under any rule of law regarding liability for negligent or willful acts or omissions.

8. Destruction, Damage and Obsolescence

8.1 Use of Insurance Proceeds. The proceeds collected from any insurance purchased by the Association shall be available to the Association as owner of the Association Property. Any such proceeds shall be used for the purpose of Maintenance unless the Owners decide to terminate this Declaration in accordance with the provisions set forth in Section 11.2. In the event of Maintenance, all present and future Mortgagees hereby release all right to the proceeds under all insurance policies purchased by the Association.

8.2 Special Assessments. In order to raise the remainder of the funds required for Maintenance after the application of any proceeds of insurance, the Association may levy one or more special assessments against all Owners in the proportions described in the second sentence of Section 7.2 hereof. However, the Association shall have the right to require a larger contribution from fewer than all Owners under any rule regarding liability for negligent or willful acts or omissions.

8.3 Estimates, Notice and Duty to Maintain. If there is any destruction of the Association Property, the Association shall prepare an estimate of the damage and the cost of Maintenance, an inventory of the Association's funds from all sources (including insurance) which are available for such Maintenance, and an estimate of the assessment against each Condominium Unit or Residential Lot which would be necessary to enable the Association to meet such Maintenance costs in full. The Association shall promptly deliver a summary of such information to each Owner. In the event of damage, destruction, or obsolescence of the Association Property exceeding a Maintenance cost of \$10,000, then the holder of any first priority Mortgage will be entitled to prompt written notice from the Association of any such damage, destruction, or obsolescence.

8.4 Mandatory Maintenance. In the event of damage or destruction due to fire or other disaster, if the insurance proceeds are sufficient to reconstruct the improvements, the Association shall promptly cause such Maintenance to occur. Assessments for Common Expenses shall not be abated during the period of insurance adjustments and repair and reconstruction.

8.5 Plan for Maintenance. Owners of 80% or more of the votes outstanding and entitled to be cast under the By-Laws may agree that the Association Property, or any part thereof, is obsolete and may adopt a written plan for Maintenance. Any such plan shall have the approval of 80%

of the first priority Mortgagees of record at the time of the adoption of such plan. The Association shall duly record such plan in the office of the Clerk and Recorder of Pitkin County, Colorado.

8.6 Payment for Maintenance. The expense of Maintenance shall be payable by all of the Owners as a Common Expense. Assessments for the estimated cost of Maintenance shall be levied in advance pursuant to Article 7 hereof and shall be allocated and collected as provided in that Article. Further levies may be made in like manner if the amounts collected prove insufficient to complete the Maintenance. Dissenting Owners shall not be relieved of their obligation to pay their proportionate share of any Common Expenses. If the Association collects more money pursuant to this Section than is ultimately required for Maintenance, the Association shall return such excess to the Owners by a credit against the next installments of the annual assessment, or by a cash distribution to each Owner, in an amount proportionate to the respective amount collected from each Owner. The Association shall have full authority, right, and power to maintain the improvements on the Association Property notwithstanding the failure of an Owner to pay the assessment.

8.7 Sale of Obsolete Association Property. Owners of 80% or more of the votes outstanding and entitled to be cast under the By-Laws may agree that the Association Property, or any part thereof, is obsolete and should be sold. Such an agreement must have the written approval of 80% of the first priority Mortgagees of record at the time such agreement is made. In such an instance, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association, the Association Property shall be sold by the Association, free and clear of the provisions contained in this Declaration and the By-Laws. In the event of such a sale, the covenants, conditions and restrictions under this Declaration shall terminate, and the proceeds of the sale shall be distributed as provided in Section 11.3 hereof.

9. Taking By Eminent Domain

9.1 Taking of Association Property. If any part of the Association Property is taken or condemned by any authority having the power of eminent domain, all compensation and damages on account of the taking of the Association Property shall be payable to the Association. Such proceeds shall be used promptly by the Association to the extent necessary for Maintenance of such remaining

Association Property in as substantial compliance to the original or subsequent plan of development as possible. If there is an award in excess of the amount necessary to so substantially Maintain such remaining Association Property, it shall be retained by the Association for such use as the Board deems appropriate. If all the Association Property shall be taken or condemned by any authority having the power of eminent domain, this Declaration shall terminate, and the Association shall commence winding up its affairs in liquidation. Unless otherwise ordered by a court of competent jurisdiction, the total condemnation award shall be distributed as provided in Section 11.3.

9.2 Mortgagee Rights. If the Association Property, or any portion thereof, exceeding a fair market value of \$10,000, is made the subject matter of any condemnation or eminent domain proceeding, then the holder of any first priority Mortgage affected thereby shall be entitled to timely written notice by the Association of any such proceeding or proposed acquisition.

10. Insurance

10.1 Coverages. The Association shall maintain, to the extent reasonably available, the following insurance coverages:

(a) Property and fire insurance with extended coverage and standard all-risk endorsements, including vandalism and malicious mischief, on the Association Property. The total amount of insurance, after application for deductibles, shall be 100% of the replacement value of the insured property, exclusive of land, foundations, and other items normally excluded from property policies. The insurance policy is to be without deduction for depreciation if such coverage is available.

(b) Public liability and property damage insurance, including medical payments insurance, in an amount to be determined by the Board covering all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership, operation, Maintenance, or other use of the Association Property. This policy shall also cover operation of automobiles on behalf of the Association. The policy shall be in an amount not less than \$500,000 per injury, per person, per occurrence, with an umbrella liability limit of \$1,000,000 per occurrence. This policy shall

contain a "severability of interest" endorsement.

(c) Workmen's compensation and employer's liability insurance with respect to employees of the Association in the amounts and forms required by law.

(d) Fidelity coverage against the dishonesty of employees, destruction, or disappearance of money or securities and forgery. This policy shall also cover persons who serve the Association without compensation.

(e) Coverage against such other risks of a similar or dissimilar nature as the Association deems appropriate.

Such insurance shall be at standard premium rates as established by the Colorado Insurance Commissioner and written with companies licensed to do business in Colorado having the best insurance report rating of Class 6 or better. No policy shall be obtained where:

(a) Contributions or assessments may be made against the mortgagor or mortgagee's designee under the terms of the insurance company's charter, by-laws or policy; or

(b) by the terms of the carrier's charter, by-laws or policy, loss payments are contingent upon action by the company's board of directors, policyholders or members; or

(c) the policy includes any limiting clauses (other than insurance conditions) which could prevent mortgagees or the mortgagor from collecting insurance proceeds.

10.2 Named Insured and Interests. Policies of property insurance shall name the Association as the insured and the person to which payment is to be made as owner of the Association Property. Certificate or memoranda of insurance, duplicate originals of all policies and renewals and proof of payment of premiums shall be issued to the Association, and upon request, to any Mortgagee. Each policy shall identify the interest of the Association and any first priority Mortgagee.

10.3 Invalidation or Reduction of Coverage. Insurance policies carried pursuant to Section 10.1(a) must provide the following:

(a) That the insurer waives its right to subrogation under the policy against any Owner, his lessee or the members of such Owner's or Lessee's household; and

(b) that no act or omission by any Owner or his lessee will void the policy or be a condition to recovery under the policy, unless that person is acting within the scope of his authority as an officer of the Association or as a member of the Board.

11. Term, Revocation and Amendment of Declaration

11.1 Term of Declaration. The term of this Declaration shall be perpetual.

11.2 Revocation of Declaration. This Declaration may be revoked if all of the Owners agree to such revocation by an executed, acknowledged instrument duly recorded in the office of the Clerk and Recorder of Pitkin County, Colorado. If 80% or more of the Association Property is destroyed, this Declaration shall be revoked if Owners holding 80% or more of the votes outstanding and entitled to be cast under the By-Laws so elect at a special meeting. Such meeting shall be called and held within 90 days after the occurrence of the event causing the destruction. The Association shall send written notice of any such revocation to all Mortgagees at the last address set forth in the recorded Mortgages. The prior written approval of each first priority Mortgagee will be required for any such revocation, except in the case of obsolescence, substantial destruction by fire or other casualty, taking by condemnation or eminent domain or abandonment or termination provided by law.

11.3 Disbursement of Proceeds. Upon revocation of this Declaration, the Property shall be sold by the Association, in whole or in parcels, as the Association may deem appropriate. Any contract for sale of a substantial portion of the Association Property shall be subject to the Association's right to terminate such contract, without penalty or damages, within 30 days if Owners having 35% of the total votes of the Association so elect as provided in the next sentence. As promptly as possible after entering into a contract for the sale of a substantial portion of the Association Property, the Association shall mail a copy thereof to all Owners and advise them that they may vote in writing (executed by each Owner of a Condominium Unit or Residential Lot) to reject such contract, such vote to be received by the person and at the address designated in the notice no later than 15 days from the date of mailing of the

notice. Voting must be in strict compliance with the preceding sentence, may not be contingent, and may not be verbally or telegraphically given. All sales proceeds and all amounts recovered under any insurance policy shall be allocated among the Owners in the same proportion as is set forth in Section 7.2 hereof for payment of the general assessments. The funds shall be disbursed, without contribution from one Owner to another, by the Association for the following purposes and in the following order:

(a) Payment in full of the customary expenses of sale;

(b) Payment in full of the allocable taxes and special assessment liens in favor of any Governmental assessing entity;

(c) Payment in full of the balance of the lien of any first priority Mortgage on the Association Property;

(d) Payment in full of allocable unpaid Common Expenses and the unpaid costs, expenses and fees incurred by the Association;

(e) Payment in full of junior liens and encumbrances on the Association Property in the order of and to the extent of their priority; and

(f) Payment of any balance to the Owners equally.

11.4 Amendment of Declaration. This Declaration shall be amended if Owners holding 66 2/3% or more of the votes outstanding and entitled to be cast under the By-Laws agree thereto by an executed instrument duly recorded in the office of the Clerk and Recorder of Pitkin County, Colorado. Until seven years from the date of recording this Declaration or completion of all construction on the Additional Property, or a part thereof, whichever comes first, no amendment to the Declaration may be made without Declarant's consent. No material amendment to the Declaration shall be made without the prior written approval of any first priority Mortgagee.

12. Additions to the Property.

Declarant reserves the right to subject the Additional Property, or a part thereof, to this Declaration, subject to the provisions of this Article, at any time and

from time to time, but within seven years from the date of recording this Declaration. Declarant may add to the Property by submitting the Additional Property, or a part thereof, to the Declaration by recording a Supplemental Declaration in the office of the Clerk and Recorder of Pitkin County, Colorado. Upon the recording of a Supplemental Declaration, the definitions used in this Declaration shall automatically be expanded to encompass and refer to the Property as so expanded. Notwithstanding any provisions to the contrary contained in this Declaration and this Article 12, Declarant shall not be obligated to enlarge or to expand the Property.

13. Miscellaneous

13.1 Number and Gender. Unless the context shall otherwise provide, a singular number shall include the plural, a plural number shall include the singular and the use of any gender shall include all genders.

13.2 Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of community facilities and for the Maintenance of the Association Property. Headings have been inserted for convenience only and shall not be considered in resolving questions of interpretation or construction.

13.3 No Dedication. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the Property to the public or for any public use.

13.4 Notices. Any notice permitted or required to be delivered as provided in this Declaration shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered 48 hours after a copy of the same has been deposited in the United States mail, postage prepaid for first class mail and addressed to the Owner at the address last given by such person to the Association, or to the Condominium Unit or Residential Lot owned by such person if no address has been given to the Association, or to the Mortgagee at the address stated in the recorded Mortgage or any recorded amendment thereto. Any notice to the Association shall be sent to such address as it may from time to time designate in writing to each Owner.

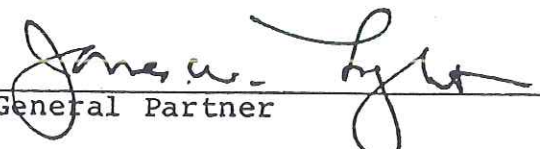
13.5 Mortgagee Notice Rights. Any holder of a first priority Mortgage will, upon request, be entitled to:

- (a) Inspect the books and records of the Association during normal business hours;
- (b) receive financial statements of the Association certified by the Association within 90 days following the end of any fiscal year; and
- (c) receive written notice of meetings of the Association and be permitted to designate a representative to attend all such meetings.

13.6 Disclaimer. No representations or warranties of any kind, express or implied, have been given or made by Declarant or its agents or employees in connection with the Property or any portion thereof, or any improvement thereon, its physical condition, zoning, compliance with applicable laws, fitness for intended use, or in connection with the subdivision, sale, operation, Maintenance, cost of Maintenance, taxes or regulation thereof as a planned unit development, except as expressly set forth in this Declaration.

IN WITNESS WHEREOF, the Declarant has duly executed this Declaration this 8th day of December, 1980.

The Snowmass Company, Ltd., a
Colorado limited partnership

By 
General Partner

Consent

Woodrun Townhouses, Ltd., a Colorado limited partnership, as owner of Parcel 2, Woodrun Unit Five Subdivision, Pitkin County, Colorado, and the improvements thereon, hereby consents on this 8th day of December, 1980 to the submission of such property to this Declaration.

Woodrun Townhouses, Ltd.,
a Colorado limited partnership

By 
General Partner

STATE OF COLORADO)
COUNTY OF PITKIN) ss.

The foregoing instrument was acknowledged before me this 8th day of December, 1980, by James W. Light as General Partner of Woodrun Townhouses, Ltd. a Colorado limited partnership.

WITNESS my hand and official seal.

Barjorie L. Singer
Notary Public

My Commission expires: My Commission Expires June 2, 1982



STATE OF COLORADO)
COUNTY OF PITKIN) ss.

The foregoing instrument was acknowledged before me this 8th day of December, 1980, by James W. Light as General Partner of The Snowmass Company, Ltd., a Colorado limited partnership.

WITNESS my hand and official seal.

Barjorie L. Singer
Notary Public

My Commission expires: My Commission Expires June 2, 1982



EXHIBIT A

Property Subject to this Declaration

Parcels 2, 3 and 11, Woodrun Unit Five
Subdivision, Pitkin County, Colorado, according to the
recorded plats thereof.

EXHIBIT B

Property Potentially Subject to this Declaration

Parcels 1, 4, 8 and 9, Woodrun Unit Five
Subdivision, Pitkin County, Colorado, according to the
recorded plat thereof.