

DECLARATION, COVENANTS, AND RESTRICTIONS  
OF SILVER SAGE SUBDIVISION (A PLANNED COMMUNITY)

THIS DECLARATION is made on the date hereinafter set forth, by  
CRESTED BUTTE RECREATIONAL DEVELOPMENT CO., a Colorado corporation, whose  
address is P. O. Box 713, Crested Butte, Colorado 81224 ("Declarant").

R E C I T A L S:

(a) Declarant is the owner of certain real property located in  
the County of Gunnison, State of Colorado, which is more particularly  
described as set forth in Exhibit A, attached hereto and by reference made a  
part hereof; and

(b) Declarant desires to create a planned common interest  
community in which portions of the real estate described in Exhibit A will  
be designated for separate ownership and the remainder of which shall be  
owned by the Association for the use and benefit of the owners of the  
separate ownership portions; and

(c) Declarant has caused to be incorporated under the laws of  
the State of Colorado SILVER SAGE PROPERTY OWNERS' ASSOCIATION, INC., a non-  
profit corporation, for the purposes of exercising the functions as herein  
set forth; and

(d) Declarant desires to impose the following covenants and  
conditions governing the use of said lands, the design, construction, and  
use of buildings, building location, and architectural standards upon all  
buildings to be constructed within the planned community.

ARTICLE I

SUBMISSION; DEFINED TERMS

Section 1.01. Submission of Real Estate. Declarant hereby  
declares that all of the real estate described in Exhibit A shall be held,  
used, sold, and conveyed subject to the following easements, restrictions,  
covenants, and conditions which are for the purpose of protecting the value  
and desirability of, and which shall run with, the real estate, and be  
binding upon all parties having any right, title, or interest in the real  
estate or any part thereof, their heirs, legal representatives, successors,  
and assigns, and shall inure to the benefit of each owner thereof. Addi-  
tionally, Declarant hereby submits the real estate to the provisions of the  
Colorado Common Interest Ownership Act, Sections 38-33.3-101, et seq.,  
Colorado Revised Statutes, as it may be amended from time to time (the  
"Act"). In the event the Act is repealed, the Act, on the effective date of  
this Declaration, shall remain applicable.

Section 1.02. Defined Terms. Each capitalized term not other-  
wise defined in this Declaration or in the Plat shall have the meanings  
specified or used in the Act. In addition to those terms which are defined  
in the Act, the following definitions shall apply to this Declaration:

(a) "Building Site" means the designated area on each  
lot where the residential dwelling will be built.

(b) "Building" means a structure having a roof supported  
by columns or walls to provide shelter, support, or enclosure for the  
protection of persons and property.

(c) "Dwelling" means a building used exclusively for  
residential occupancy.

(d) "Efficiency Unit" means one room, consisting of  
living, sleeping, and kitchen facilities, without intervening walls with  
doors, which is designed for occupancy by not more than two persons; both  
facilities are to be separate from the primary room. An Efficiency Unit  
shall be a minimum of 240 square feet and a maximum of 300 square feet of  
gross residential floor area. An Efficiency Unit may be attached to the  
Dwelling or over a detached garage. All such Units must be fully approved  
by the SILVER SAGE Architectural Review Committee. At least one additional  
on-site parking space shall be required for each Efficiency Unit.

(e) "SILVER SAGE Architectural Review Committee" means  
the committee appointed by the Executive Board of the Association to perform  
the architectural review functions contained in this Declaration.

(1) "Lots" shall mean the 23 individually-numbered Lots set forth on the Plat of the SILVER SAGE SUBDIVISION.

## ARTICLE 2

### NAMES; DESCRIPTION OF REAL ESTATE

#### Section 2.01- Names.

(a) Planned Community. The name of the planned community is SILVER SAGE SUBDIVISION.

(b) Association. The name of the Association is SILVER SAGE PROPERTY OWNERS' ASSOCIATION, INC.

Section 2.02. Real Estate. The planned community is located in Gunnison County, State of Colorado. The real estate of the planned community is described in Exhibit A.

## ARTICLE 3

### THE ASSOCIATION

Section 3.01. Authority. The business affairs and enforcement of this Declaration within the planned community shall be managed by the Association, a Colorado non-profit corporation. The Association shall be governed by its Articles of Incorporation and Bylaws, as amended from time to time.

#### Section 3.02. Powers.

(a) The Association shall have all of the powers, authority, and duties permitted pursuant to the Act necessary and proper to manage the business and affairs of the planned community and to enforce the terms of this Declaration.

(b) To own, operate, repair, and replace, by whatever actions are necessary, the water system and water rights serving the planned community, including the hiring of an operator to operate all water facilities.

(c) Enforcing the terms of this Declaration and adopting and enforcing the design guidelines, and any amendments thereto.

(d) Imposing a non-compliance assessment for violation of the terms of this Declaration or the design guidelines as may be adopted by the Association.

(e) The right to approve or disapprove all construction within the community, to be exercised by the SILVER SAGE Architectural Review Committee.

(f) To fix, levy, and collect all assessments for Common Expenses, including the filing and collecting of liens, if appropriate, and to charge interest upon any unpaid assessments.

(g) To enter upon any lot, without liability to the Owner thereof for trespass, damage, or otherwise, for the purpose of maintaining or repairing the property in the manner required by this Declaration, if the Owner thereof, after reasonable notice and an opportunity to correct the non-compliance, fails to maintain and repair the property as required by this Declaration and the design guidelines.

(h) To commence and maintain, in its own name, suits and actions to restrain and enjoin any breach or threatened breach of this Declaration or the design guidelines; to seek the enforcement of mandatory injunction or otherwise of all provisions of this Declaration or the design guidelines.

(i) To establish and maintain a contract with a waste disposal hauler for the regular pickup and disposal of all solid waste of the community, on behalf of the Owners.

(j) To perform all obligations of the Association pursuant to the Grant of Easement, Agreement for Easement and Road Sharing Agreement described in Exhibit A.

(k) To prevent the maintenance or continuance of any nuisance or impairment of the attractiveness and value of the property within the community.

(l) The power to adopt, or from time to time amend, through its Executive Board, design guidelines consistent with the expressed or implied purposes of this Declaration and to adopt such other rules and regulations which govern, but need not necessarily be limited to, the use of the Lots and Common Elements within the planned community, the general conduct of Owners, members of their immediate families, their guests and invitees, upon the Common Elements, pet control, noxious, offensive, or dangerous activity, nuisances, property maintenance, services, financial matters, enforcement of the Declaration and design guidelines, and the interpretation and clarification of the Declaration, building and landscaping control and design, and construction matters.

(m) The Association may assign its future income, including its right to receive Common Expense assessments, only by the affirmative vote of the Lot Owners of Lots to which at least 51 per cent of the votes of the Association are allocated, at a meeting called for that purpose. The Association may not assign future income needed to meet capital reserves or known expenses.

(n) The power to schedule or restrict irrigation of landscaping in order to conserve water.

Section 3.03. Membership in the Association. All persons who own or acquire the title in fee to any of the Lots in SILVER SAGE SUBDIVISION, by whatever means acquired, shall automatically become regular members of the Association. In the event any Lot is owned by more than one person or by a partnership, joint venture, corporation, or other such entity, the Owner thereof shall designate, in writing, to the Association the name and address of the agent of the Owner to whom all legal or official assessments, liens, levies, or other such notices may be properly and lawfully mailed, and that upon failure to so designate an agent, the Association shall be deemed to be the agent for receipt of notices to such Owners.

Section 3.04. Declarant Control. The Declarant shall have all the powers reserved in Section 30-30.3-303(5) of the Act to appoint and remove officers and members of the Executive Board.

Section 3.05. Architectural Review Committee. There is hereby established an Architectural Review Committee for the community, which shall consist of three regular members, plus two alternate members, all of whom shall be appointed by the Declarant until the occurrence of both of the following:

(a) Fifty per cent of the Lots within the community have been sold and conveyed by the Declarant; and

(b) There are sufficient numbers of Lot Owners residing year-around within the community who desire to serve on the Architectural Review Committee.

After the occurrence of the foregoing, appointment of members to the Committee shall be by The Executive Board of the Association.

#### ARTICLE 4

##### LOTS

Section 4.01. Number of Lots. The number of Lots in the community is twenty three (23).

Section 4.02. Subdivision Plat. The Subdivision Plat of SILVER SAGE SUBDIVISION filed for record on \_\_\_\_\_, 195\_\_\_\_, and bearing Reception No. \_\_\_\_\_, is hereby incorporated as a part of this Declaration.

Section 4.03. Identification of Lots. The identification number of each Lot is shown on the Plat and Exhibit B of this Declaration.

Section 4.04. Lot Description. Every instrument affecting the title to a Lot may describe that Lot as follows:

Lot \_\_\_\_\_, SILVER SAGE SUBDIVISION,  
according to the Plat thereof bearing  
Reception No. \_\_\_\_\_ of the records  
of the Gunnison County Clerk and  
Recorder, County of Gunnison, State of  
Colorado

Section 4.05. Subdivision of Lots. No Lot described on the Plat of SILVER SAGE SUBDIVISION shall ever be subdivided into smaller tracts or Lots, nor conveyed or encumbered in any less than the full original dimensions as shown on said Plat, provided that conveyances or dedications of easements for utilities and private driveways may be made for less than all of one Lot.

ARTICLE 5

COVENANT FOR COMMON EXPENSE ASSESSMENTS  
AND NON-COMPLIANCE ASSESSMENTS

Section 5.01. Creation of Association Lien and Personal Obligation to Pay Common Expense Assessments. Declarant, for each Lot, shall be deemed to covenant and agree, and each Lot Owner, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association annual Common Expense Assessments. Such assessments, including fees, charges, late charges, attorney fees, fines, and interest charged by the Association, shall be the personal obligation of the Lot Owner at the time when the assessment or other charges become or fall due. The personal obligation to pay any past due sums due the Association shall not pass to a successor in title unless expressly assumed by them.

The Common Expense Assessments of the Association shall be a continuing lien upon the Lot against which each such assessment is made. A lien under this section is prior to all other liens and encumbrances on a Lot except: (1) liens and encumbrances recorded before the recordation of the Declaration; (2) a first lien Security Interest on the Lot recorded before the date on which the Common Expense Assessment sought to be enforced became delinquent, except as provided in the Act; and (3) liens or real estate taxes and other governmental assessments or charges against the Lot. This Section does not prohibit an action to recover sums for which this Section creates a lien or prohibit the Association from taking a deed in lieu of foreclosure. Sale or transfer of any Lot shall not affect the Association's lien except that sale or transfer of any Lot pursuant to foreclosure of any first lien Security Interest, or any proceeding in lieu thereof, including deed in lieu of foreclosure or cancellation or forfeiture, shall only extinguish the Association's lien as provided in the Act. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture, shall relieve any Lot from continuing liability for any Common Expense Assessments thereafter becoming due, nor from the lien thereof.

Section 5.02. Apportionment of Common Expenses. Common Expenses shall be assessed against all Lots in accordance with their percentage interest in the Common Expenses as shown on Exhibit B of this Declaration.

Section 5.03. Purpose of Assessments. The assessments levied by the Association through its Executive Board shall be used for the purpose of promoting the health, safety, and welfare of the Lot Owners and residents in the SILVER SAGE SUBDIVISION. In making such assessments, the Executive Board shall take into consideration all expenses which are reasonably foreseeable and which are deemed to be necessary, prudent, and desirable for the purpose of performing the Association's duties and obligations under this Declaration and such design guidelines as may be adopted by the Association. Without limiting the generality of the foregoing, the assessments may be made for the following purposes:

- (a) All the costs of the protection and administration of the water system and water rights serving the SILVER SAGE SUBDIVISION, including the salary of any operator or manager for said system, and all costs of maintenance and repair thereof;
- (b) Real property taxes for the Common Elements owned by the Association;
- (c) Reasonable insurance coverage, including liability insurance for directors, agents, and employees of the Association; insurance covering any improvements located upon the Common Elements and liability insurance covering such Common Elements;
- (d) Legal, accounting, and audit fees;
- (e) Salaries and utility costs for security;
- (f) Capital projects of a general benefit to the Association and reserves therefor;
- (g) Office salaries;
- (h) Payroll taxes and workmen compensation insurance premiums;
- (i) Contract labor contracted for by the Association;

- expenses;
- (j) Office rent, utilities, supplies, postage, and
  - (k) Printing expenses;
  - (l) Directors' reimbursable expenses;
  - (m) Reasonable directors' fees;
  - (n) Architectural Review Committee expenses;
  - (o) Reasonable reserve for contingencies;
  - (p) Costs of snowplowing the roads within the SILVER SAGE SUBDIVISION, and the proportionate cost of snowplowing for the roads described in the Grant of Easement, the Agreement for Easement and Road Sharing Agreement described in Exhibit A;
  - (q) Cost of any road maintenance required to be done upon the roads within the SILVER SAGE SUBDIVISION, the Grant of Easement, the Agreement for Easement and Road Sharing Agreement described in Exhibit A;
  - (r) The costs of implementation of any noxious weed management plan developed by the Gunnison Basin Weed Commission;
  - (s) The costs of maintenance and repair of the sewer lines in the SILVER SAGE SUBDIVISION and the Common Sewer Line pursuant to the Agreement for Easement described in Exhibit A.

Section 5.04. Annual Assessment/Commencement of Common Expense Assessments. The Common Expense Assessment shall be made on an annual basis against all Lots and shall be based upon the Association's advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during such assessment year. Common Expense Assessments may be collected in the manner as determined by the Executive Board. Common Expense Assessments shall begin on the first day of the month in which conveyance of the first Lot to a Lot Owner other than the Declarant occurs.

Section 5.05. Effect of Non-Payment of Assessments. Any assessment, charge, or fee provided for in this Declaration, or any monthly or other installment thereof, which is not fully paid within ten (10) days after the due date thereof shall bear interest at the rate as determined by the Executive Board, and the Association may assess a late charge thereon. Further, the Association may bring an action at law or in equity, or both, against any Owner personally obligated to pay such overdue assessments, charges, or fees, or monthly or other installments thereof, and may also proceed to foreclose its lien against such Owner's Lot. An action at law or in equity by the Association against an Owner to recover a money judgment for unpaid assessments, charges, or fees, or monthly or other installments thereof, may be commenced and pursued by the Association without prejudicing, or in any way waiving, the Association's lien therefor.

Section 5.06. Working Fund. The Association or Declarant shall require the first Owner of each Lot (other than Declarant) to make a non-refundable payment to the Association in an amount equal to one-sixth of the annual Common Expense Assessment against that Lot in effect at the closing thereof, which sum shall be held, without interest, by the Association as a working fund. Said working fund shall be collected and transferred to the Association at the time of closing of the sale by Declarant of each Lot, as aforesaid, and shall be maintained for the use and benefit of the Association. Such payment shall not relieve an Owner from making regular payments of assessments as the same become due. Upon the transfer of his Lot, an Owner shall be entitled to a credit from his transferee for any unused portion of the aforesaid working fund.

Section 5.07. Non-Compliance Assessment. Should any Lot Owner cause or allow to be caused any violation of this Declaration or design guidelines adopted under the power and authority granted herein, and allow such violation to continue after written notice to such Owner and the expiration of a reasonable time in which to comply, as set forth in the written notice, a non-compliance assessment may be levied by the Board against such Owner. The amount of any such assessment may include:

- (a) Cost incurred by the Association in attempting to secure compliance, including reasonable attorney's fees; and
- (b) Non-compliance penalties in such amounts as may, from time to time, be established by the Association's Executive Board.

ARTICLE 6

COMMON ELEMENTS

Section 6.01. Common Elements. All areas designated on the Plat of SILVER SAGE SUBDIVISION and designated as "Common", together with all other property owned for the use and benefit of all of the Lot Owners by the Association, are Common Elements of this planned community. All such areas shall remain in their natural condition, and will be available for use by all Lot Owners and their guests in accordance with the rules and regulations adopted by the Association. In no event will Common Areas be used for activities other than pedestrian use unless or motorized vehicles will be allowed, except in the area of the transportation facility and area upon which it sits.

ARTICLE 7

ARCHITECTURAL REVIEW COMMITTEE

Section 7.01. Design Control.

(a) Preliminary Approval. Persons who anticipate constructing improvements on the Lots within SILVER SAGE SUBDIVISION, whether they are the Owners of Lots in SILVER SAGE SUBDIVISION or are contemplating the purchase of such Lots, shall submit preliminary sketches of such improvements to the Architectural Review Committee for informal and preliminary discussion based on the general criteria set forth herein and any design guidelines subsequently adopted. The Architectural Review Committee shall never be finally committed or bound by any preliminary approval or disapproval of such plans until such time as complete application for architectural approval is submitted and approved or disapproved by the Architectural Review Committee.

(b) Final Plans. Subsequent to the preliminary discussions set forth herein, the plans of the proposed building shall be submitted to the Architectural Review Committee for approval. Said plans and requests for approval by the Architectural Review Committee shall contain the following:

(i) A site plan showing the location of any building, access drives, parking areas, terrain features, such as large rocks or ponds, patios, fences, utility lines, and landscape plans showing all landscaping proposed for the Lot, including the natural landscaping on the Lot as it now exists, and any proposed changes or additions of such landscaping.

(ii) Elevation drawings showing the exterior design of the building and all dimensions thereof.

(iii) Floor Plan of the proposed building.

(iv) Samples of all exterior materials and color schemes to be used, identifying where and how such materials and colors will be used on the building.

(v) It is suggested that each applicant for approval consider the findings of the Geotechnical Engineering Study for Silver Sage Subdivision, dated August 23, 1993 by Lambert and Associates, and obtain a site specific geotechnical report in the design and construction of all foundations and excavations.

(c) Committee Action. The Architectural Review Committee shall, within 45 days of the receipt of final plans of a proposed building, and upon determination that all accompanying data is sufficient, conduct a hearing thereon, and shall, in writing, approve, disapprove, or approve with conditions the construction of the proposed building or any additions or alterations to an existing building. In the event the Architectural Review Committee fails to take such action within sixty days after the submission of a complete set of final plans and request for approval, the application shall be deemed to have been approved; provided, however, in no event shall such failure to act in a timely fashion constitute direct or indirect approval or any violation of this Declaration or any governmental law, ordinance, regulation, enactment, or code.

(d) Criteria. The Architectural Review Committee shall consider the suitability of the proposed building, the harmony thereof with the environment, the effect of such building on the utilization and view from the Lot upon which the same will be built, and the interference, impairment, or restriction of view, if any, of adjacent Lots; the placement of the building with respect to the topography of the Lot; and natural terrain features. In this regard, all best efforts will be made to minimize the restriction, impairment, interference of view, and enjoy access that any

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one building shall have upon that of all other existing buildings or adjacent lots. The committee shall also consider compliance with the architectural standards hereinafter set forth and design guidelines as may hereafter be adopted by the Association.

(e) Hearing. The Architectural Review Committee shall give the applicant for final approval notice, in writing, of the hearing date at least ten days prior to such hearing. All meetings of the Architectural Review Committee shall be open to the public.

(f) Rules, Bylaws, and Minutes. The Architectural Review Committee may make such rules and regulations and adopt such bylaws and procedures as are appropriate to govern its proceedings, and written minutes of all meetings shall be maintained.

(g) Fees. All applications for final approval to the Architectural Review Committee shall be accompanied by a minimum application fee of One Hundred Dollars (\$100.00). The Architectural Review Committee may further charge a reasonable fee to cover any actual expenses incurred in reviewing any application submitted to it.

(h) Building Permit. No building permit shall be issued by the County of Gunnison, State of Colorado, until final approval therefor is given by the Architectural Review Committee. The County of Gunnison may not issue a building permit until completion of the improvements required by the Subdivision Improvement Agreement entered into by the Declarant and the County of Gunnison.

(i) Association Not Liable. Neither the Association, the Architectural Control Committee, nor the members of the Architectural Control Committee shall be liable for any damage as to any person submitting any plans for final approval, or to any Owner or Owners of Lots within SILVER SAGE SUBDIVISION, for any action, failure to act, approval, disapproval, or failure to approve or disapprove. Any person acquiring the title to any Lot in the SILVER SAGE SUBDIVISION, or any person submitting plans to the Architectural Review Committee for approval, by so doing does hereby agree and covenant that they will not bring any action or suit to recover damages against the Association, the Architectural Review Committee, or its members, its advisors, employees, or agents, or against the Declarant.

(j) Member Record. The Architectural Review Committee shall keep and safeguard for at least five years complete and permanent written records of all applications for approval submitted, including one set of all architectural plans so submitted, and all actions of approval or disapproval and all other actions taken by it under the provisions of this Declaration.

(k) Bond Requirement. The Architectural Review Committee may require a bond to ensure re-vegetation of the Lot and replacement of natural conditions disturbed by construction of any building.

Section 7.02. Building Location and Construction.

(a) Building Code. Construction of any building within the SILVER SAGE SUBDIVISION shall be in accordance with the building codes in effect in the County of Gunnison, State of Colorado.

(b) Quality of Workmanship. The quality of workmanship and materials in any building to be built in the SILVER SAGE SUBDIVISION shall be equal to or exceed comparable buildings of the same type within the SILVER SAGE SUBDIVISION.

(c) Building Site. The center of the principal building containing the dwelling shall be located within the Building Site as shown on the Plat of Silver Sage Subdivision, unless a specific variance is granted by the Architectural Review Committee.

(d) Architectural Standards. The following exterior architectural standards shall apply within the SILVER SAGE SUBDIVISION:

(1) Exterior building materials should be predominantly natural, such as wood siding, wood shingles or shakes, and stone. No exterior paneling shall be used. No more than 50 per cent of any building shall be constructed of native stone.

(2) Roofs shall have a design and be constructed of materials that are harmonious with the surrounding area and not of reflective type materials.

(3) Any accessory building must conform to the architectural style of the dwelling building on the Lot.

(lv) Earth colors shall predominate.

(vi) Service or utility areas or yard and garbage or trash storage areas shall be screened from view on all sides.

(vii) No buildings shall be constructed on any residential lot unless there is concurrently constructed on the same lot an adequate off-street parking area for at least one automobile for each bedroom within said building; provided, however, that in no event shall more than four (4) off-street parking sites for automobiles be required for any dwelling.

(c) Maximum Height. The maximum height of a building as measured vertically from the average finished grade of the building to the highest point of the building shall be 30 feet. Notwithstanding the foregoing, a height of a building placed upon any lot shall not unduly restrict the view from a building on any surrounding or adjacent Lots.

(i) Architectural Provisions Above Height Limit. Towers, spires, cupolas, chimneys, flagpoles and similar architectural features not usable as habitable floor area may extend above the height limit a distance of not more than twenty five (25) percent of the height limit.

(ii) Exceptions to Height Limit. Buildings or portions of buildings with sloping roofs may exceed the height limit in accord with the following schedule. Any exception authorized by this subparagraph shall not constitute a change of height limit but shall authorize a building height exceeding the prescribed height limit only for that portion of a building to which this subparagraph applies. This subparagraph shall apply to gable, hip, or shed roofs, but shall not apply to mansard roofs or to any roof structure which does not extend to a peak at a slope of two (2) feet vertical to twelve (12) feet horizontal, or greater.

Schedule of Exceptions  
to Height Limit

Vertical Rise per 12' Horizontal.	Permitted Additional Height
2 feet	1 foot
3 feet	2 feet
4 feet	3 feet
5 feet	4 feet
6 feet	5 feet
7 feet	6 feet
8 feet	7 feet
9 feet	8 feet
10 feet	9 feet
11 feet	10 feet
12 feet	12 feet maximum
13 feet or greater	

(f) Exterior Lighting. All exterior lighting or illumination on the lot shall be so located, placed, shielded, and designed to be architecturally and aesthetically in keeping with the buildings and surroundings, and should have minimum visual pollution or impact on any other lot.

(g) Irrigation Systems. All landscape irrigation sprinkler systems shall be designed so as to restrict the rate of application of water to not more than ten gallons per minute.

(h) Completion of Construction. Once begun, construction of any building shall be diligently pursued and completed within one year of the start of construction, provided that the Architectural Review committee may, for good cause, grant one extension of up to six months for the completion of construction.

ARTICLE 3

MAINTENANCE, REPAIR, AND REPLACEMENT

Section 3.01. Lots. The Owner of a Lot shall keep and maintain the lot and any buildings located thereon in good and proper state of repair and in a clean and attractive condition.

Section 3.02. Common Elements. All maintenance, repairs, and replacement of the Common Elements shall be the obligation of the Association, and unless such maintenance, repairs, or replacement of the Common

Elements is caused by the negligence, misuse, or deliberate act of an Owner, members of the Owner's family or his guests or invitees, the cost thereof shall be a Common Expense.

#### ARTICLE 9

##### RESTRICTION ON USE AND OCCUPANCY

Section 9.01. Use and Occupancy Restrictions. Subject to the development rights and special Declarant rights reserved by Declarant, the following use restrictions apply to all Lots within the SILVER SAGE SUBDIVISION:

(a) Single Family Use. The Lots within the SILVER SAGE SUBDIVISION shall be used solely for a single principal dwelling unit only, except that in addition to the principal dwelling there may be constructed an Efficiency Unit.

(b) Zoning Regulations. The Lots within SILVER SAGE SUBDIVISION shall never be occupied or used by or for any building or person in any manner which is contrary to the Land Use Regulations of Gunnison County, Colorado, nor the building code validly in force from time to time, except as the same may be allowed under said regulations as a non-conforming structure or use.

(c) No Mining, Drilling, or Quarry. No mining, quarrying, tunneling, excavating, or drilling for any substances within the earth, including oil, gas, minerals, gravel, sand, rock, and earth, shall ever be permitted in the SILVER SAGE SUBDIVISION.

(d) No Business Use. All Lots within the SILVER SAGE SUBDIVISION are intended for residential use only. No Lots within said SILVER SAGE SUBDIVISION shall ever be occupied or used for any commercial or business purpose, nor for any noxious activity. Nothing shall be done or permitted to be done on any of said Lots which is a nuisance or might become a nuisance to the Owner or Owners of Lots within the SILVER SAGE SUBDIVISION. No store, short-term rentals, office (other than home business office), or other place of commercial or professional business of any kind; nor any hospital, sanitarium, or other place for the care or treatment of the sick or disabled, physically or mentally; nor any public theater, bar, restaurant, or other public place of entertainment; nor any church, shall ever be constructed, allowed, or permitted to remain within the SILVER SAGE SUBDIVISION.

(e) Signs. With the exception of one "For Sale" sign (which shall not be larger than 20" x 26") and except for one entrance gate sign of a style and design approved by the Architectural Review Committee, no advertising signs, billboards, unsightly objects or nuisances, shall be erected, allowed, or permitted to remain on any Lot in the SILVER SAGE SUBDIVISION.

(f) Animals. No animals of any nature shall be maintained on any Lot, except that no more than three domesticated household pets may be maintained on a Lot. No animal shall be allowed to run at large. All animals shall be kept within an enclosed or fenced area, approved by the Architectural Review Committee, or controlled with a leash. Animals shall not be allowed to create any disturbance to residents of the SILVER SAGE SUBDIVISION, neighboring properties, or golf course guests. No animal breeding will be allowed within SILVER SAGE SUBDIVISION.

(g) Open Air Space. All Lots shall have a minimum of 50 per cent of total lot area devoted to open air space. Open air space consists of those areas of the Lot on which no building, street, road, alley, parking, or loading area is situated.

(h) Underground Utility Lines. All water, gas, electric, and telephone pipes and lines, and all other utility lines, within the limits of the SILVER SAGE SUBDIVISION must be buried underground and may not be carried on overhead poles or above the surface of the ground.

(i) No Hazardous Activities. No activities shall be conducted on any Lot of the Common Elements nor within any building constructed on any Lot which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged within the SILVER SAGE SUBDIVISION, and no open fires shall be lighted or permitted on any property, except in a contained barbecue unit while attended and in use for cooking purposes or within a safe and well-designed interior fireplace, or except such campfires or picnic fires on portions of the Common Elements designated for such use by the Association, or except such controlled and attended fires required for cleaning or maintenance of land.

(j) Fences. No fences, walls, or barriers of any nature shall be constructed, erected or maintained on any lot, except those approved for pet control and trash area concealment.

(k) Recreational Equipment. No large recreational equipment, such as boats, campers, travel trailers, snowmobiles, ATVs, or other such devices shall be parked, stored, or maintained outside of a building on any lot. No snowmobiles, ATVs, or similar motorized equipment will be operated within the SILVER SAGE SUBDIVISION.

(l) Unsightly Growth. All lot Owners will be required to mow, see, prune, clear, and remove from their land any unsightly brush, weeds, or other unsightly growth, and further, to remove from their land any growth infected with noxious insects or contagious plant diseases, all as determined in the sole discretion of the Executive Board of the Association, and to remove any trash which may collect or accumulate on any lot. All Lot Owners will be required to comply with the Noxious Weed Act.

(m) Tanks. No elevated tanks of any kind shall be erected, placed, or permitted on the Lots within the SILVER SAGE SUBDIVISION.

(n) Used or Temporary Structures. No used or previously erected or temporary house, structure, mobile home, house trailer, manufactured housing unit, or non-permanent accessory building shall ever be placed, erected, or allowed to remain on any lot within the SILVER SAGE SUBDIVISION, except during periods of construction.

(o) Fire Safety Sprinkler Systems. In consideration of the location of SILVER SAGE SUBDIVISION, and upon the Crested Butte Fire Protection District's recommendation to the County of Gunnison, State of Colorado, all dwellings are recommended to install a system "D" or equal approved sprinkler system throughout the dwelling.

(p) Irrigated Landscaping. In order to comply with the Augmentation Plan for the SILVER SAGE SUBDIVISION Well No. 2, the area to be irrigated on any Lot shall not exceed 2,500 square feet.

#### ARTICLE 10

##### DEVELOPMENT RIGHTS AND OTHER SPECIAL DECLARANT RIGHTS

Section 10.01. Development Rights and Special Declarant Rights. The Declarant reserves the following development Rights and other special Declarant Rights for the maximum time limit allowed by law:

(a) The right to complete or make improvements as indicated on the Plat or as required by the Subdivision Improvement Agreement entered into by Declarant and the Board of County Commissioners of the County of Gunnison, State of Colorado.

(b) The right to use, and to permit others to use, easements through the Common Elements and Lots as may be reasonably necessary for the purpose of discharging the Declarant's obligations under the Act, this Declaration, and the Subdivision Improvement Agreement; and

(c) The right to appoint or remove any officer of the Association or any Director during the Declarant Control Period consistent with the Act.

Section 10.02. Limitations on Development Rights and Special Declarant Rights. Unless sooner terminated by a recorded instrument signed by the Declarant, any Development Right or Special Declarant Right may be exercised by the Declarant for the period of time specified in the Act.

#### ARTICLE 11

##### ALLOCATED INTERESTS

Section 11.01. Allocated Interests. The Common Expense Liability and votes in the Association allocated to each Lot are set forth in Exhibit 9.

Section 11.02. Determination of Allocated Interests. The Interests allocated to each Lot have been calculated as follows:

(a) The percentage of liability for Common Expenses to be allocated on the basis of the fraction of one (1) divided by the total number of Lots in the SILVER SAGE SUBDIVISION, being 23, expressed as a percentage.

(b) The number of votes in the Association is allocated on the basis of one (1) vote for each lot in the SILVER SAGE SUBDIVISION.

ARTICLE 12

BASEMENTS, LICENSES, AND AGREEMENT

Section 12.01. Recording Data. All easements, licenses, and agreements to which the planned community is presently subject are recited and set forth in Exhibit A. In addition, the planned community may be subject to other easements or licenses as set forth on the Plat.

ARTICLE 13

GENERAL PROVISIONS

Section 13.01. Covenants to Run With Land. All of the covenants contained in this Declaration shall be a burden on the title to all of the real property in the SILVER SAGE SUBDIVISION, and the benefit therefrom shall inure to the benefit of the Owners of the lots in the SILVER SAGE SUBDIVISION, and the benefits and burdens of all of said covenants shall run with the title to all the lands in SILVER SAGE SUBDIVISION.

Section 13.02. Severability. Should any part or parts of this Declaration be declared invalid or unenforceable by any court of competent jurisdiction, such decision shall not affect the validity of the remaining articles, parts, or clauses, which shall remain in full force and effect.

Section 13.03. Amendment. The terms, restrictions, and covenants set forth herein shall not be waived, abandoned, terminated, or amended except by an instrument setting the written consent of the Owners of 67 per cent of the lots in the SILVER SAGE SUBDIVISION, and the written consent of the Board of County Commissioners of Gunnison County, Colorado, which instrument shall be duly executed, acknowledged, and recorded in Gunnison County, Colorado.

Section 13.04. Attorney's Fees. Should any action be brought to interpret or enforce the terms or covenants contained herein, the prevailing party in such action shall be entitled to reasonable attorney's fees, in addition to any other remedies.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed this \_\_\_\_\_ day of \_\_\_\_\_, 1996.

CREATED BULLY RECREATIONAL  
DEVELOPMENT CO., a Colorado  
corporation

By \_\_\_\_\_  
Arne Fronedal,  
President

ATTEST:

\_\_\_\_\_  
Roderick E. Landwehr  
Assistant Secretary

STATE OF COLORADO        )  
                                  ) ss.  
COUNTY OF GUNNISON     )

The foregoing Declaration, Covenants, and Restrictions of Silver Sage Subdivision was subscribed, sworn to, and acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1996, by Arne Fronedal, as president, and Roderick E. Landwehr, as assistant secretary, of Created Bull Recreation Development Co., a Colorado corporation, Declarant.

WITNESS my hand and official seal.

My commission expires:

\_\_\_\_\_  
Notary Public

TOWNSHIP 14 SOUTH, RANGE 66 WEST, 6TH P.M.

Section 1: A tract of land being all of that part of the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of said section lying east of the centerline of the State River and being more particularly described as follows:

Beginning at the center quarter corner of said Section 1, said beginning point being marked as is each of the other corners and witness corners of said tract by a 5/8 inch steel reinforcing bar 2 feet long driven in the ground and having a 1/4 inch aluminum cap.

Thence proceeding around said tract South 00°30' West along the north-south centerline of said Section 1, a distance of 1,326.5 feet to the southerly boundary of said NE $\frac{1}{4}$ SW $\frac{1}{4}$ ;

Thence North 89°20' West along said southerly boundary 786.7 feet to a witness corner;

Thence continuing North 89°20' West along said boundary 17 feet more or less to the centerline of the State River;

Thence northwesterly along said centerline to the westerly boundary of said NE $\frac{1}{4}$ SW $\frac{1}{4}$ ;

Thence North 00°25' East along said westerly boundary 30 feet, more or less, and continuing North 00°25' East along said boundary for an additional 36.5 feet to the centerline of said Section 1;

Thence South 85°30' East along said centerline 1,321.9 feet to the point of beginning;

EXCEPTING THEREFROM the following described tract of land:

A strip of land varying in width and approximately 1,317 feet long located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ , Section 1, Township 14 South, Range 66 West, 6th P.M., more particularly described as follows:

Beginning at the northeast corner of the tract herein described, said point being the center quarter corner of said Section 1 from whence the north quarter corner of said Section 1 bears North 00°30'37" East 2,641.49 feet;

Thence proceeding around the tract herein described South 00°30'37" West 1,316.82 feet along the west line of the SE $\frac{1}{4}$  of said Section 1 to a sixteenth corner, which point is the southeast corner of the tract herein described;

Thence North 89°19'47" West 66.44 feet along the south line of the N4SW4 of said Section 1, to the southwest corner of the tract herein described;

Thence North 00°51'02" West 1,317 feet to a point on the north line of the N4SW4 of said Section 1, which point is the northwest corner of the tract herein described;

Thence South 89°29'49" East 97.71 feet along the north line of the N4SW4 of said Section 1 to the point of beginning, containing 2.481 acres, more or less.

TOGETHER WITH a tract of land hereinafter described:

A strip of land varying in width and approximately 1,224 feet long located in the E4NW4 of Section 1, Township 14 South, Range 86 West, 6th P.M., more particularly described as follows:

Beginning at the southwest corner of the tract herein described, said point being on the north line of the N4SW4 of Section 1, from whence the west quarter corner of said section bears North 89°29'48" West 1,222.57 feet;

Thence proceeding around the tract herein described North 00°25'34" East 29.60 feet along the west line of the E4NW4 of said Section 1 to the northwest corner of the tract herein described;

Thence South 89°49'44" East 1,224.18 feet to the northeast corner of the tract herein described;

Thence South 00°51'02" East 30.93 feet to a point on the north line of the N4SW4 of said Section 1, which point is the southeast corner of the tract herein described;

Thence North 89°29'48" West 1,224.84 feet along the north line of the N4SW4 of said Section 1 to the point of beginning, containing 0.769 acres, more or less.

County of Gunnison  
State of Colorado

TOGETHER WITH those rights granted in the "Grant of Easement" recorded May 27, 1994, in Book 746 at page 209;

SUBJECT TO the following licences, easements, or agreements:

1. Terms, conditions, provisions, agreements, and obligations contained in the Agreement by and between The Crested Butte Recreational Development Co. and Newport Properties recorded May 27, 1994, in Book 746 at page 144.

EXHIBIT A  
SILVER SAGE SUBDIVISION  
Page Three

2. Terms, conditions, provisions, agreements, and obligations contained in the Agreement for Easement by and between River Green Properties and The Crested Butte Recreational Development Co. recorded May 27, 1990 in Book 746 at page 164;
3. Terms, conditions, provisions, agreements, and obligations contained in the Road Sharing Agreement dated October 19, 1994, by and between Skyland Metropolitan District, River Green Property Owners' Association, Inc., and The Crested Butte Recreational Development Co., a copy of which is attached hereto.

## ROAD SHARING AGREEMENT

THIS AGREEMENT is entered into this 19<sup>th</sup> day Oct by and between Skyland Metropolitan District, a Colorado Special District, (hereinafter referred to as "Skyland"), River Green Property Owner's Association, Inc., a Colorado non-profit corporation (hereinafter referred to as "River Green") and Michael C. Cooper (hereinafter referred to as "Cooper").

WHEREAS, Skyland is a metropolitan district owning and maintaining the road system within Skyland Subdivisions which includes an unpaved road known as Slate River Drive, (hereinafter referred to as "the Road") and

WHEREAS, River Green is a Homeowners Association providing for assessments and management of common matters for the homeowners within the River Green Subdivision, and

WHEREAS, Cooper is the developer of a residential project to be known as Silver Sage Subdivision, and

WHEREAS, Slate River Drive provides the only access to and from the River Green and Silver Sage Subdivisions and Gunnison County Road # \_\_\_\_\_, as well as similar access to lots within the Skyland Subdivision Filing # 1, and

WHEREAS, the parties wish to come to an agreement for joint use and sharing of costs for future maintenance of the Road.

NOW THEREFORE in consideration of the mutual covenants herein contained, the parties agree as follows:

1. Each of the parties and their successors in interest, and homeowners and their guests within their respective subdivisions who require the Road for access to and from the county road, shall have the right to use the Road therefor, without hindrance or let, and without the payment of any fees or charges, except as hereinafter set forth. The term "guest" shall include all business invitees and their vehicles, including construction equipment reasonably necessary for the construction of homes and infrastructure improvements within the subdivisions. The Road shall remain a private road and not a public way, owned and maintained by Skyland, and subject to such rules and regulations governing safety and preservation of the Road, and limiting use to those entitled under this Agreement, as Skyland shall determine, in its sole discretion.

2. All decisions with respect to maintenance, replacement, improvement (including paving the road), or other matters of a like nature concerning the Road, shall be made by Skyland, in its sole discretion. In doing so, Skyland shall afford the other

parties the right to be heard concerning such matters.

3. The cost of all future repair, maintenance, improvements to the Road shall be born by the parties on the following basis:

Skyland	73.5%
River Green	11.25%
Silver Sage	15.25%

Provided however, that until such time as the Silver Sage Subdivision project commences work on it's own road system, the parties shall share such cost as follows:

Skyland	87%
River Green	13%
Silver Sage	0%

The procedure for sharing costs shall be as follows. At the commencement of each calendar year, Skyland shall advise the other parties of it's estimates for road costs for the coming year. During the year Skyland shall prosecute the work and bill the other parties for their share of the overall cost, providing with the bill reasonable documentation concerning expenditures. The other parties shall pay the bills presented to them promptly (in no event more than 30 days).

The parties acknowledge that Skyland and East River Regional Sanitation District has located water sewer and other utility lines within the right of way for the Road, and will be required to engage in construction activities relating thereto from time to time, thereby interrupting traffic. Repair of the Road necessitated by these activities shall be accomplished at the sole expense of Skyland. Neither River Green or Cooper shall be obligated to contribute to expenses for sidewalks, street lighting or landscaping associated with the Road.

4. Cooper shall form a homeowners association to govern the affairs of lot owners within his project and to provide for assessment and payment of common expenses, including those prescribed herein. At such time as Cooper shall cause that association to accept and assume the obligations of this agreement, it shall be released from liability hereunder to the extent such is assumed by the association.

5. Notices to which may be sent to a party hereunder, shall be deemed delivered when deposited in the U.S. Mail, postage prepaid, certified mail, return receipt requested, addressed to:

092504/Skyland, Inc.

Skyland Metropolitan District  
P.O. Box 5245  
Mt. Crested Butte, CO 81225

River Green Property Owner's Association, Inc.  
P.O. Box 632  
Crested Butte, CO 81224

Crested Butte Recreational Development Company  
Michael C. Cooper  
P.O. Box 713  
Crested Butte, CO 81224

These addresses may be changed by a party by notice to all other parties.

6. In the event that any party is required to obtain judicial enforcement of interpretation hereof, then the prevailing party shall be entitled to recover all costs thereof, including but not limited to court costs as defined by statute and attorneys fees incurred in the judicial process, in addition to any other relief.

7. This Agreement shall not be recorded. It represents the undertakings of the parties only and does not constitute or create any rights or interest in real or personal property of the parties, or their successors.

Executed this 19 day of Oct 1994.

Attest:

[Signature]  
Secretary

Skyland Metropolitan District

by [Signature]  
President

Attest:

[Signature]  
Secretary

River Green Property Owner's Assoc., Inc.

by [Signature]  
President

Crested Butte Recreational Development Company

Attest:

[Signature]  
Secretary

by [Signature]  
Michael Cooper, Vice President

101994(skyrd.eg)

EXHIBIT B  
SILVER SAGE SUBDIVISION

TABLE OF INTERESTS

Lot No.	Percentage Share of Common Expenses	Vote of Association
1	4.347	1
2	4.347	1
3	4.347	1
4	6.347	1
5	6.347	1
6	4.347	1
7	4.347	1
8	4.347	1
9	4.347	1
10	4.347	1
11	6.347	1
12	4.347	1
13	4.347	1
14	4.347	1
15	4.347	1
16	4.347	1
17	4.347	1
18	4.347	1
19	6.347	1
20	4.347	1
21	4.347	1
22	4.347	1
23	<u>4.347</u>	<u>1</u>
TOTAL	99.981	23