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 Gunnison, CO
 Reception No. 412694 By Janet L. Davis Deputy

DECLARATION OF PROTECTIVE COVENANTS,

CONDITIONS, RESTRICTIONS AND EASEMENTS

THE RIDGE AT CRESTED BUTTE

(as more fully described in Exhibit A attached hereto and as shown on the Plat recorded February 27, 1989, Reception # 412693 of the Records of Gunnison County, Colorado, both of which are incorporated by reference herein).

This Declaration is made this 16th day of February, 1989 for the purpose of creating and keeping the above referenced real estate and its subdivided tracts desirable, attractive, beneficial, and suitable in architectural design, materials and appearance; to guard against unnecessary interference and loss of the natural beauty of the subdivision; and to provide for the mutual benefit and protection of the owners of tracts in the subdivision. In the event of any discrepancy between said applicable laws, rules and regulations and those of Gunnison County, Colorado then this Declaration shall be deemed to control, provided however, that in the event these covenants are deemed to violate Gunnison County laws, rules or regulations then the provisions of paragraph C-18 shall apply.

A. Special Easements, Setbacks and Building Areas:

1) There shall be a pedestrian, equestrian and utility easement twenty-five (25) feet in width along the west boundary of subject property which is also the east boundary of Crested Butte South Subdivision. At the northeast corner of Crested Butte South, Filing #4, said 25 foot easement shall continue along the shortest possible route to the existing road to the Crested Butte Meadows Subdivision all as shown on the Plat recorded February 27, 1989, Reception # 412693 of the records of Gunnison County, Colorado (hereinafter called the "Plat"). Said easement crosses Tracts 1, 2, & 3 of said Plat.

2) There shall be an equestrian, pedestrian and vehicular access and ingress and utility easement across Tracts 3, 4, and 5 for the benefit of Tracts 3, 4, 5, 6 and 7 as defined in the Deed for Right of Way recorded May 5, 1977 in Book 502, Page 67 and as constructed and in place and shown on the Plat (referred to on the Plat and hereinafter as the "Meadows Road"). In addition there shall be a pedestrian and equestrian easement along the easterly side of said Meadows Road for the benefit of all tract owners within subject real estate. Said easement shall follow the edge of the existing and in place Meadows Road and be ten feet in width.

3) There shall be an easement for pedestrian and equestrian purposes twenty (20) feet from either side of the centerline of the existing road that connects the Meadows Road and the National Forest at approximately the center of subject real estate's northerly line which is common with National Forest Land (hereinafter called "Ridge Road"). Said Ridge Road and easement cross Tracts 4 and 5, and shall be for the benefit of tracts 1, 2, 3, 4, 5, 6, & 7.

4) The owners of Tracts 4, 5, 6, and 7 shall, additionally, have a vehicular access and ingress and utility easement for the benefit of their respective tracts over The Ridge Road and easement described in paragraph #3 above. In addition, Tract 4 shall have a 20 foot easement no longer than 75 feet in length for access, ingress, and utility purposes across any portion of Tract 5 between Tract 4 and Ridge Road.

5) All pedestrian easements given

paragraphs 1, 2, and 3 above are restricted to the exclusive benefit of the tract owners within subject property, and their immediate family, occasional guest, and/or tenants residing in said tract owner's home(s) on subject real estate. However, during Colorado elk and deer hunting season these easements shall be restricted to the benefit of the tract owner and guests accompanied by said owner, and/or any individual(s) residing in the owner's residence(s).

6) There shall be an exclusive easement on Tract 4 for the benefit of Tracts 5, 6 and 7 as shown on the Plat. Said easement shall be for the parking and garaging of automobiles and other vehicles in an area measuring 24 ft. by 75 ft. as shown on the Plat. The area shall border the existing easement for the Meadows Road with a maximum depth of 24 feet from the edge of the recorded easement. Tract 5 shall have the use of the easterly 25 feet of said easement, Tract 7 the westerly 25 feet and Tract 6, the middle 25 feet. In the event the area is utilized for parking only then it shall be cut into the natural terrain slope with railroad ties utilized as a retaining wall that are laid on top of each other to a level even with the terrain's natural slope on both the back and sides of the parking area. If any of the three tract owners desire to build a garage over the parking area it shall be constructed of material and/or paint utilizing earth tones that will closely blend with the natural terrain, be no more than 10 feet high and have a flat roof capable of supporting the existing natural terrain which the garage must be built into. The parking area and garage must be built into the terrain as much as possible with backfilling being utilized on the back, sides and roof of the garage to minimize disturbance of the natural terrain.

7) There shall be an access, ingress, and utility easement over the northeasterly portion of Tract 5 over which a 20 foot wide road may be constructed for the benefit of Tracts 6 & 7 as shown on the Plat. No use of the easement shall be permitted however, unless the existing access which crosses U.S. Forest Service Land (hereinafter called the "Forest Service Road") is terminated due to actions of the Forest Service.

8) Tract 5 shall have a building setback along its southerly lines as shown on the Plat. No structures of any kind shall be permitted within this area without the prior written permission of the owner of Tract 3. Said permission shall be binding on all heirs and assigns and run with the land.

9) Tract 6 shall have a vehicular access, ingress, and utility easement over which a 20 foot wide road may be constructed from the most westerly end of Tract 7 to the easement referenced in A-11 below as shown on the Plat. No construction or use of this easement shall be permitted however, unless the existing access which crosses U.S. Forest Service Land is terminated due to actions of the U.S. Forest Service. In addition the owner of Tract 7 has the right to construct buildings and other improvements within the easement as long as a 20 foot wide road can be constructed around these improvements with an average grade which is no steeper than that of the existing Forest Service Road (in addition no point shall be more steep than any point on the Forest Service Road).

10) No building may be constructed on Tract 7 except within the building areas shown on the Plat without the expressed written permission of the owner of Tract 6. Said permission shall be binding on all heirs and assigns and shall run with the land.

11) There shall be an equestrian, pedestrian and vehicular access and ingress and utility easement starting at that point where the Forest Service Road meets the north line of Tract 7 as shown on the Plat over portions of Tracts 6 and 7 for the benefit of Tracts 6 and 7. Surface construction shall be limited to a 20 foot wide road within this easement. The location of this easement may be changed at any time by mutual agreement

between the owners of Tracts 6 and 7.

12) No owner, without the written consent of all other owners, shall be permitted to grant easement rights to any improvement or residence not situated within the boundaries of the Ridge at Crested Butte. The foregoing notwithstanding, access easements may be granted by owners of Tracts 1, 2, 3, 4, and 5 as shown on the recorded Plat for the benefit of any real estate to the east of Tracts 1, 2, 3, and 5, and south of Tract 6, only with the expressed prior written consent of the owner of Tract 6.

B. ROAD MAINTENANCE

1) Tracts 4, 5, 6, and 7 shall participate in the maintenance of the Ridge Road and the Forest Service Road to Tracts 6 & 7 provided, however, that until an individual tract owner commences improvement of his tract he shall have no maintenance responsibility under this paragraph. Once Tracts 4, 5, 6 & 7 are developed Tract 4 shall pay 1/4 of the maintenance cost of the road between the Meadows road and the point that Tract 4's uppermost driveway connects to said road. Tracts 5, 6 & 7 shall pay 1/4 each of maintenance of this section of the road. From the point where Tract 4's uppermost driveway departs said road to the point where Tract 5's upper most driveway departs said road, Tract 5 shall pay 1/3 the maintenance cost thereof and Tract 6 & 7 shall each pay 1/3. Tract 6 & 7 shall each pay 1/2 the cost of maintaining the Ridge Road and the Forest Service Road. Tracts 6 & 7 shall also each pay 1/2 any Forest Service fees for the Forest Service Road. Those owners responsible for the maintenance shall determine what maintenance (including snow plowing) shall be completed for the above referenced road sections by majority vote. If there is no majority than either Declarant shall be entitled to vote and break the tie. If any tract owner fails to pay his proportionate share the other paying tract owner(s) shall be entitled to bring a legal action for said share plus legal costs against the non-paying tract owner(s). The non-defaulting tract owner(s) shall have lien rights as set forth below. Until the above referenced lots are constructed upon (except in the case of the easement within Tracts 6 & 7 referenced in A-11 above) or in the event of re-subdivision as described in C-8, the above formula would be adjusted in order that the improved and/or re-subdivided and improved lots bear their pro-rata share of costs and have pro-rata voting rights in accordance with the original intent of this paragraph. Notwithstanding the above, the owners of Tracts 6 & 7 shall each pay 1/2 of the maintenance of any mutually utilized portion of the road referenced in A-11 above prior, during, and after construction.

2). In the event any owner(s) of a tract fails to pay the cost of road maintenance as provided for herein, the paying owners shall have, upon thirty (30) days written notice to the non-paying owner, the right to file an assessment lien against the property. Said lien shall be recorded in the records of the Clerk and Recorder of Gunnison County, Colorado, and upon such recording shall become a lien against the tract therein described relating back to the time such payment was due and may be foreclosed in the same manner as a mortgage under the statutes of the State of Colorado, and shall be superior to all liens except for the lien for real property taxes and the lien of a first mortgage Deed of Trust. In the event of the foreclosure of a first mortgage or Deed of Trust (or deed in lieu of such foreclosure) the mortgagee or holder of the Deed of Trust shall take title free and clear of such assessment lien.

3) Declarants have executed a "Joint Maintenance Agreement" with Crested Butte Meadows Company and Crested Butte Highlands Property Owners Association, Inc. dated this 13th day of January, 1989 governing the maintenance of the main access road to the subject property referenced in Exhibit A. All future tract owners will take title subject to the terms, responsibilities and liabilities within said agreement. For the

purpose of conforming with said agreement the majority of tract owners shall appoint a delegate to represent all the tract owners in all its responsibilities under said agreement. All tract owners shall be bound by decisions made under the terms of this agreement and non-defaulting tract owners shall have lien rights as described in paragraph 2 above against any tract owner(s) who default in paying their share of financial maintenance obligations under said agreement. Section A road costs (in said "Joint Maintenance Agreement") attributable to the "Ridge" shall be equally borne by all tract owners and Section B & C costs shall be equally borne by Tracts 4, 5, 6, & 7 (subject to adjustment in accordance with Section 7 of the "Joint Maintenance Agreement").

(C) Protective Covenants, Conditions and Restrictions

1. All structures placed on the property shall be used for residential purposes. No more than four separate structures, which may include a maximum of one primary dwelling and two guest houses, shall be built on each tract or future subdivided parcel, except that in the event Tract 4 is subdivided no more than one primary residence and one other structure shall be constructed upon any parcel resulting from said subdivision. The garage and parking easement benefiting Tracts 5, 6 & 7 and located on Tract 4 shall not constitute a structure according to the terms of this section. A "structure" is hereby defined as any enclosed building constructed for residential or related purposes such as garages, barns, storage sheds, etc. Any structure containing sleeping or kitchen facilities shall constitute a primary dwelling or guest house and no guest house shall contain more than 1,500 square feet of enclosed area. No commercial enterprises (specifically including rental units and farms) shall be permitted. Excluded from this restriction is the renting of one main dwelling and one guest house and the pursuit of individual business, artistic or literary activities.

2. No trailer houses, mobile homes, or temporary buildings shall be kept or erected upon the property except during the period of construction of the main dwelling, which period shall not exceed six (6) months. If the structure can not be seen from any adjacent tract then this period can be extended to eighteen (18) months.

3. All structures shall be built in an exterior style and with colors and materials in conformity or harmony with the exterior design of the dwellings erected on the surrounding areas (including Crested Butte Highlands and Crested Butte Meadows). No residences shall have exterior walls or siding of sheet metal, composition shingles or unplastered block and there shall be no unpainted metal roofs.

4. Open storage of building materials will be permitted during construction only, for a period not to exceed twelve (12) months.

5. No signs, billboards, or advertising of any kind, except those (not to exceed 2) used in any subsequent sale of property (not to exceed 5 square feet in size each) shall be placed or otherwise installed on the property or on any structure.

6. No animals shall be kept on the property except (i) household pets and their occasional offspring and (ii) riding horses in a quantity of not greater than one per four (4) acres, so long as they are properly corralled, provided, however, that all such animals shall be kept in clean and sanitary conditions.

7. All utilities shall be installed underground.

8. Tracts 3, 5, 6 & 7 shall not be subdivided and Tracts 1, 2 & 4 shall not be subdivided, sold, or transferred in tracts constituting less than 10 acres. Notwithstanding the above, that portion of Tract 4 enclosed by the Meadows Road, the National Forest and Tract 5 may not be subdivided and any tract may be subdivided by owners of contiguous property for the exclusive

purposes of adding to and increasing their respective contiguous properties, in which event, such subdivided fractional acres shall not thereafter be severed from such other properties except upon compliance with this restriction. In the event there is further subdivision all easements in Section A herein shall accrue to the subdivided parcels if a residence is constructed upon re-subdivided land that is also part of real estate described in Exhibit A. In such event the owners of re-subdivided tracts shall bear their pro-rata shares of the road maintenance costs set forth in Section B herein.

9. No structure shall be built within fifty (50) feet of the common boundary with any other tract.

10. Septic tanks and drain fields must conform to Gunnison County standards and regulations.

11. Landscaping must be maintained in its natural condition. Tree cutting is only permitted for access and building site purposes unless evidence of such cutting can not be seen from any other Tract. No refuse, trash, garbage or any other unsightly substance including junk (defined as non-running) vehicles shall be permitted on the property.

12. No abandoned vehicles shall be permitted on any tract. A vehicle shall be considered "abandoned" if it remains non-operative and outside a building for a period of nine months.

13. No rifles, pistols, fireworks, explosives, or similar devices shall be discharged on any lot, except during hunting seasons sanctioned by the State of Colorado. Skeet and trap shooting may be permitted so long as care is taken not to disturb other tract owners.

14. All propane or fuel tanks must be enclosed or otherwise actively screened so that they will not be visible from the roads or from adjoining tracts.

15. No noxious or offensive activities shall be conducted on the property. This will include loud nuisances (unmuffled motorbikes & motorcycles, loud cars, chainsaws, unmuffled snowmobiles or barking dogs) unless said noises cannot be heard on the tracts or are extremely isolated in occurrence.

16. The conditions, restrictions, stipulations, agreements and covenants herein contained, shall not be waived, abandoned, terminated or amended except by an instrument setting forth the written consent of the then owners of sixty-six percent (66%) of the Tracts within the subject property, which instrument shall be duly executed, acknowledged and recorded in Gunnison County, Colorado. This provision shall not apply to paragraphs A-9, A-10, A-11, & A-12 which sections may be modified with the mutual written consent of the owners of Tracts 6 & 7.

17. If any person shall violate or threaten to violate any of the provisions of this instrument, it shall be lawful for any person or persons owning a tract within subject property, to institute proceedings at law or in equity to enforce the provisions of this instrument, and to recover damages, actual and punitive, together with reasonable attorneys' fees, for such violation.

18. The provisions of this Declaration and the easements granted herein shall continue until terminated or revoked as herein provided. Each provision of this Declaration which is subject to the laws or rule sometimes referred to as the "rule against perpetuities" or the rule prohibiting unreasonable restraints on alienation shall continue and remain in full force and effect for the period of twenty-one (21) years following the death of the now living issue of Fred Fair and David A. Baxter or until this declaration is terminated as otherwise provided herein, whichever first occurs.

All of the covenants, conditions, restrictions, easements and setbacks set forth herein shall be covenants running with the property (and re-subdivided portions of said property ,if any) and shall bind all parties and their heirs, administrators, successors and assigns. In the event any of the restrictions set forth herein shall be held invalid, unenforceable or deemed to violate an applicable county, state or federal regulation the remaining restrictions shall nevertheless remain in full force and effect.

Executed this 16th day of February, 1989.

*Fred Fair by John Thomas Kelly
his attorney-in-fact*

Fred Fair, Owner & Declarant

*David A. Baxter by
John Thomas Kelly his attorney-in-fact*

David A. Baxter, Owner & Declarant

State of Colorado)
) ss.
County of Pitkin)


The foregoing instrument was acknowledged before me this 16th day of February, 1989, by David A. Baxter and Fred Fair by John Thomas Kelly, their attorney-in-fact.

Witness my hand and official seal.

My commission expires: 8-23-89

Kay J. Andrews

Notary Public



Township 14 South, Range 85 West, 6th P.M.

Section 22: $NE\frac{1}{4}$,
 $SE\frac{1}{4}NW\frac{1}{4}$,
 $SE\frac{1}{4}SW\frac{1}{4}$,
 $NE\frac{1}{4}SW\frac{1}{4}$.

EXCEPTING THEREFROM that portion of the $NE\frac{1}{4}NE\frac{1}{4}$ of said Section 22, being a portion of the parcel of land described in deed recorded in Book 249 at page 301, Gunnison County records, which lies South and East of the following described line, to wit: Beginning at a point on the summit of the ridge running Southwest of Point Lookout and North of the Cement Creek Ranger Station, the relative position of the NE corner of said Section 22, whence the SE corner of said section bears South 5280 feet; thence following said ridge South $65^{\circ}36'$ West, 94 feet; thence following said ridge, South $38^{\circ}04'$ West, 1354 feet; thence following said ridge South $17^{\circ}12'$ West, 225 feet to a point on the South line of said $NE\frac{1}{4}NE\frac{1}{4}$, 332 feet East of the center of the $NE\frac{1}{4}$ of said Section 22;

ALSO EXCEPTING THEREFROM a second tract of land located in the southwest corner of the $SE\frac{1}{4}SW\frac{1}{4}$ of Section 22, being a tract 208.6 feet square whose south and west lines are the same as the south and west lines of said quarter section,

County of Gunnison,
 State of Colorado.