

DECLARATION OF PROTECTIVE COVENANTS

SKYLAND, INITIAL FILING

## TABLE OF CONTENTS

	Page
Article I	
Introduction.....	1
Article II	
Purpose of Covenants .....	1
Article III	
Definitions:	
Association.....	4
Clubhouse Tract.....	6
Commercial Tract .....	5
Design Guidelines.....	8
Duplex Lot .....	4
Employee Housing Tract .....	5
General Use Requirements .....	8
Golf Course.....	6
Maintenance Tract .....	6
Multi-Family Tract.....	5
Open Space .....	7
Open Space Restrictions .....	8
Operations and Maintenance Requirements .....	8
Owner.....	8
Residential Tracts and Lots.....	4
River Tract .....	7
Single Family Lot .....	4
SKYLAND, INITIAL FILING.....	3
Skyland Metropolitan District.....	3
Skyland Properties .....	3
Unit .....	8
Article IV .....	9
Skyland Metropolitan District	
Purpose of Skyland Metropolitan District .....	9
Board of Directors of Skyland Metropolitan District .....	9
Long Term Responsibilities of Skyland Metropolitan District.....	9

	Page
Charges, Fees and Taxes of Property.....	10
Article V.....	10
Skyland Community Association	
Formation and Purpose .....	10
Membership .....	10
Voting Rights .....	10
Powers.....	11
Composition of Board of Directors.....	13
Design Guidelines .....	13
Assessments .....	15
Operation and Maintenance Assessment .....	15
Non-Compliance Assessment .....	16
Emergency Assessments.....	16
Article VI .....	21
Design Review and Approval	
Design Review Committee .....	21
Conduct of Business .....	21
Design Guidelines.....	21
Article VII.....	23
General Use Requirements	
Land Use .....	23
Single Family Lot .....	23
Duplex Lot .....	23
Multi-Family Tract.....	24
Employee Housing Tract .....	24
Commercial Tract .....	24
Clubhouse Tract .....	24
Resubdivision.....	24
Mining, Drilling or Quarrying .....	25
Nuisance.....	25
Signs.....	25
Animals .....	25
Water Wells .....	25
Sewage Disposal .....	26
Utility Lines .....	26
Tanks.....	26
Firearms .....	26
Vehicular Storage.....	27

	Page
Temporary Structures.....	27
Recreational Vehicles .....	27
Clotheslines.....	27
Mailboxes.....	27
Exterior Fires .....	27
Exterior Antenna.....	28
Camping.....	28
Garage Doors .....	28
Unsightly Growth.....	28
Solicitors .....	28
Article VIII.....	28
Operations and Maintenance Requirements	
Rubbish, Trash and Garbage.....	28
Damaged Structures .....	29
Failure to Maintain.....	29
Recreation Restrictions .....	29
Article IX .....	30
Restrictions on Open Space	
Improvements .....	30
Landscaping .....	30
Temporary Building.....	31
Ownership, Operation and Maintenance.....	31
Vehicles.....	31
Article X.....	31
Restrictions on Golf Course	
Ownership, Operation and Maintenance.....	31
Use of the Golf Course .....	31
Restricted Uses.....	32
Article XI .....	32
Enforcement, Duration and Amendment	
Right of Enforcement.....	32
Covenants to Run With Land.....	33
Terms of Covenants .....	33
Amendment.....	33
Severability .....	34
Adoption Clause.....	34

DECLARATION OF PROTECTIVE COVENANTS

SKYLAND, INITIAL FILING

ARTICLE I

INTRODUCTION

This instrument contains the effective protective covenants for all lands within SKYLAND, INITIAL FILING, in Gunnison County, Colorado, which lands are more specifically described on Exhibit "A" attached hereto.

Skyland Properties, a Colorado limited partnership, Jack D. Blanton, Nancy Blanton, Bud F. Garland, Dolores Garland, and Gary F. Garland, hereafter termed "Declarants" are the owners of all that real property above described and within SKYLAND, INITIAL FILING.

The Declarants hereby make, declare, and establish the following limitations, restrictions and uses upon and of all real property contained within SKYLAND, INITIAL FILING as restrictive and protective covenants running with the land, binding upon the Declarants, the Skyland Community Association, and the Skyland Metropolitan District, and upon all persons or entities claiming by, through, or under them and upon all future owners of all or any part of the real property with SKYLAND, INITIAL FILING so long as these restrictions remain in effect.

ARTICLE II

PURPOSE OF COVENANTS

It is the intention of the Declarants, expressed by their execution of this instrument, that the real property above described be developed and maintained as a highly desirable rural residential, commercial, and recreational area. It is the purpose of these covenants that the

present natural beauty, the natural growth and native setting and surroundings of SKYLAND, INITIAL FILING, and the property values and amenities therein shall always be protected insofar as is possible in connection with the uses and structures permitted by this instrument, and that high standards of architectural quality and landscape design be maintained. It is of primary intent that the seclusion of each single family home site in SKYLAND, INITIAL FILING, from neighboring home sites shall be protected insofar as is possible.

In order to carry out these purposes and intents, the Declarants have incorporated the Skyland Community Association under the laws of the State of Colorado and have delegated and assigned thereto the powers of maintaining, administering and enforcing the covenants and restrictions and governing design control within SKYLAND, INITIAL FILING, as hereafter set forth.

In consideration of the acceptance hereof by the several purchasers and grantees (their heirs, executors, administrators, personal representatives, successors, and assigns, and all persons claiming by, through or under such grantees) of deeds to tracts or lots within SKYLAND, INITIAL FILING, said grantees hereby covenant and agree with each and every person who shall be or become an owner of any of said lots or tracts, in addition to the laws of the State of Colorado and the regulations of Gunnison County, Colorado, that they shall be and hereby are bound by the provisions set forth herein, and that the real property the subject of this instrument shall be owned and enjoyed subject to and with the benefit and advantages of the following restrictions, limitations, conditions, and agreements. Skyland Properties, a Colorado limited partnership, hereby reserves the right at any time after the date of recording hereof, to include additional property within the operation of this Declaration of Protective Covenants by the platting of record in the office of the Clerk and Recorder of Gunnison County, Colorado of such

additional property, which shall be denominated as "Skyland", and by a reference to a supplemental filing or filing number, and by execution by Skyland Properties, a Colorado limited partnership and recording thereof in the office of the Clerk and Recorder of Gunnison County Colorado of a supplement or supplements hereto which certifies that by its dedication of the lands therein platted, it subjects the same to the full operation and effect of this Declaration of Protective Covenants as then in force as the same may have been amended and to the Design Guidelines adopted by the Skyland Community Association.

ARTICLE III

DEFINITIONS

As used herein, the following words and terms shall have the following meaning:

1. SKYLAND, INITIAL FILING. All lands included within the boundaries of SKYLAND INITIAL FILING, Gunnison County, Colorado, as shown on the plat thereof bearing reception No. \_\_\_\_\_ in the office of the Gunnison County Clerk and Recorder.
2. Skyland Metropolitan District. A special district proposed to be formed in accordance with Title 32, Colorado Revised Statutes of 1973.
3. Skyland Properties. A Colorado limited partnership, formed for the specific purpose of planning, subdividing and developing SKYLAND, INITIAL FILING, and other properties. Until such time as the Skyland Metropolitan District is officially formed in accordance with the Colorado Revised Statutes, Skyland Properties will be responsible for ownership and development of all roads, utilities, utility easements, open space, and golf course within the boundaries of SKYLAND, INITIAL FILING.

4. Association. Skyland Community Association, a Colorado non-profit corporation, formed for the purpose of enforcing these covenants and adopting and enforcing Design Guidelines for the implementation hereof.
  
5. Residential Tracts or Lots. Those subdivision tracts or lots designated on the recorded final plat of SKYLAND, INITIAL FILING, as either single family lots, duplex lots, multi-family tracts or employee housing tracts.
  
6. Single Family Lot. A lot designated on the recorded plat of SKYLAND, INITIAL FILING by the letter "S" followed by the lot number, which can be used solely for residential building containing not more than one primary dwelling unit and a caretaker's apartment, together with not less than one attached two-car garage may be constructed.
  
7. Duplex Lot. A lot designated on the recorded plat of SKYLAND, INITIAL FILING by the letter "D" followed by the lot number, which can be used solely for residential purposes and upon which not more than two primary dwelling units must be constructed. Any duplex on duplex lot may be resubdivided by the owner or owners thereof into two townhouse or condominium units in order to permit legal conveyance of each of said units without obtaining the consent of the Skyland Community Association, upon compliance with the terms and conditions of the Gunnison County Land Use Resolution in effect upon the date of such resubdivision. Such resubdivision shall not require consent of the owner of any other lot, tract or unit within SKYLAND, INITIAL FILING, nor shall the same be considered an amendment hereof or of the recorded plat of SKYLAND, INITIAL FILING.

8. Multi-family Tract. A lot designated on the recorded plat of SKYLAND, INITIAL FILING by the words "Multi-Family Tract" followed by the number thereof, which can be used solely for multiple family residential purposes including condominiums or townhouses and upon which the maximum number of dwelling units to be constructed shall not exceed the number designated on the recorded final plat of SKYLAND, INITIAL FILING. Any multi-family lot may be resubdivided by the owner or owners thereof into two or more distinct townhouse or condominium units without obtaining the consent of the Skyland Community Association or the owner of any lot, tract, or unit within SKYLAND, INITIAL FILING, upon compliance with the terms and conditions of the Gunnison County Land Use Resolution in effect upon the date of such resubdivision.

9. Employee Housing Tract. The tract designated on the recorded plat of SKYLAND, INITIAL FILING by the words "Employee Housing Tract" which can be used solely for multiple family residential purposes including condominiums, townhouses, or apartments, game rooms, laundry facilities, and recreation facilities, and upon which the maximum number of primary dwelling units to be constructed shall not exceed the number designated on the recorded plat of SKYLAND, INITIAL FILING. Said tract may be resubdivided by the owner thereof into two or more townhouse or condominium units without obtaining consent of the Skyland Community Association or the owner of any lot, tract, or unit within SKYLAND, INITIAL FILING, upon compliance with the terms and conditions of the Gunnison County Land Use Resolution in effect upon the date of such resubdivision.

10. Commercial Tract. A lot designated on the recorded plat of SKYLAND, INITIAL FILING by the words "Commercial Tract" followed by the tract number, which can be used for

commercial and residential purposes including condominiums, apartments, service stations, stores and dry goods shops, restaurants, lounges, offices, parking lots, and driveways. The aggregate number of dwelling units in all Commercial Tracts shall not exceed 20, and the aggregate square footage of commercial space in all of said Commercial Tracts shall not exceed 100,000 square feet. Said tract may be resubdivided by the owner thereof into two or more townhouse or condominium units without obtaining the consent of the Skyland Community Association or the owner of any lot, tract, or unit with SKYLAND, INITIAL FILING, upon compliance with the terms and conditions of the Gunnison County Land Use Resolution in effect upon the date of such resubdivision.

11. Maintenance Tract. A tract designated on the recorded plat of SKYLAND, INITIAL FILING, as "Maintenance" and which shall be used for enclosed storage, repair, and maintenance of all equipment and supplies of the Skyland Metropolitan District.

12. Clubhouse Tract. A tract designated on the recorded plat of SKYLAND, INITIAL FILING by the words "Clubhouse" on which may be constructed buildings relating to recreational and health activities such as but not limited to golf, tennis, swimming, racquetball and handball. Said buildings may contain restaurants and bars, pro shops, toilets and locker rooms and other related uses.

13. Golf Course. That portion of the real property within SKYLAND, INITIAL FILING designated on the recorded plat of SKYLAND, INITIAL FILING as "Golf Course" for the conduct of the game of golf and related golfing activities. The golf course may have constructed thereon buildings such as shelters, toilets, pump houses, storage and maintenance buildings and other accessory structures related to the golfing activity. Said golf course and related facilities,

including locker rooms, pro shop, and bar and grill, shall remain a public facility, available to residents within the Skyland Metropolitan District upon its formation, residents of the County guests of either, and members of the public at large, on a greens fee paying basis.

14. River Tract. The tract designated upon the recorded plat of SKYLAND, INITIAL FILING as "River Tract", which may be used for sanitary sewer treatment facilities. In the event the Skyland Metropolitan District or any successor entity having jurisdiction over the collection and treatment of sewage within SKYLAND, INITIAL FILING determines that said tract is no longer required for said purpose, the Declarants hereunder, either in whole or in part, shall have the right without approval of the Skyland Metropolitan District, the Skyland Community Association, or any owner of real property with SKYLAND, INITIAL FILING, to resubdivide said tract into not more than 60 multi-family, or 16 single family lots, or a mixture of single-and multi-family lots, provided that no single family lot is less than 0.6 acres in size. Any such resubdivision shall not require the consent of the Skyland Community Association, the Skyland Metropolitan District or any owners of lots, tracts, or units within SKYLAND, INITIAL FILING, so long as such resubdivision is accomplished in accordance with the Gunnison County Land Use Resolution then in effect.

15. Open Space. All that area within the Skyland Metropolitan District designated on the recorded plat of the SKYLAND, INITIAL FILING as "Open Space". All Open Space areas shall either remain in their natural condition or may be improved by the Skyland Metropolitan District as park and recreation areas. All Open Space areas shall be available for use by all residents of the Skyland Metropolitan District and their guests and invitees in accordance with the rules and regulations of said District.

16. General Use Requirements. Guidelines stating allowed or prohibited uses, as set forth in Article VII of this document.

17. Design Guidelines. A separate document entitled SKYLAND, INITIAL FILING, Design Guidelines, which contains specific requirements and restrictions for building design and location, building materials, minimum square footages and other requirements which may, from time to time, be amended, modified, or changed by the Board of Directors of the Skyland Community Association.

18. Operation and Maintenance Requirements. Requirements covering post-design factors and activities, such as construction, site maintenance, garbage and trash removal, recreational activity restrictions, and environmental performance requirements, as set forth in Article VIII of this document.

19. Open Space Restrictions. Limitations on the use of Open Space areas and guidelines for management of these areas, as set forth in Article IX of this document.

20. Owner. The owner of record of a fee simple title to any tract, or unit in SKYLAND, INITIAL FILING.

21. Unit. Any condominium or townhouse unit created by resubdivision of any Multi-family Tract, Commercial Tract, Employee Housing Tract or Duplex Lot.

ARTICLE IV

SKYLAND METROPOLITAN DISTRICT

1. Purpose of Skyland Metropolitan District. The Skyland Metropolitan District is being formed to perform ownership, operation, and maintenance functions for the various services that are to be incorporated into SKYLAND, INITIAL FILING.

2. Board of Directors of Skyland Metropolitan District. In accordance with the Colorado Revised Statutes, a Board of Directors consisting of five electors of the District. The Board of Directors will fulfill various duties and be responsible to the electorate of the District as set forth in the Colorado Revised Statutes.

3. Long Term Responsibilities of the Skyland Metropolitan District. The Skyland Metropolitan District is being formed to provide for long term ownership, operation, and maintenance of certain utility and recreational features of SKYLAND, INITIAL FILING including, but not limited to, the following:

Central domestic water system.

Central sanitary sewer system.

Roads and public parking areas.

Drainage system.

Golf course.

Skyland Lake and other recreational features.

All open space.

Fire protection.

4. Charges, Fees, and Taxes of Properties. In order to provide the services required of the District the District must levy certain fees and taxes in accordance with state and local law.

ARTICLE V

SKYLAND COMMUNITY ASSOCIATION

1. Formation and Purpose. The Skyland Community Association has been formed for the purposes of promoting the health, safety, welfare and tranquility of the residents of said real property. In connection therewith, Skyland Community Association is charged with the responsibility for enforcement of the Declaration of Protective Covenants for SKYLAND, INITIAL FILING and all Design Guidelines adopted pursuant to authority granted under the Declaration of Protective Covenants for SKYLAND, INITIAL FILING, and shall have all rights necessary or incidental to the accomplishment of its expressed or implied purposes.

2. Membership. Every person or entity who is a record Owner of a fee or undivided fee interest in any lot, tract or unit within SKYLAND, INITIAL FILING, shall automatically be a member of the Skyland Community Association; provided, however, that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a member. Membership shall be appurtenant to and may not be separated from record ownership of any property subject to the Declaration of Protective Covenants for SKYLAND, INITIAL FILING.

3. Voting Rights. For purposes of voting, the Association shall have one class of voting membership, which shall consist of all record owners of a fee or undivided fee interest in any lot,

tract, or unit which is subject to this Declaration of Protective Covenants who have paid all duly authorized assessments of the Association.

Members shall be entitled to vote as follows:

- 1 vote per each single family lot.
- 1 vote per each duplex lot, unless the same has been resubdivided, in which case there shall be one vote per unit for which a certificate of occupancy has been issued.
- 10 votes per each commercial tract, plus one additional vote for each condominium or townhouse unit thereon for which a certificate of occupancy has been issued.
- 1 vote per multi-family tract until such time as the same has been resubdivided, when there shall be one vote per each condominium or townhouse unit thereon for which a certificate of occupancy has been issued.
- 10 votes for the Employee Housing Tract, in addition to one vote for each condominium or townhouse unit thereon for which a certificate of occupancy has been issued and which has been sold to a bona fide purchaser; provided however that the total of all votes for the Employee Housing Tract shall not exceed 60.

4. Powers. The Board of Directors of Skyland Community Association shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts in exercise thereof consistent with the purposes and objects of the Association, as set forth in its Articles of Incorporation, its Bylaws, and the Declaration of Protective Covenants for SKYLAND, INITIAL FILING, the Association's powers and duties shall include, but not necessarily be limited to:

- a. Exercising all powers, duties and authority vested in or delegated to the Association and not reserved to the membership of the Association by other provisions of its Articles

of Incorporation, its Bylaws, or the Declaration of Protective Covenants for SKYLAND INITIAL FILING.

b. Enforcing the Declaration of Protective Covenants for SKYLAND, INITIAL FILING and adopting and enforcing the Design Guidelines.

c. Imposing a reasonable Non-Compliance Assessment for violation of the Declaration of Protective Covenants and Design Guidelines adopted by the Association.

d. Authority to approve or disapprove any and all types of construction within SKYLAND, INITIAL FILING; this authority may be delegated to the Design Committee.

e. Fixing, levying, collecting and enforcing all assessments, as provided for herein;

f. Entering upon any property, without liability to any Owner for trespass, damage or otherwise, for the purpose of maintaining or repairing the property in the manner required by the Declaration of Protective Covenants 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 the Declaration of Protective Covenants and the Design Guidelines;

g. Commencement and maintenance, in its own name, on its own behalf, or in the name and on behalf of any Owner or Owners who consent thereto, of suits and actions to restrain and enjoin any breach or threatened breach of the Declaration of Protective Covenants, or the Design Guidelines, and enforcement by mandatory injunction or otherwise, of all of the provisions of the Declaration of Protective Covenants or the Design Guidelines;

- h. Preventing the maintenance of nuisance and impairment of the attractiveness and value of property with SKYLAND, INITIAL FILING; and
- i. Exercising any and all powers granted to the Association by the Colorado statutes governing the formation and operation of non-profit corporations.

5. Composition of Board of Directors. The Board of Directors of Skyland Community Association shall consist of five members, each of whom shall be entitled to vote on all matters submitted to the Board for resolution.

6. Design Guidelines. The Association, acting through its Board of Directors, and subject to the provisions of the Declaration of Protective Covenants, may adopt Design Guidelines consistent with the expressed or implied purposes of the Declaration of Protective Covenants and the Association, which govern, but need not necessarily be limited to: use of real property within SKYLAND, INITIAL FILING; general conduct of Owners, members of their immediate family, and their guests and invitees; pet control; noxious, offensive or dangerous activity; nuisances; property maintenance; services; financial matters; enforcement of the Declaration of Protective Covenants and Design Guidelines adopted pursuant thereto; interpretation and clarification of the Declaration of Protective Covenants; building and landscaping control and design and construction matters as set forth in Article VI.

Prior to the adoption of any proposed Design Guidelines or the amendment or repeal of any existing Design Guidelines, the Board shall give notice of the proposed action to all Owners and provide to those Owners an opportunity to submit views or otherwise participate informally in conferences relative to the proposed actions. Notice of the proposed action shall be published once a week for two successive weeks in any newspaper of general circulation within Gunnison

County, Colorado. In lieu of the publication requirement, the Board may direct notice be given by posting in no less than three (3) prominent places within SKYLAND, INITIAL FILING. Any such notice shall state the time, place and nature of the proceedings, which shall not be held less than five (5) days after the last publication is given, or, if appropriate, twenty (20) days after posting, the authority under which the action is proposed, and either the terms or substance of the proposed Design Guidelines, the amendment thereof, or a description of the subjects and issues involved. At the time and place specified in the notice, the Association shall hold a public hearing at which it shall afford interested persons an opportunity to submit written data, views, or arguments and to present the same orally unless the Board deems it unnecessary. The Board shall consider the submissions prior to taking any action. In the event the Board acts as initially proposed, the action taken shall become effective immediately thereafter. In the event of any material revisions made by the Board to the proposed actions subsequent to the giving of notice to Owners, as provided hereinafter, as a result of Owner comment or otherwise, the proposed actions, as revised, shall become effective immediately after the Board votes to adopt same and gives notice to each Owner of such revisions, in the manner provided above.

Temporary or emergency Design Guidelines may be adopted without compliance with the foregoing procedures, without notice, where no less than four of the five members of the Board find that immediate adoption of such Design Guidelines or amendments thereto is imperatively necessary for the preservation of Owner health, safety and welfare, and compliance with the procedures set forth above would be contrary to Owner interest. Notice of such findings and a statement of the reasons for the action shall be promptly given to each Owner together with the terms and substance of the temporary or emergency Design Guidelines or a description of the subjects and issues involved. Any temporary or emergency Design Guidelines or amendments

thereto shall become effective upon adoption by the Board or on such a later date as is set forth in the temporary or emergency Design Guidelines or amendments thereto and shall be in full force and effect from that date for a period not to exceed three months, unless during that time the temporary or emergency Design Guidelines so adopted are made permanent by compliance with the provisions contained herein relating to the adoption of Design Guidelines other than temporary or emergency Design Guidelines.

The Design Guidelines adopted hereunder shall be certified by the Secretary of Assistant Secretary of the Association, and shall be on file in the office of the Association and available for inspection by any owner, prospective owner, or mortgagee of any property with SKYLAND, INITIAL FILING, during normal business hours. Said Design Guidelines shall have the same force and effect as if the same were set forth in and made a part of these Protective Covenants, without the necessity of amending these Protective Covenants.

7. Assessments. The Association, acting through its Board of Directors, is further charged with the responsibility for and is granted the authority for enacting, adopting and enforcing assessments of the following classifications, including amendments or supplements thereof:

- a. Operation and Maintenance Assessment. An Operation and Maintenance Assessment, based upon a budget developed by the Association Board, will be levied upon all Owners subject to this assessment for the purpose of generating sufficient revenues to pay and discharge anticipated operational and maintenance expense. In developing the budget, the Board of Directors 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 the Covenants and such Design Guidelines as may be adopted by the Association. Those

expenses, which are deemed to be necessary, prudent and desirable may include, but not necessarily be limited to: (1) real property taxes on any property owned by the Association; (2) reasonable insurance coverage, including liability insurance for directors, agents and employees of the Association; (3) legal, accounting and audit fees; (4) salaries and utility costs for security; (5) capital projects of a general Owner benefit and reserves therefore; (6) office salaries; (7) payroll taxes and workmen's compensation; (8) contract labor; (9) office rent, utilities, supplies, postage and expenses; (10) printing; (11) directors' reimbursable expenses; (12) reasonable directors' fees; (13) design committee expenses; and (14) a reasonable reserve for contingencies.

b. Non-Compliance Assessment. Should any Owner cause or allow to be caused any violation of the Declaration of Protective Covenants or any 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: (1) costs incurred by the Association in attempting to secure compliance, including reasonable attorney's fees; and (2) non compliance penalties in such amounts as may from time to time be established by the Association's Board of Directors.

c. Emergency Assessments. In addition to the specific assessments provided for herein, the Association, acting through the concurrence of at least four of the five members of the Board, may adopt, levy and enforce such emergency assessments as may be deemed necessary for the preservation and protection of the property subject to the Declaration of Protective Covenants.

The Operation and Maintenance Assessment shall be levied on an annual basis, but may be supplemented from time to time by the Board if necessitated by inadequate working capital, and all other assessments provided for herein shall be levied from time to time when and as determined by the Board of Directors of the Association in accordance with the Declaration of Protective Covenants, and the Association's Articles of Incorporation, its Bylaws, and its Design Guidelines.

Written notice of all assessments and amended or supplemental assessments shall be sent to every Owner subject thereto as soon as the amounts are determined, which notice shall specify due dates and available payment options, as determined in the sole discretion of the Board of Directors of the Association. If an assessment is not paid when due, then such assessment shall become delinquent and shall, together with interest thereon and cost of collection thereof, including reasonable attorney's fees, become a continuing perpetual lien on the real property to which the assessment relates, which shall, except as hereinafter provided, bind such property in the hands of the then Owner, his heirs, personal representatives, successors, and assigns. In addition to such lien rights, it shall be the personal obligation of the then Owner or Owners (jointly or severally) to pay any such assessment and such personal obligation shall continue even though the Owner's interest in the Lot or Unit shall be transferred.

All sums assessed to any Owner pursuant hereto, together with interest thereon at a rate not to exceed eighteen percent (18) per annum, shall be secured by a lien on the Owner's real property in favor of the Association upon recordation of the notice of assessment as herein provided. Such lien shall be superior to all other liens and encumbrances on such real property except for: (i) valid tax and special assessment liens on the real property in favor of any governmental assessing authority; (ii) a lien for all sums unpaid to any first mortgagee with a

prior duly recorded lien, including all unpaid obligatory advances to be made pursuant to such mortgage, and all amounts advanced pursuant to such mortgage and secured by the lien thereof in accordance with the terms of such instrument; and (iii) labor or material man's liens, to the extent permitted by law. All other lienors acquiring liens, on any real property subject to this Declaration shall be deemed to consent that such liens shall be inferior to future liens for assessments as provided herein, whether or not such consent be specifically set forth in the instrument creating such lien.

To evidence a lien for sums assessed pursuant hereto, the Association shall prepare a written notice of assessment lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, a description of the real property to which said assessment relates, and the name of the record Owner of that real property. Such a notice shall be signed on behalf of the Association and shall be recorded in the office of the Clerk and Recorder of Gunnison County, Colorado. No notice of assessment shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by judicial foreclosure sale of the property by the Association in the same manner in which mortgages on real property may be foreclosed in Colorado, or in any other manner now or hereafter permitted by law. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding, the costs and expenses of filing the notice of assessment lien and a release thereof, and all reasonable attorney's fees. All such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any assessments, including interest, against the real property which shall become due during the period of foreclosure, which amounts may be claimed in any proceeding for collection and included within the bid at any foreclosure sale without the necessity of filing additional notices of assessment. The Association

is expressly authorized to bid at any foreclosure sale or other legal sale, and to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with any real property so acquired, in the same manner as an Owner. A further notice stating the satisfaction and release of any such lien shall be executed on behalf of the Association and properly recorded in the real property records of Gunnison County, Colorado upon payment of all sums secured by a lien which has been made the subject of a recorded notice of assessment.

Any encumbrancer holding a lien on real property subject hereto may pay, but shall not be required to pay, any amount secured by the liens created hereunder, and upon such payment, such encumbrancer shall be subrogated to all rights of the Association with respect to such lien, including priority.

The Association shall report to any encumbrancer of real property any unpaid assessment or other default remaining unpaid or uncured for longer than sixty (60) days after the same shall have become due; provided, however, that such encumbrancer first shall have furnished to the Association written notice of such encumbrance.

The amount of any assessment provided for herein against any real property subject hereto shall be the personal obligation of the Owner thereof to the Association. Suit to recover a money judgment for such personal obligation, together with costs and reasonable attorney's fees, may be maintained by the Association without foreclosing or waiving the lien securing payment of same. No Owner may avoid or diminish such real property or personal obligation by waiver of the use and enjoyment of any of his real property or by abandonment of his real property.

Upon receipt of written request from any Owner, mortgagee, prospective mortgagee, or prospective purchaser of real property subject hereto, the Association shall furnish a written statement of account relating to said real property and setting forth: (i) the amount and nature of

any delinquent assessments; and (ii) the amount of any advanced payments made, which statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith. Unless such request shall be complied with within thirty (30) days after receipt of same, all unpaid Operation and Maintenance Assessments which become due prior to the date of such request and which are attributable to said real property shall be subordinate to the rights of the person requesting such statement. A reasonable service fee in any amount necessary to reimburse the Association for its expense, as determined from time to time by the Board, shall be paid for furnishing the statement of account.

Subject to the provision contained within the preceding paragraph, a purchaser of real property subject hereto, except for any first mortgagee who comes into possession of any real property subject hereto pursuant to the remedies provided in its mortgage, or becomes an Owner of any real property subject hereto pursuant to foreclosure of its mortgage or by the taking of a deed in lieu thereof, shall be jointly and severally liable with his seller for all unpaid assessments against said real property so acquired which were incurred prior to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from his seller the amount paid by the purchaser for such assessment.

In addition to the penalties imposed above for failure to pay assessments imposed by the Association when due and owing, the Board may suspend voting rights of any Owner failing to pay such assessment when due and owing, may preclude participation in any meetings of the Association, its Board of Directors or its Design Committees by the Owner failing to pay such assessment when due and owing, or member of his immediate family.

ARTICLE VI

DESIGN REVIEW AND APPROVAL

1. Design Review Committee. The Design Review Committee shall consist of a group of five persons, who shall be members of the Board of Directors of the Skyland Community Association, or who shall be appointed by the Board of Directors for terms not to exceed five years. The Design Review Committee shall have and exercise all of the powers, duties and responsibilities set forth in this instrument, and shall enforce the provisions of this covenant.
  
2. Conduct of Business. The Design Review Committee shall meet at the convenience of its members or may conduct its business by mail or telephone as often as necessary to transact its business. If the Design Review Committee consists of appointees members shall, at all times be responsible to the Board of Directors of the Skyland Community Association.
  
3. Design Guidelines. The Skyland Community Association will adopt and publish a document entitled "SKYLAND, INITIAL FILING", Design Guidelines. Said Design Guidelines will be based upon the will be based upon the content of this instrument, however, the content of the Design Guidelines will be more specific and detailed than this instrument. In the event of any conflict between this instrument and the Design Guidelines, the provisions of this instrument shall govern.

The Design Guidelines will cover, without limitation, the following areas of interest:

Improvements on single family and duplex lots.

Improvements on multifamily tracts, employee housing tracts, commercial tracts, commercial tracts, maintenance tracts, and clubhouse tract.

Setbacks and easements.

Clearing of trees and vegetation.

Screening and landscaping.

Drainage.

Grading

Driveways.

Parking.

Any improvements, structures, drainage facilities or other matters requiring Design Review Committee approval shall be designed in such manner as will mitigate or render insignificant geologic hazards which have been identified as potentially present in portions of SKYLAND, INITIAL FILING. Further and more specific information regarding location of said potential hazards is set forth in a map prepared by Rocky Mountain Geotechnical, which map is on file with the offices of the Gunnison County Planning Staff and Building Department. Said potential geologic hazards are as follows:

- A. Bog. High ground water conditions, organic soils, and severe frost heave potential.
- B. Down Slope Creep. Anticipate accelerated lateral and vertical movement of near surface soils in a downslope direction.
- C. Frost Heave. Even though these areas lie above the water table, a moderate to severe potential for the formation of ice lenses and frost heave is felt to exist due to capillarity and the presence of free water at depth.
- D. Rockfall Source Area, Glacial. Primarily steeply sloping glacial features containing many boulder-sized rock fragments producing a rockfall hazard.
- E. Rockfall Runout Zone, Glacial. Areas where permanent structures may be subject to impact from moving talus derived from the above referenced glacial source area.

ARTICLE VIIGENERAL USE REQUIREMENTS

1. Land Use. No lands within SKYLAND, INITIAL FILING shall ever be occupied or used by or for any structure or purpose or in any manner which is contrary to the land uses indicated on the final plat and defined herein. All lots and tracts with SKYLAND, INITIAL FILING shall be designated as one of the following uses on the final plat as recorded with Gunnison County. Said lots and tracts shall only be used in the manner specified herein, subject to the provisions of this instrument and other regulations which may from time to time be adopted by the Skyland Community Association. Allowable land uses for the lots and tracts within SKYLAND, INITIAL FILING are:

A. Single Family Lot

One residential building containing one primary dwelling unit with an optional caretaker's apartment, which must be attached to or incorporated within the primary unit, and which shall not exceed 900 square feet. Not less than one double car attached garage with doors is required for each single family lot plus at least one single car attached garage for any caretaker's apartment.

B. Duplex Lot

One residential building containing two primary dwelling units and no caretaker's apartment, or one residential building containing one primary dwelling unit with an optional attached caretaker's apartment. Not less than one double car attached garage with doors is required for any primary dwelling unit, plus not less than one single car attached garage for the caretaker's apartment, if allowed.

C. Multi-family Tract

Condominium or townhouse residential type buildings with the total number of primary dwelling units not exceeding the number designated on the recorded plat of SKYLAND, INITIAL FILING.

D. Employee Housing Tract

Condominium, townhouse, or apartment residential type buildings with the total number of dwelling units not exceeding 100.

E. Commercial Tract

Condominium, townhouse or apartment residential type buildings with the total aggregate number of dwelling units on all of said tracts not exceeding 20. Commercial space for use as service station, stores and drygoods shops, restaurants, lounges, offices and services of which the total aggregate square footage of usable space on all of said tracts shall not exceed 100,000 square feet.

F. Clubhouse Tract

One or more buildings related to recreational and health activities such as but not limited to golf, tennis, swimming, racquetball and handball, including restaurants and lounges, pro shops, toilets and locker rooms, swimming pool, racquetball and handball courts, and tennis courts (indoor and outdoor).

2. Resubdivision. No single family lot shall ever be resubdivided into smaller tracts or lots. Any Duplex, Multi-family Tract, Employee Housing Tract, and Commercial Tract may be further subdivided in accordance with the procedures set forth in this instrument and the Gunnison County Land Use Resolution.

3. Mining, Drilling, or Quarrying. No mining, quarrying, tunneling, excavating, or drilling for any substances within the earth, including oil, gas, minerals, gravel, sand, rock, or earth, or geothermal resources shall ever be permitted with SKYLAND, INITIAL FILING except as required for soils and geology investigation required by this instrument, or during construction of approved improvements.
4. Nuisance. No unsightly objects, activities or noises shall be erected or permitted on any lot or tract, and nothing shall be done or permitted which may be or become an annoyance or nuisance to other residents.
5. Signs. No signs, including without limitation, advertising signs, "for sale" signs, or billboards shall be erected or permitted on any lot or tract in SKYLAND, INITIAL FILING. Signs required within a Commercial Tract, Maintenance Tract, or Clubhouse Tract must be approved by the Design Review Committee prior to installation.
6. Animals. No animals or poultry shall be kept in SKYLAND, INITIAL FILING except ordinary household pets (normally maintained within a dwelling) belonging to a property owner or resident. The Skyland Community Association may require any owner or resident to remove any animals or poultry that are in violation of this provision from SKYLAND, INITIAL FILING. All dogs must be kept in a dog run area, on a leash or chain, or under direct control of a person at all times. Not more than three domestic household pets shall be permitted per dwelling unit.
7. Water Wells. There shall be no water wells drilled or placed on any lot or tract within SKYLAND, INITIAL FILING, except as may be required by the Skyland Metropolitan District.

All units or structures requiring domestic or yard water must connect to the Skyland Metropolitan District central domestic water system.

8. Sewage Disposal. There shall be no individual septic or cesspool type sewage systems constructed within SKYLAND, INITIAL FILING. All units or structures requiring sewage disposal must connect to the Skyland Metropolitan District central sanitary sewer system, or any successor area-wide sewage treatment facility.

9. Utility Lines. All water, sewer, gas, power, telephone, and cable television main, secondary and service lines and cables installed within SKYLAND, INITIAL FILING must be buried in the ground and may not be carried on overhead poles or above the surface of the ground. No permanent improvements may be constructed upon any easements shown upon the recorded plat of SKYLAND INITIAL FILING, except with the prior written consent of the Skyland Community Association.

10. Tanks. No above ground tanks of any kind shall be erected, placed or permitted within SKYLAND, INITIAL FILING. Any tank installed within SKYLAND, INITIAL FILING, including tanks for the storage of gasoline, propane, oil, and water shall be completely buried in accordance with applicable building codes.

11. Firearms. No firearms, fireworks, bows and arrows crossbows, or other weapons or explosives of any kind or character may be discharged or utilized in any manner with SKYLAND, INITIAL FILING, except explosives utilized in conjunction with construction approved by the Design Review Committee.

12. Vehicular Storage. No trailer, house trailer, mobile home, tent, truck, camper, boat or motor home shall be kept, placed or maintained upon any lot for longer than 48 hours except within a garage, nor shall the same be parked on any roads within SKYLAND, INITIAL FILING. The provisions of this paragraph shall not apply to temporary construction shelters or facilities maintained during and used exclusively in connection with the construction of any work or improvement permitted under the Declaration of Protective Covenants or Design Guidelines.

13. Temporary Structures. No accessory structure or building shall be constructed, placed, or maintained upon any lot or tract to the construction of the main structure thereon; provided, however, that the provisions of this paragraph shall not apply to temporary construction shelters or facilities maintained only during and used exclusively in connection with the construction of the main structure of the residence.

14. Recreational Vehicles. No trailer, automobile, truck or other vehicle, or boat shall be constructed, reconstructed, repaired or stored except in a garage.

15. Clotheslines. Outside clotheslines or other outside clothes drying or airing facilities shall be maintained exclusively within a fenced service yard designed in accordance with the Design Guidelines and shall not be visible from neighboring property or roads.

16. Mailboxes. All mailboxes and newspaper receptacles shall conform to such design criterion as is formulated by the Design Guidelines, and the location of mailboxes shall be as specified by the Design Review Committee.

17. Exterior Fires. There shall be no exterior fires whatsoever except barbeque fires contained within receptacles therefor.

18. Exterior Antenna. No exterior antenna or reception discs of any type shall be permitted.
19. Camping. Camping shall be prohibited anywhere within SKYLAND, INITIAL FILING.
20. Garage Doors. All garages must have doors which shall remain closed except when required to be open for entry or exit of vehicles or persons.
21. Unsightly Growth. All owners will be required to mow, cut, 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 Association, and to remove any trash which may collect or accumulate on their lots.
22. Solicitors. Solicitors, peddlers, hawkers, itinerant merchants, and transient vendors of merchandise, shall not enter any lot or tract for the purpose of conducting their business, without prior request or invitation by the Owner of same.

## ARTICLE VIII

### OPERATION AND MAINTENANCE REQUIREMENTS

1. Rubbish, Trash, and Garbage. Rubbish, garbage, or other waste shall be kept and disposed of in a sanitary container. All containers or other refuse shall be kept in a sanitary condition and shall be kept inside a building or an enclosed and screened structure. No trash, litter, or junk shall be permitted to remain exposed upon the premises and visible from public roads or adjoining or nearby premises, except at such times as the same is being collected by the

appropriate refuse collection company, and then only in metal containers. All rubbish and trash shall be removed from all lots and tracts in SKYLAND, INITIAL FILING and shall not be allowed to accumulate and shall not be burned or disposed of anywhere within SKYLAND, INITIAL FILING.

2. Damaged Structures. Any dwelling unit of other structure damaged by weather, fire, flood, vandalism or in any other manner, shall be completely repaired, reconstructed or completely removed within three (3) months of the date when damage occurred. In the event the structure or building is removed, the site must be cleaned of rubble, stabilized and landscaped to prevent erosion and to eliminate any unsightly appearance.

3. Failure to Maintain. In the event the owner of any lot, tract, or structure within SKYLAND, INITIAL FILING shall fail to maintain his property or structure in a satisfactory manner, the Board of Directors of the Skyland Community Association shall have the right, through its agents or employees, to enter upon said property and to repair, maintain, and restore the property or structures to an acceptable condition. All costs incurred as a result of such action shall be borne by the owner of the lot, tract, or structure, or shall become a lien on the property, in the same manner as is herein specified for non-payment of assessments.

4. Recreation Restrictions

A. Cross country or any other form of skiing is prohibited in the travel lanes of any road or street owned, operated, or maintained by the Skyland Metropolitan District. Cross country skiing may be allowed in all open space, subject to certain restrictions and limitations that may, from time to time, be imposed by the Board of Directors of the Skyland Metropolitan District.

B. The use of snowmobiles or other mechanized over-the-snow vehicles anywhere within SKYLAND, INITIAL FILING is prohibited, except as may be authorized by the Board of Directors of the Skyland Metropolitan District for the purpose of cutting and packing cross-country ski trails.

C. Trail bikes, mini-bikes, motorcycles, all-terrain vehicles, or other motorized vehicles not licensed by the State of Colorado may not be operated within SKYLAND, INITIAL FILING.

## ARTICLE IX

### RESTRICTIONS ON OPEN SPACE

1. Improvements. No improvements of any kind or nature shall be constructed or allowed to remain on any land designated on the recorded plat of SKYLAND, INITIAL FILING as Open Space except lakes and ponds, bridle paths, fences, trails, park facilities, or similar improvements for the benefit of or use of all lot owners or residents of SKYLAND, INITIAL FILING. Any improvements to be made upon Open Space shall first be approved by the Skyland Metropolitan District, and shall conform and harmonize in appearance, siting, and cost with the overall development scheme of SKYLAND, INITIAL FILING.

2. Landscaping. No trees or brush existing on any Open Space shall be felled or trimmed, no natural areas shall be cleared, nor shall any vegetation, rocks or soil be damaged or removed, nor any landscaping performed on any Open Space area unless first approved in writing by the Design Review Committee.

3. Temporary Building. No temporary house, house trailer, travel trailer, recreation vehicle, horse trailer, tent, or other temporary or movable structure shall be placed, erected, or allowed to remain on any Open Space area.
4. Ownership, Operation, and Maintenance. All Open Space shall be owned, operated, and maintained by the Skyland Metropolitan District. However, it is the intention of this instrument that all Open Space shall remain as such and shall at all times remain under the ownership of the Skyland Metropolitan District, and be available for use by the residents of the District, and their guests.
5. Vehicles. Trail bikes, mini-bikes, motorcycles, all-terrain vehicles, or other motorized vehicles may not be utilized within the Open Space.

## ARTICLE X

### RESTRICTIONS ON GOLF COURSE

1. Ownership, Operation, and Maintenance. The Skyland Metropolitan District will at all times be responsible for ownership, operation, and maintenance of the golf course. The Skyland Metropolitan District may enter into an agreement or contract with a firm that specializes in golf course operation and maintenance, which contract will allow the firm contracted with to operate and maintain the entire eighteen hole course and the practice range, practice green, and related golf facilities.
2. Use of the Golf Course. The golf course, practice range, and practice green will at all times be open for use by the general public, the only exception being for scheduled tournaments or

scheduled league play. Use of the course will be subject to regularly scheduled hours of play.

3. Restricted Uses. The golf course shall be used for those purposes for which it was designed and constructed; other recreational uses may be allowed only by resolution of the Skyland Metropolitan District. Snowmobiling, motorcycling, bicycling, and horseback riding will never be allowed within the limits of the golf course. The Skyland Metropolitan District may from time to time allow special uses of the golf course which have not been provided for in this instrument.

## ARTICLE XI

### ENFORCEMENT, DURATION, AND AMENDMENT

1. Right of Enforcement. The Declaration of Protective Covenants and the restrictions, covenants and conditions contained herein are for the benefit of the Owners, jointly and severally, and for the benefit of the Association and may be enforced by an action for damages, whether actual punitive, or both, suit for injunction, mandatory or prohibitive, or such other appropriate legal remedy as may be available, including reasonable attorney's fees and costs incurred therein instituted by one or more Owners, the Association, the Design Review Committee, Gunnison County, Colorado, or any combination thereof; provided, however, that prior to the commencement of any enforcement proceedings by an Owner, that Owner shall advise the Association Board in writing of the claimed violation, and the Board shall thereafter have a period of thirty (30) days in which to attempt to compel compliance or commence enforcement proceedings in its name. In the event the Association Board fails or refuses to act to remedy the claimed violation within the time period above specified, then and only then may an Owner, separately, and at his sole cost and expense, attempt to enforce the Declaration of

Protective Covenants. No action shall be brought or maintained against the Board or members thereof in the event the Board elects to take no action with respect to alleged violations of the Declaration of Protective Covenants for SKYLAND, INITIAL FILING.

2. Covenants to Run With Land. All of the articles contained within this instrument shall be a burden on the title to all of the lands within the boundaries of SKYLAND, INITIAL FILING, and the benefits thereof shall be guaranteed to the Owners of all the lands within SKYLAND, INITIAL FILING, and the benefits and burdens of all said covenants shall run with the title to all of the lands in SKYLAND, INITIAL FILING.

3. Terms of Covenants. All of the articles contained in this instrument shall continue for a period of at least thirty (30) years from the date of adoption. At the end of the thirty (30) year period, the Board of Directors of Skyland Community Association shall have the right to renew the term of this instrument for an additional thirty (30) years or adopt a new or revised set of covenants.

4. Amendment. The conditions, restrictions, stipulations, agreements and covenants herein contained, as well as the recorded plat of SKYLAND, INITIAL FILING, and any supplemental plats as specified in Article II hereof, shall not be waived, abandoned, terminated or amended except by an instrument setting forth the written consent of the then Owners of seventy-five percent of the lots and tracts, within the subdivision, which instrument shall be duly executed, acknowledged and recorded in Gunnison County, Colorado.

5. Until such time as seventy-five percent of the lots within the subdivision have been conveyed to third persons by the Declarants, these Covenants and the recorded plat of SKYLAND,

INITIAL FILING shall not be waived abandoned, terminated or amended except upon the written consent of the Board of Commissioners of Gunnison County, Colorado.

6. Severability. Should any part or parts of these covenants 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.

7. Adoption Clause. IN WITNESS WHEREOF, the foregoing Declaration of Protective Covenants, SKYLAND, INITIAL FILING, are hereby duly adopted, and shall continue for the original term of such covenants from this date of October 6, 1981.

SKYLAND PROPERTIES, a Colorado  
limited partnership

By \_\_\_\_\_  
Jack D. Blanton, general partner

\_\_\_\_\_  
Jack D. Blanton

\_\_\_\_\_  
Nancy Blanton

\_\_\_\_\_  
Bud F. Garland

\_\_\_\_\_  
Dolores Garland

\_\_\_\_\_  
Gary F. Garland

STATE OF COLORADO

County of Gunnison

The foregoing Declaration of Protective Covenants were acknowledge before me this 17<sup>th</sup> day of November, A.D. 1981 by Jack D. Blanton as general partner of Skyland Properties, a Colorado limited partnership, Jack D. Blanton, Nancy Blanton, Bud F. Garland, Dolores Garland, and Gary F. Garland.

Witness my hand and official seal.  
My commission expires: Oct. 20, 1984

\_\_\_\_\_  
(Joyce A. Violet)  
Notary Public

P.O. Box 179  
Gunnison, CO 81230

## EXHIBIT "A"

## DECLARATION OF PROTECTIVE COVENANTS

## SKYLAND, INITIAL FILING

A part of Sections 1 and 12, Township 14 South, Range 86 West and of Sections 6 and 7, Township 14 South, Range 85 West, Sixth Principal Meridian, County of Gunnison, State of Colorado, more particularly described as follows:

Beginning at the North 1/4 corner of said Section 12; thence N89° 09'47"W along the North line of the Northwest quarter of said Section 12 a distance of 356.26 feet to the centerline of the Slate River, said centerline also being the Easterly line of Riverbend Subdivision as platted; thence along said centerline and said Easterly line of Riverbend Subdivision as platted; thence along said centerline and said Easterly line of Riverbend Subdivision the following four courses: (1) thence S11° 45'00"W, 390.75 feet; (2) thence S26° 42'00"E, 192.50 feet; (3) thence S50° 44'00"E, 301.00 feet; (4) thence S24° 59'00"E, 287.00 feet to the West line of said Northeast quarter of Section 12; thence S0° 17'01"E along the West line of said Northeast quarter a distance of 1303.23 feet to the Northerly line of that parcel described in Book 291 at page 45 of the Gunnison County records, thence along said Northerly line of said parcel following three courses: (1) thence S58° 26'31"E, 223.14 feet; (2) thence S31° 33'29"W, 50.00 feet; (3) thence along a non-tangent curve to the right having a radius of 1960.00 feet, a central angle of 1° 23'45", a chord length of 47.74 feet, a chord bearing of S57° 44'28"E, an arc length of 47.75 feet; thence proceeding along the Northerly right-of-way boundary of Gunnison County Road No. 738, first N88° 55'33"E, 134.36 feet; thence N35° 08'23"E, 270.17 feet; thence N41° 56'35"E, 1244.61 feet to the Northwest corner of the Southeast quarter of the Northeast quarter of said Section 12, thence S89° 12'02"E along the North line of said Southeast quarter of the Northeast quarter of Section 12 a distance of 15.65 feet to the Westerly line of said tract described in Book 268 at page 312 of the Gunnison County records, thence along said tract described in Book 268 at page 312 the following three courses: (1) thence N34° 29'48"E, 894.77 feet; (2) thence S88° 27'46"E, 812.75 feet to the Westerly line of Lot I of said Section 7; (3) thence N89° 38'54"E, 1275.84 feet to the Easterly line of said Lot I-Section 7; thence N0° 09'00"W along said Easterly line of Lot I of Section 7 a distance of 582.52 feet to the Southeast corner of Lot VII of said Section 6; thence N0° 20'16"W along the Easterly line of said Lot VII and Lot VI of said Section 6 a distance of 2645.00 feet to the Northeast corner of said Lot VI; thence S89° 55'16"W along the North line of said Lot VI a distance of 1242.05 feet to the East 1/4 Corner of said Section 1; thence N0° 16'08" E along the East line of said Northeast quarter of Section 1, 650.00 feet; thence N89° 43'52" W, 175.00 feet; thence S0° 16'08"W, 71.36 feet; thence S57° 38'50"W, 257.04 feet; thence S32° 21'10"E, 210 feet; thence S43° 02'33"W, 297.55 feet; thence along a curve to the left having a radius of 586.58 feet a central angle of 17° 34'57", a chord bearing of N67° 52'08"W, a chord of 179.30 feet. 180.01 feet thence N76° 39'36"W, 150.01 feet; thence along a curve to the right a distance of 631.42 feet, said curve having a radius of 798.04 feet, a chord which bears N53° 59'36"W, 615.08 feet and a central angle of 45° 20'00"; thence N31° 19'36"W, 106.57 feet; thence S58° 40'24"W, 80 feet; thence S31° 19'36"E, 106.57 feet; thence along a curve to the left a distance of 694.72 feet, said curve having a radius of 878.04 feet, a chord which bears S53° 59'36"E, 676.74 feet, and a central angle of 45° 20'00"; thence S76°

39'36"E, 150.01 feet; thence along a curve to the right a distance of 456.81 feet, said curve having a radius of 506.58 feet, a chord which bears S50° 49'36"E, 441.49 feet, and a central angle of 51° 40'00"; thence S24° 59'36"E, 326.97 feet; thence along a curve to the right a distance of 274.83 feet, said curve having a radius of 335.00 feet, a chord which bears S01° 29'28"E, 267.19 feet, and a central angle of 47° 00'17"; thence S22° 00'41"W 504.74 feet; thence on a curve to the right a distance of 39.27 feet, said curve having a radius of 25.00 feet, a chord which bears S67° 00'41"W 35.36 feet, and a central angle of 90° 00'00"; thence N67° 59'19"W 75.00 feet; thence along a curve to the right a distance of 193.58 feet, said curve having a radius of 235.98 feet, a chord which bears N44° 29'19"W 188.19 ft. and a central angle of 47° 00'00"; thence along a curve to the left a distance of 451.31 feet, said curve having a radius of 550.18 feet, a chord which bears N44° 29'19"W 438.77 feet, and a central angle of 47° 00'00"; thence N67° 59'19"W 284.74 feet; thence S22° 00'41"W 80 feet; thence S67° 59'19"E 161.34 feet; thence S22° 00'41"W 47.50 feet; thence S72° 17'40"W 871.26 feet; thence N57° 02'44"W. 207.68 feet; thence N04° 06'49"E 373.11 feet; thence N17° 05'20"W 575.27 feet; thence N17° 30'47"E 640.06 feet; thence N18° 18'05"W 447.21 feet; thence N60° 18'00"W 209.65 feet; thence S74° 08'26"W 223.31 feet; thence N53° 54'12"W 288.43 feet; thence N28° 22'14"W 1755.06 feet to the North line of the East half of the Northwest quarter of said Section 1; thence N89° 13'34"W along the North line of said East half of the Northwest quarter 340.00 feet to the Northwest corner of said East half of the Northwest quarter; thence S0° 25'34"W along the West line of said East half of the Northwest quarter 2647.76 feet to the Southwest corner of said East half of the Northwest quarter; thence S89° 29'48"E along the South line of said East half of the Northwest quarter, 1322.57 feet to the center 1/4 corner of said Section 1; thence S0° 30'37"W along the West line of the Southeast quarter of said Section 1 a distance of 2633.64 feet to the Point of Beginning, containing 381.820 acres more or less in Gunnison County, Colorado.

RESOLUTION OF  
THE BOARD OF DIRECTORS  
OF  
SKYLAND COMMUNITY ASSOCIATION

April 23, 1993

**WHEREAS**, the Declaration of Protective Covenants of Skyland, Initial Filing recorded November 17, 1981 in Book 574 at Page 141 of the records in the office of the Gunnison County Clerk and Recorder ("Covenants") authorizes the Board of Directors to levy a Non-Compliance Assessment for any violation of the Covenants or Design Guidelines; and

**WHEREAS**, such Non-Compliance Assessment may include: (1) costs incurred by the Association in attempting to secure compliance, including reasonable attorneys' fees; and (2) Non-Compliance Penalties in such amounts as may from time to time be established by the Association's Board of Directors; and

**WHEREAS**, C.R.S. Section 38-33.3-302(1)(k) authorizes, after notice and an opportunity to be heard, an association to levy reasonable fines for violations of the declaration, bylaws and rules and regulations of the association;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SKYLAND COMMUNITY ASSOCIATION:**

1. **Non-Compliance Assessment.** Should any Owner cause or allow to be caused any violation of the Covenants or Design Guidelines adopted under the power and authority granted by the Covenants, 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, after notice and an opportunity to be heard, by the Board against such Owner, which Non-Compliance Assessment may include:

A. Costs incurred by the Association in attempting to secure compliance, including reasonable attorneys' fees; and

B. A Non-Compliance Penalty for each violation not to exceed the amount described on attached **Exhibit A**. In levying such Non-Compliance Penalty, the Board shall be guided by the seriousness of the negative impact upon Skyland Community Association or its members. In reaching such determination, the Board may evaluate, without limitation, factors such as:

- (1) whether the violation was deliberate or inadvertent;
- (2) the impact upon the Owner(s) of adjacent or nearby property;
- (3) the unsightliness caused by the violation;
- (4) the size of the building or area which violates the Covenants or Design Guidelines; or
- (5) any other factor which the Board reasonably deems relevant to determining of the Non-Compliance Penalty.

2. **Suspension of Non-Compliance Assessment.** The Board shall have the right, in its sole discretion, to suspend any part of a Non-Compliance Assessment in the event that the Owner of the property which violates the Covenants or Design Guidelines takes immediate, good-faith efforts to rectify such violation(s).

**ADOPTED THIS 23<sup>RD</sup> DAY OF APRIL, 1993.**

\_\_\_\_\_  
(Robert Gilbert)  
, President

Attest:

\_\_\_\_\_  
(Jim Gebhart)  
, Secretary

## EXHIBIT A

## MAXIMUM NON-COMPLIANCE PENALTIES

1. \$500.00 plus \$10.00 per day

<u>Covenants</u>	<u>Article</u>	<u>Paragraph</u>	<u>Subject</u>
	VII	15	Mailboxes
	VII	19	Camping
	VII	20	Garage Doors
	VII	22	Solicitors
	VII	23	Housing Numbers

2. \$1,000.00 plus \$20.00 per day

<u>Covenants</u>	<u>Article</u>	<u>Paragraph</u>	<u>Subject</u>
	VII	4	Nuisance
	VII	5	Signs*
	VII	6	Animals ***
	VII	7	Wells
	VII	9	Utility Lines
	VII	10	Tanks
	VII	11	Firearms
	VII	12	Vehicular Storage
	VII	13	Temporary Structures
	VII	14	Recreational Vehicles
	VII	15	Clotheslines
	VII	17	Exterior Fires
	VII	18	Exterior Antenna
	VII	21	Unsightly Growth
	VIII	1	Rubbish, Trash and Garbage
	VIII	4	Recreation Restrictions
	IX	3	Temporary Building on Open Space
	IX	5	Vehicles on Open Space
	X	4	Restricted Uses on Golf Course

<u>Design Guidelines</u>	<u>Article</u>	<u>Paragraph</u>	<u>Subject</u>
	III	6	Plan Changes
	III	9	Pre-Construction Check

IV	3	Gunnison County Approval
V	4	Building Location
V	5	Primary Dwelling Unit to be Constructed First
V	22	Exterior Antenna
V	28	Awnings

The violation of any provision of the Covenants or Design Guidelines not specifically listed on this Exhibit A shall be subject to a maximum Non-Compliance Penalty of \$1,000.00 plus \$20.00 per day.

3. \$2,500.00 plus \$50.00 per day

<u>Covenants</u>	<u>Article</u>	<u>Paragraph</u>	<u>Subject</u>
	VII	1	Land Use
	VII	2	Resubdivision
	VII	3	Mining, Drilling, Quarrying
	VIII	2	Damaged Structures
	VIII	3	Failure to Maintain
	IX	1	Improvements on Open Space
	IX	2	Landscaping on Open Space

  

<u>Design Guidelines</u>	<u>Article</u>	<u>Paragraph</u>	<u>Subject</u>
	III	2	Submission and Decision Procedure
	III	11	Completed Work
	IV	1	Plan Submission Requirements: Single Family/Duplex
	IV	2	Plan Contents Requirements: Multi-Family, Employee Housing, Clubhouse, Maintenance, Commercial
	IV	3	Gunnison County Approval Required
	V	2	Set Back Restrictions
	V	3	Minimum Size of Dwelling Units
	V	7	Repetitive Design and Continuous Wall Restrictions
	V	13	Foundations
	V	15	Chimneys
	V	16	Doors
	V	17	Windows
	V	19	Storage Areas

V	20	Spark Arresters
V	21	Exterior Lighting
V	25	Retaining Walls
V	26	Solar Access
V	27	Fences
V	29	Pools

4. \$5,000.00 plus \$100.00 per day

<u>Covenants</u>	<u>Article</u> VII	<u>Paragraph</u> 8	<u>Subject</u> Sewage Disposal
------------------	-----------------------	-----------------------	-----------------------------------

<u>Design Guidelines</u>	<u>Article</u> III	<u>Paragraph</u> 1	<u>Subject</u> Approval of Design Review Committee Required
	III	7	Committee and Directors Not Liable
	V	6	Continuity of Construction
	V	8	Building Height
	V	9	Exterior Siding
	V	10	Exterior Colors
	V	11	Reflective Finishes
	V	12	Reflective Glass
	V	14	Roofs
	V	18	Accessory Structures
	V	24	Grading
	VI	All**	Construction
	VII	All	Landscaping and Screening
	VII	All	Drainage
	IX	All	Driveways and Parking Areas
	X		Power, Phone and Cable Television

\*Amended February 20, 2007 by the Skyland Board of Directors:

First Offense - \$2500 plus \$50.00 per day

\*\*Amended to conform to the Design Guidelines of February 5, 2004.

\*\*\* Amended September 18, 2003 by the Skyland Board of Directors:

A. First Offense = \$250.00 Penalty

B. Second Offense = \$500.00 Penalty

C. Third Offense (maximum) = \$1000.00 Penalty plus  
\$20.00 per day

**RESOLUTION OF THE  
SKYLAND COMMUNITY ASSOCIATION  
ADOPTING PROCEDURES FOR ADOPTION OF POLICIES, PROCEDURES,  
RULES, REGULATIONS, OR GUIDELINES**

**SUBJECT:** Adoption of a procedure to be followed when adopting policies, procedures, rules, regulations or guidelines (hereinafter "Policy" or "Policies") regarding the operation of the Association.

**PURPOSE:** To adopt a standard procedure to be used in developing Policies in order to facilitate the efficient operation of the Association and to afford Owners an opportunity to provide input and comments on such Policies prior to adoption.

**AUTHORITY:** The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado law.

**EFFECTIVE DATE:** January 1, 2007

**RESOLUTION:** The Association hereby adopts the following procedures to be followed in adopting Policies of the Association:

1. Scope. The Board of Directors of the Association may, from time to time, adopt certain Policies as may be necessary to facilitate the efficient operation of the Association, including the clarification of ambiguous provisions in other documents, or as may be required by law. In order to encourage Owner participation in the development of such Policies and to insure that such Policies are necessary and properly organized, the Board shall follow the following procedures when adopting any Policy.

2. Drafting Procedure. The Board shall consider the following in drafting the Policy:

- (a) whether the governing documents or Colorado law grants the Board the authority to adopt such a Policy;
- (b) the need for such Policy based upon the scope and importance of the issue and whether the governing documents adequately address the issue; and
- (c) the immediate and long-term impact and implications of the Policy.

3. Notice. A copy of the proposed Policy shall be posted on the Association's website and available in the Association's office. Owners may be allowed to provide comment and/or feedback on the proposed Policy for up to 30 days.

4. Emergency. The Board may forego the notice and opportunity to comment in the event the Board determines in its sole discretion that providing notice and opportunity to comment is not practical given the emergency nature of such Policy.

5. Adoption Procedure. After the period for Owner comment expires, if any, the Board may adopt any Policy. Upon adoption of a Policy, the Policy or notice of such Policy (including the effective date) shall be provided to all Owners by any reasonable method as determined by the sole discretion of the Board, including but not limited to posting on the Association's website.

6. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

7. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.

8. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

9. Amendment. This Procedure may be amended from time to time by the Board of Directors.

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of the Skyland Community Association, a Colorado nonprofit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on January 9, 2007 and in witness thereof, the undersigned has subscribed his name.

**SKYLAND COMMUNITY ASSOCIATION**  
a Colorado nonprofit corporation

By: \_\_\_\_\_  
William J. LaDuke, President

**RESOLUTION  
OF THE  
SKYLAND COMMUNITY ASSOCIATION  
REGARDING ALTERNATIVE DISPUTE RESOLUTION (ADR)**

**SUBJECT:** Adoption of a procedure regarding alternative dispute resolution.

**PURPOSE:** To adopt a standard procedure to be followed for alternative dispute resolution.

**AUTHORITY:** The Declaration, Articles and Bylaws of the Association and Colorado law.

**EFFECTIVE DATE:** January 1, 2007

**RESOLUTION:** The Association hereby adopts the following Policy:

In the event of any dispute involving the Association and an Owner, the Owner is invited and encouraged to meet with the Board of Directors to resolve the dispute informally and without the need for litigation. If the Owner requests to meet with the Board, the Board shall make a reasonable effort to comply with the Owner's request.

Nothing in this Policy shall be construed to require any specific form of alternative dispute resolution, such as mediation or arbitration, or require the parties to meet. Neither the Association nor the Owner waives any right to pursue whatever legal or other remedial actions available to either party.

**PRESIDENT'S CERTIFICATION:** The undersigned, being the President of the Skyland Community Association a Colorado non-profit corporation, certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on January 9, 2007 and in witness thereof, the undersigned has subscribed his name.

**SKYLAND COMMUNITY ASSOCIATION**  
a Colorado nonprofit corporation

By: \_\_\_\_\_

William J. LaDuke, President

**RESOLUTION OF THE  
SKYLAND COMMUNITY ASSOCIATION  
ADOPTING POLICY AND PROCEDURE FOR  
COLLECTION OF UNPAID ASSESSMENTS**

- SUBJECT:** Adoption of a policy and procedure regarding the collection of unpaid assessments.
- PURPOSE:** To provide notice of the Association's adoption of a uniform and systematic procedure to collect assessments and other charges of the Association.
- AUTHORITY:** The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado law.
- EFFECTIVE DATE:** January 1, 2007
- RESOLUTION:** The Association hereby adopts the following policy and procedure:
1. Due Dates. The Operation and Maintenance Assessments shall be due and payable once a year, on a date established at the sole discretion of the Board ("Annual Assessment"). Any levied Annual Assessment, Noncompliance Assessment, or Emergency Assessment (hereafter collectively referred to as "Assessment") not paid in full to the Association within 30 days of the due date may incur late fees and interest as provided below.
  2. Late Charges on Past Due Assessments. The Association may impose a reasonable monthly late fee for each Owner who fails to pay an Assessment within 30 days of the due date. This late fee shall be a "common expense" for each delinquent Owner. Regardless of whether a late fee is charged, the Association may also impose interest from the date due at the rate of 18% per annum on the amount owed for each Owner who fails to timely pay his/her Assessment within 30 days of the due date.
  3. Personal Obligation for Late Charges. Any late charges shall be the personal obligation of the Owner(s) of the Lot or Unit for which such assessment is unpaid. All late charges shall be due and payable

immediately, without notice, in the manner provided by the Declaration (and as set forth herein) for payment of Assessments.

4. Return Check Charges. In addition to any and all charges imposed under the Declaration, Articles of Incorporation and Bylaws, the Rules and Regulations of the Association or this Resolution, a reasonable fee, not to exceed \$20.00, shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. This returned check charge shall be a "common expense" for each Owner who tenders payment by check or other instrument which is not honored by the bank upon which it is drawn. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Owner(s) of the Lot or Unit for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Declaration, Articles, Bylaws, Rules and Regulations or this Resolution after the date adopted as shown above. If two or more of an Owner's checks are returned unpaid by the bank within any (fiscal) year, the Association may require that all of the Owner's future payments, for a period of one (1) year, be made by certified check or money order. This return check charge shall be in addition to any late fees or interest incurred by an Owner. Any returned check may cause an account to incur late charges if full payment of an Assessment is not timely made within 30 days of the due date.

5. Attorney Fees on Delinquent Accounts. As an additional expense permitted under the Declaration and by Colorado law, the Association shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of Assessments or other charges due the Association from a delinquent Owner. The reasonable attorney fees incurred by the Association shall be due and payable immediately when incurred, upon demand.

6. Application of Payments. All sums collected on a delinquent account that has been turned over to the Association's attorney shall be remitted to the Association's attorney until the account is brought current. All payments received on account of any Owner or the Owner's property (hereinafter collectively "Owner"), shall be applied to payment of any and all legal fees and costs (including attorney fees), expenses of enforcement and collection, late charges, returned check charges, lien fees, and other costs owing or incurred with respect to such Owner pursuant to the Declaration, Articles, Bylaws, Rules and Regulations, or this Resolution, prior to application of the payment to any Assessments due or to become due with respect to such Owner.

7. Collection Process.

(a) After an Assessment or other charges due to the Association becomes more than 30 days past due, the Association shall send a written notice ("First Notice") of non-payment, amount past due, notice that late charges may have accrued, and request for immediate payment.

(b) After an Assessment or other charges due to the Association becomes more than 60 days past due, the Association shall send a second written notice ("Second Notice") of non-payment, amount past due, notice that late charges may have accrued, application of the 18% accrual, notice of intent to file a lien, and request for immediate payment.

(c) After an Assessment or other charges due to the Association becomes more than 90 days past due, the Association's manager shall file a lien and may turn the account over to the Association's attorney for collection. Upon receiving the delinquent account, the Association's attorneys shall send a letter to the delinquent Owner demanding immediate payment for past due assessments or other charges due. Upon further review by the Board, the Association's attorney may be directed to file a lawsuit. If a judgment or decree is

obtained, including without limitation a foreclosure action, such judgment or decree shall include reasonable attorney's fees together with the cost of the action and any applicable interest and late fees.

(d) In addition to the steps outlined above, the Association may elect to suspend the voting rights of any Owner whose account is past due at the time of such voting.

8. Collection Procedures/Time Frames. The following time frames shall be followed for use in the collection of the Assessments.

Operational & Maintenance Assessments Due Date	Annually, due date established by the Board
Late Charge Date (date payment may accrue interest and/or late fees if not received on or before that date)	30 days after due date
First Notice	After 30 days past due
Second Notice	After 60 days past due
Lien Filed; Delinquent account turned over to Association's attorney	After 90 days past due

The attorney is to consult with the Association as necessary to determine if payment has been arranged or what collection procedures are appropriate.

9. Certificate of Status of Assessment. The Association shall furnish, for a reasonable fee, within 30 days to an Owner or such Owner's designee upon written request, prepaid first class postage, return receipt, to the Association's agent, a written statement setting forth the amount of unpaid Assessments currently levied against such Owner's property. However, if the account has been turned over to the Association's attorney, such request may be handled through the attorney.

10. Bankruptcies and Foreclosures. Upon receipt of any notice of a bankruptcy filing by an Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any unit within the Association, the Association shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

11. Use of Certified Mail/Regular Mail. In the event the Association shall cause a collection or demand letter or notices to be sent to a delinquent Owner by regular mail, the Association may also cause, but shall not be required to send, an additional copy of that letter or notice by certified mail.

12. Referral of Delinquent Accounts to Attorneys. Upon referral to the Association's attorney, the attorney shall take all appropriate action to collect the accounts referred. After an account has been referred to an attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off. The attorney, in consultation with the Association, is authorized to take whatever action is necessary and determined to be in the best interests of the Association, including, but not limited to:

- a. Filing of a suit against the delinquent Owner for a money judgment;
- b. Instituting a judicial foreclosure action of the Association's lien;
- c. Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interests; and
- d. Filing a court action seeking appointment of a receiver.

All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney.

13. Appointment of a Receiver. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law. A receiver is a disinterested person, appointed by the

court, who manages the rental of the property, collects the rent and disburses the rents according to the court's order. The purpose of a receivership for the Association is to obtain payment of current assessments, reduce past due assessments and prevent the waste and deterioration of the property.

14. Judicial Foreclosure. The Association may choose to foreclose on its lien in lieu of or in addition to suing an Owner for a money judgment. The purpose of foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action.

15. Waivers. The Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.

16. Communication with Owners. All communication with a delinquent Owner shall be handled through the Association's attorney once a matter has been referred to the attorney. No member of the Board of Directors shall discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact.

17. Defenses. Failure of the Association to comply with any provision in this Policy shall not be deemed a defense to payment of Assessments, late charges, application of the 18% accrual, return check charges, attorney fees and/or costs as described and imposed by this Policy.

18. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

19. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Association.

20. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

21. Amendment. This Policy may be amended from time to time by the Board of Directors.

**PRESIDENT'S  
CERTIFICATION:**

The undersigned, being the President of the Skyland Community Association, a Colorado nonprofit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on January 9, 2007 and in witness thereof, the undersigned has subscribed his name.

**SKYLAND COMMUNITY  
ASSOCIATION,**  
a Colorado nonprofit corporation

By: \_\_\_\_\_  
William J. LaDuke, President

**RESOLUTION OF THE  
SKYLAND COMMUNITY ASSOCIATION  
ADOPTING POLICY AND PROCEDURE FOR  
THE CONDUCT OF MEETINGS**

- SUBJECT:** Adoption of a policy and procedure for conducting Owner and Board meetings.
- PURPOSE:** To facilitate the efficient operation of Owner and Board meetings and to afford Owners an opportunity to provide input and comments on decisions affecting the Association.
- AUTHORITY:** The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado law.
- EFFECTIVE DATE:** January 1, 2007
- RESOLUTION:** The Association hereby adopts the following policy and procedure regarding the conduct of meetings:
1. Owner Meetings. Meetings of the Owners of the Association shall be called pursuant to the Bylaws of the Association.
    - (a) **Notice.**
      - (1) In addition to any notice required in the Bylaws, pursuant to Senate Bill 05-100 notice of any meeting of the Owners shall be conspicuously physically posted in the Skyland Community, to the extent feasible and practical, prior to each such meeting, or as may otherwise be required by Colorado law.
      - (2) If any Owner has requested that the Association provide notice via email and has provided the Association with an email address, the Association shall send notice of all Owner meetings to such Owner at the email address provided as soon as possible after notice is provided pursuant to the Bylaws but in no case no less than 24 hours prior to any such meeting.
    - (b) **Conduct.**
      - (1) All Owner meetings shall be governed by the following rules of conduct and order:
        - (A) The President of the Association or designee shall chair all Owner meetings.

- (B) All Owners and persons who attend a meeting of the Owners will sign in, present any proxies and receive ballots as appropriate. (See section below regarding voting).
- (C) Any person desiring to speak shall sign up on the list provided at check in and indicate if he/she is for or against an agenda item.
- (D) Anyone wishing to speak must first be recognized by the Chair.
- (E) Only one person may speak at a time.
- (F) Each person who speaks shall first state his or her name and Unit address.
- (G) Any person who is represented at the meeting by another person, as indicated by a written instrument, will be permitted to have such person speak for him/her.
- (H) Those addressing the meeting shall be permitted to speak without interruption from anyone as long as these rules are followed.
- (I) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting.
- (J) Each person shall be given up to a maximum of three minutes to make a statement or to ask questions. The Board may decide whether or not to answer questions during the meeting. Each person may only speak once. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair, but shall be uniform for all persons addressing the meeting.
- (K) All actions and/or decisions will require a first and second motion.
- (L) Once a vote has been taken, there will be no further discussion regarding that topic.
- (M) So as to allow for and encourage full discussion by Owners, no meeting may be audio, video or otherwise recorded. Minutes of actions taken shall be kept by the association.
- (N) Anyone disrupting the meeting, as determined by the Chair, shall be asked to "come to order." Anyone who does not come to order will be requested to immediately leave the meeting.
- (O) The Chair may establish such additional rules of order as may be necessary from time to time.

(c) **Voting.** All votes taken at Owner meetings shall be taken as follows:

(1) Contested election of Board members, defined as elections in which there are more candidates than positions to be filled, shall be conducted by secret ballot. Each Owner entitled to vote pursuant to the Bylaws shall receive a ballot. The ballot shall contain no identifying information concerning the ballot holder. In the event an Owner holds a proxy for another Owner, upon presentation of such proxy to the Secretary of the Association or the Secretary's designee, the Owner shall receive a secret ballot to cast the vote of the Owner who provided the proxy. The proxy shall be kept and retained by the Association.

(2) Uncontested elections of Board members, defined as elections in which the number of candidates is equal to or less than the positions to be filled, and all other votes taken at a meeting of the Owners shall be taken in such method as determined by the Board of Directors including acclamation, by hand, by voice or by ballot. Notwithstanding the above, uncontested elections of Board members or other votes on matters affecting the Association shall be by secret ballot at the discretion of the Board or upon the request of 20% of the Owners who are present at the meeting or represented by proxy.

(3) Written ballots shall be counted by a neutral third party, excluding the Association's managing agent or legal counsel, or a committee of volunteers who are not Board members, and in the case of a contested election, are not candidates. The committee shall be selected or appointed at an open meeting, in a fair manner, by the Chair of the Board or another person presiding during that portion of the meeting.

(4) The individual(s) counting the ballots shall report the results of the vote to the Chair by indicating how many votes were cast for each individual or how many votes were cast in favor and against any issue.

(d) **Proxies.** Proxies may be given by any Owner as allowed by C.R.S. 7-127-203.

(1) All proxies shall be reviewed by the Association's Secretary or designee as to the following:

- (A) Validity of the signature
- (B) Signatory's authority to sign for the unit Owner
- (C) Authority of the unit Owner to vote
- (D) Conflicting proxies
- (E) Expiration of the proxy

2. Board Meetings. Meetings of the Board of Directors of the Association shall be called pursuant to the Bylaws of the Association.

(a) **Conduct.**

(1) All Board meetings shall be governed by the following rules of conduct and order:

- (A) The President of the Association, or designee, shall chair all Board meetings.
- (B) All persons who attend a meeting of the Board shall be required to sign in, listing their name and unit address.
- (C) All Owners will be given an opportunity to speak as to any matter or ask questions of the Board during the Owner forum at the beginning of the meeting. Any Owner wishing to speak during the Owner forum shall so indicate at the time of sign in.
- (D) Anyone desiring to speak shall first be recognized by the Chair.
- (E) Only one person may speak at a time.
- (F) Each person speaking shall first state his or her name and Unit address.
- (G) Any person who is represented by another person as indicated by a written instrument at the meeting shall be permitted to have such person speak for them.
- (H) Those addressing the Board shall be permitted to speak without interruption from anyone as long as these rules are followed.
- (I) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting or issue at hand.
- (J) Each person shall be given up to a maximum of three minutes to speak or to ask questions, although questions may not be answered until a later date. Each person may only speak once during the Owner forum and once on any other issue prior to a vote by the Board on such issue. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair but shall be uniform for all persons addressing the meeting.
- (K) No meeting of the Board may be audio, video or otherwise recorded except by the Board to aid in the preparation of minutes. Minutes of actions taken shall be kept by the Association.

- (L) Anyone disrupting the meeting, as determined by the Chair, shall be asked to “come to order.” Anyone who does not come to order shall be requested to immediately leave the meeting.

(b) **Owner Input.** After a motion and second has been made on any matter to be discussed, at a time determined by the Board, but prior to a vote by the Directors, Owners, or their designated representatives, present at such time shall be afforded an opportunity to speak on the motion as follows:

(1) The Chair will ask those Owners present to indicate by a show of hands who wishes to speak in favor or against the motion. The Chair will then determine a reasonable number of persons who will be permitted to speak in favor of and against the motion and for how long each person will be permitted to speak. The Chair shall also announce the procedure for who shall be permitted to speak if not everyone desiring to speak will be permitted to speak.

(2) Following Owner input, the Chair will declare Owner input closed and there shall be no further Owner participation on the motion at hand unless a majority of the Board of Directors votes to open the discussion to further Owner participation.

3. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

4. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.

5. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

6. Amendment. This Policy may be amended at any time by the Board of Directors.

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of the Skyland Community Association, a Colorado nonprofit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on January 9, 2007 and in witness thereof, the undersigned has subscribed his name.

**SKYLAND COMMUNITY ASSOCIATION**  
a Colorado nonprofit corporation

By: \_\_\_\_\_  
William J. LaDuke, President

**RESOLUTION OF THE  
SKYLAND COMMUNITY ASSOCIATION  
ADOPTING POLICY AND PROCEDURE FOR  
CONFLICTING INTEREST TRANSACTIONS**

**SUBJECT:** Adoption of a policy and procedure regarding conflicting interest transactions and a Director code of ethics.

**PURPOSE:** To adopt a policy and procedure to be followed when there is a conflicting interest transaction to ensure proper disclosure and to adopt a code of ethics for Directors.

**AUTHORITY:** The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado law.

**EFFECTIVE DATE:** January 1, 2007

**RESOLUTION:** The Association hereby adopts the following policy and procedure:

1. General Duty. The Board of Directors shall use its best efforts at all times to make decisions that are consistent with high principles, and to protect the value of properties of the members and Association. All Directors shall exercise their power and duties in good faith and in the best interest of, and with utmost loyalty to the Association. All Directors shall comply with all lawful provisions of the Declaration and the Association's Articles, Bylaws, and Rules and Regulations.

2. Definition.

(a) "Conflicting interest transaction" means a contract, transaction, or other financial relationship between the Association and a Director, or between the Association and a party related to a Director, or between the Association and an entity in which a Director of the Association is a director or officer or has a financial interest.

(b) "Director" means a member of the Association's Board of Directors.

(c) "Party related to a Director" means a spouse, a descendant, an ancestor, a sibling, the spouse or descendant of a sibling, an estate or trust in which the Director or a party related to a Director has a beneficial interest, or an entity in which a party

related to a Director is a director or officer or has a financial interest.

3. Loans. No loans shall be made by the Association to its Directors or officers. Any Director or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of the loan until it is repaid.

4. Disclosure of Conflict. Any conflicting interest transaction on the part of any Director or party related to a Director shall be verbally disclosed to the other Directors in open session at the first open meeting of the Board of Directors at which the interested Director is present prior to any discussion or vote on the matter. A majority of the Board may decide to prohibit the Director from voting or participating in discussion regarding the matter. The minutes of the meeting shall reflect the disclosure made, any abstention from voting, the composition of the quorum, and record who voted for and against.

5. Enforceability of Conflicting Interest Transaction. No conflicting interest transaction shall be voidable by an Owner or on behalf of the Association if:

(i) The facts about the conflicting interest transaction are disclosed to the Board, and a majority of the disinterested Directors, even if less than a quorum, in good faith approves the conflicting interest transaction;

(ii) The facts about the conflicting interest transaction are disclosed or the Owners entitled to vote on the matter, and the conflicting interest transaction is authorized in good faith by a vote of the Owners entitled to vote on the matter; or

(iii) The conflicting interest transaction is fair to the Association.

6. Code of Ethics. In addition to the above, each Director and the Board as a whole shall adhere to the following Code of Ethics:

(a) No Director shall use his/her position for private gain, including the enhancement of his/her financial status through the use of certain contractors or suppliers.

(b) No contributions will be made to any political parties or political candidates by the Association.

(c) No Director shall solicit or accept, directly or indirectly, any gifts, gratuity, favor, entertainment, loan or any other thing of monetary value from a person who is seeking to obtain contractual or other business or financial relations with the Association.

(d) No Director shall accept a gift or favor made with the intent of influencing a decision or action on any official matter.

(e) No Director shall receive any compensation from the Association for acting as a volunteer.

(f) No Director shall willingly misrepresent facts to the members of the Association for the sole purpose of advancing a personal cause or influencing the community to place pressure on the Board to advance a personal cause.

(g) No Director shall interfere with a contractor engaged by the Association while a contract is in progress. All communications with Association contractors shall go through the Manager and/or Board President or be in accordance with policy.

(h) No Director shall harass, threaten, or attempt through any means to control or instill fear in any member, Director or agent of the Association.

(i) No promise of anything not approved by the Board as a whole can be made by any Director to any subcontractor, supplier, or contractor during negotiations.

(j) Any Director convicted of a felony shall voluntarily resign from his/her position.

(k) No Director shall knowingly misrepresent any facts to anyone involved in anything with the Association which would benefit himself/herself in any way.

(l) Language and decorum at Board meetings will be kept professional. Personal attacks against owners, residents, managers, service providers and Directors are prohibited and are not consistent with the best interest of the Association.

7. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

8. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Association.

9. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

10. Amendment. This policy may be amended from time to time by the Board of Directors.

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of the Skyland Community Association, a Colorado nonprofit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on January 9, 2007 and in witness thereof, the undersigned has subscribed his name.

**SKYLAND COMMUNITY ASSOCIATION**  
a Colorado nonprofit corporation

By: \_\_\_\_\_  
William J. LaDuke, President

**RESOLUTION OF THE  
SKYLAND COMMUNITY ASSOCIATION  
REGARDING POLICY AND PROCEDURE FOR  
COVENANT AND RULE ENFORCEMENT**

**SUBJECT:** Adoption of a policy regarding the enforcement of covenants and rules and procedures for the notice of alleged violations, conduct of hearings and imposition of fines.

**PURPOSE:** To adopt a uniform procedure to be followed when enforcing covenants and rules to facilitate the efficient operation of the Association.

**AUTHORITY:** The Declaration, Articles of Incorporation and Bylaws of the Association, and Colorado law.

**EFFECTIVE DATE:** January 1, 2007

**RESOLUTION:** The Association hereby adopts the following policy and procedure to be followed when enforcing the covenants and rules of the Association:

1. Reporting Violations. Complaints regarding alleged violations may be reported by an Owner or resident within the Skyland Community, a group of Owners or residents, the Association's management company, if any, Board member(s) or committee member(s) by submission of a written complaint.

2. Complaints.

(a) Complaints by Owners or residents shall be in writing and submitted to the Manager for consideration by the Board of Directors. The complaining Owner or resident shall have observed the alleged violation and shall identify the complainant ("Complainant"), the alleged violator ("Violator"), if known, and set forth a statement describing the alleged violation, referencing the specific provisions which are alleged to have been violated, when the violation was observed and any other pertinent information. Non-written complaints or written complaints failing to include any information required by this provision may not be investigated or prosecuted at the discretion of the Association.

(b) Complaints by a member of the Board of Directors, a committee member, or the manager, if any, may be made in writing or by any other means deemed

appropriate by the Board if such violation was observed by the Director or Manager.

3. Investigation. Upon review of the complaint by the Board, if additional information is needed, the complaint may be returned to the Complainant or may be investigated further by a Board designated individual or committee. The Board shall have sole discretion in appointing an individual or committee to investigate the matter.

4. Enforcement Letters. After review and investigation, if a violation is found to exist, the following procedure shall be followed by the Board:

(a) A notice of violation letter shall be sent to the Violator explaining the nature of the violation. Such notice shall provide opportunity for a hearing in front of the Board if such hearing is requested in writing within 14 days of the letter. The Violator will be given a reasonable time, as determined at the sole discretion of the Board, from the date of the first violation letter in order to comply, depending on the nature and severity of the violation.

(b) If the alleged Violator does not come into compliance within the time allotted in the notice of violation letter, a Non-Compliance Assessment, in accordance with the Declaration and April 23, 1993 Resolution adopted by the Board, may be imposed following the notice and opportunity for a hearing.

(c) Subsequent letters may be sent to the Violator, providing notice and an opportunity for a hearing at the next scheduled Board meeting, and explaining if a violation is still found to exist, further Non- Compliance Assessments may be imposed. Any letters shall further state the Violator is entitled to a hearing on the merits of the matter provided that such hearing is requested in writing within 14 days of the letter.

(d) Violations may be turned over, at the sole discretion of the Board, to the Association's attorney to take appropriate legal action.

5. Hearing. At the beginning of each hearing, the presiding officer, shall introduce the case by describing the alleged violation and the procedure to be followed during the hearing. Each party or designated representative, may, but is not required to, make an opening statement, present evidence and testimony, present

witnesses, and make a closing statement. The presiding officer may also impose such other rules of conduct as may be appropriate under the given circumstances. Neither the Complainant nor the alleged Violator is required to be in attendance at the hearing. The Board shall base its decision solely on the matters set forth in the Complaint, results of the investigation and such other credible evidence as may be presented at the hearing. Unless otherwise determined by the Board, all hearings shall be open to attendance by all Owners. After all testimony and other evidence has been presented at a hearing, the Board shall, within a reasonable time, not to exceed 30 days, render its written findings and decision, and impose a fine, if applicable. A decision, either a finding for or against the Owner, shall be by a majority of the Board members present at the hearing.

6. Notification of Decision. Following a hearing, the decision of the Board shall be in writing and provided to the Violator and Complainant within 30 days of the hearing, or if no hearing is requested, within 30 days of the final decision.

7. Failure to Timely Request Hearing. If the Violator fails to request a hearing within 14 days of any notice of violation letter, or fails to appear at any hearing, the Board may make a decision with respect to the alleged violation based on the Complaint, results of the investigation, and any other available information without the necessity of holding a formal hearing. If a violation is found to exist, the Violator may be assessed a Non-Compliance Assessment pursuant to these policies and procedures, the April 23, 1993 Resolution, and the Declaration.

8. Non-Compliance Assessment Schedule. The amount of the Non-Compliance Assessment shall be determined based upon the April 23, 1993 Resolution and modifications adopted by the Board and not to exceed the amounts described therein on Exhibit A. Unpaid Non-Compliance Assessments shall be collected in accordance with the Association's Policy and Procedure for Collection of Unpaid Assessments.

9. Continuous Violations. Continuous violations are defined as violations of Owner obligations that are uninterrupted by time. Each day of noncompliance with such violations constitutes a separate violation. If an Owner is determined as having a continuous violation, in accordance with the terms of this Policy, such Owner may be subject to a reasonably daily Non-Compliance Assessment, as determined in the sole discretion of the Board, following notice and opportunity for a hearing as set forth above.

10. Waiver of Non-Compliance Assessments. The Board may waive all, or any portion, of the Non-Compliance Assessment if, in its sole discretion, such waiver is appropriate under the circumstances. Additionally, the Board may condition waiver of the entire Non-Compliance Assessment, or any portion thereof, upon the Violator coming into and staying in compliance with the Articles, Declaration, Bylaws, Rules, or Design Guidelines.

11. Other Enforcement Means. This fine schedule and enforcement process is adopted in addition to all other enforcement means which are available to the Association through its Declaration, Bylaws, Articles of Incorporation and Colorado law. The use of this process does not preclude the Association from using any other enforcement means.

12. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

13. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Association.

14. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

15. Amendment. This policy may be amended from time to time by the Board of Directors.

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of the Skyland Community Association, a Colorado nonprofit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on January 9, 2007 and in witness thereof, the undersigned has subscribed his name.

**SKYLAND COMMUNITY ASSOCIATION**  
a Colorado nonprofit corporation

By: \_\_\_\_\_  
William J. LaDuke, President

**RESOLUTION OF THE  
SKYLAND COMMUNITY ASSOCIATION  
ADOPTING POLICY AND PROCEDURE FOR  
INSPECTION AND COPYING OF ASSOCIATION RECORDS**

**SUBJECT:** Adoption of a policy and procedure for the inspection and copying of Association records by Owners and retention of Association permanent records.

**PURPOSE:** To adopt a policy regarding an Owner's right to inspect and copy Association records and identification of records to be permanently retained by the Association. To adopt a standard procedure to be followed when an Owner chooses to inspect or copy Association records.

**AUTHORITY:** The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado law.

**EFFECTIVE DATE:** January 1, 2007

**RESOLUTION:** The Association hereby adopts the following policy and procedure:

1. The Association shall permanently retain the following records as required by Colorado law:
  - Minutes of all Board and Owner meetings;
  - All actions taken by the Board or unit Owners by written ballot in lieu of a meeting;
  - All actions taken by a committee on the behalf of the Board instead of the Board acting on behalf of the Association; and
  - All waivers of the notice requirements for owners' meetings, Board member meetings, or committee meetings.
  
2. Inspection/Copying Association Records. An Owner or his/her authorized agent is entitled to inspect and copy any of the books and records of the Association, subject to the exclusions, conditions and requirements set forth below:
  - (a) The inspection and/or copying of the records of the Association shall be at the Owner's expense, which may be collected by the Association in advance;

- (b) The inspection and/or copying of the records of the Association shall be conducted by appointment during the hours of 9:00 a.m. to 4:00 p.m. at 350 Country Club Drive, Suite 112A, Crested Butte, Colorado, 81224;
  - (c) The Owner shall give the Association's Manager a written demand, stating the purpose for which the inspection and/or copying is sought. The Association shall make the requested records available within five business days of the Owner's request; and
  - (d) The Owner shall complete and sign the Agreement Regarding Inspection of Association Records prior to the inspection and copying of any Association record. A copy of the Agreement is attached to this Policy. Failure to properly complete or sign the Agreement shall be valid grounds for denying an Owner the right to inspect and/or copy any record of the Association.
3. Proper Purpose/Limitation. Association records, including membership lists, shall not be used by any Owner for:
- (a) Any purpose unrelated to an Owner's interest as an Owner;
  - (b) The purpose of soliciting money or property unless such money or property will be used solely to solicit the votes of the Owners in an election to be held by the Association;
  - (c) Any commercial purpose;
  - (d) For the purpose of giving, selling, or distributing such Association records to any person; or
  - (e) Any improper purpose as determined in the sole discretion of the Board.
4. Exclusions. The following records shall NOT be available for inspection and/or copying as they are deemed confidential:
- (a) Attorney-client privileged documents and records, unless the Board decides to disclose such communications at an open meeting;
  - (b) Any documents that are confidential under constitutional, statutory or judicially imposed requirements; and
  - (c) Any documents, or information contained in such documents, disclosure of which would constitute an unwarranted invasion of individual privacy,

including but not limited to social security numbers, dates of birth, personal bank account or credit information, and driver's license numbers.

5. Fees/Costs. Any Owner requesting copies of Association records shall be responsible for all actual costs incurred by the Association, including the cost to search, retrieve, and copy the record(s) requested. Such costs shall be charged at \$20.00 per hour for employee time and \$.10 per page for copies. The Association shall require a \$50.00 deposit for large copy requests. Failure to pay such deposit shall be valid grounds for denying an Owner copies of such records. If after payment of the deposit it is determined that the actual cost was more than the deposit, Owner shall pay such amount prior to delivery of the copies. If after payment of the deposit it is determined that the actual cost was less than the deposit, the difference shall be returned to the Owner with the copies. There shall be no cost to any Owner accessing records which are required to be disclosed by Colorado law at no cost to Owners.
6. Inspection. The Association reserves the right to have a third party present to observe during any inspection of record by an Owner or the Owner's representative.
7. Original. No Owner shall remove any original book or record of the Association from the place of inspection nor shall any Owner alter, destroy or mark in any manner, any original book or record of the Association.
8. Creation of Records. Nothing contained in this Policy shall be construed to require the Association to create records that do not exist or compile records in a particular format or order.
9. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
10. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.
11. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

12. Amendment. This policy may be amended from time to time by the Board of Directors.

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of the Skyland Community Association, a Colorado nonprofit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on January 9, 2007 and in witness thereof, the undersigned has subscribed his name.

**SKYLAND COMMUNITY ASSOCIATION**  
a Colorado nonprofit corporation

By: \_\_\_\_\_  
William J. LaDuke, President

**AGREEMENT REGARDING INSPECTION AND COPYING OF RECORDS  
OF SKYLAND COMMUNITY ASSOCIATION**

I have requested to inspect and/or obtain copies of the following records of the Skyland Community Association (be as specific as possible): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The records shall be used for the following purpose(s) only: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I understand that under Colorado law, Association records, including membership lists, may not be obtained or used for any purpose unrelated to my interest(s) as an Owner. I further understand and agree that without limiting the generality of the foregoing, Association records may not be:

- (A) used to solicit money or property unless such money or property will be used solely to solicit the votes of the Owners in an election held by the Association;
- (B) used for any commercial purpose;
- (C) sold to, otherwise distributed to, or purchased by any person;
- (D) any other purpose prohibited by law; or
- (E) any purpose not related to the reason specified in this Agreement.

In the event any document requested is used for an improper purpose or purpose other than that stated above, I will be responsible for any and all damages, penalties and costs incurred by the Association, including attorney fees resulting from such improper use. I will additionally be subject to any and all enforcement procedures available to the Association through its governing documents and Colorado law.

Understood and agreed to by:

\_\_\_\_\_  
Homeowner

Date: \_\_\_\_\_

\_\_\_\_\_  
Homeowner

Date: \_\_\_\_\_

\_\_\_\_\_  
Address  
\_\_\_\_\_

**RESOLUTION OF THE  
SKYLAND COMMUNITY ASSOCIATION  
ADOPTING POLICY AND PROCEDURE FOR  
INVESTMENT OF FUNDS**

- SUBJECT:** Adoption of a policy and procedure for investment of the Association's funds.
- PURPOSES:** To adopt a policy and procedure for the investment of Association funds.
- AUTHORITY:** The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado law.
- EFFECTIVE DATE:** January 1, 2007
- RESOLUTION:** The Association hereby adopts a policy and procedure as follows:
1. Scope. The Association does not currently own any property. As such, the Board of Directors finds the establishment of a reserve fund and investment of the same is not necessary at this time.
  2. Standard of Care. The officers and members of the Board of Directors shall make any current and future investment decisions in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Director or officer reasonably believes to be in the best interests of the Association in accordance with the Colorado Revised Nonprofit Corporation Act.
  3. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
  4. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Association.
  5. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
  6. Amendment. This policy may be amended from time to time by the Board of Directors.

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of the Skyland Community Association, a Colorado nonprofit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on January 9, 2007 and in witness thereof, the undersigned has subscribed his name.

**SKYLAND COMMUNITY ASSOCIATION,**  
a Colorado nonprofit corporation

By: \_\_\_\_\_  
William J. LaDuke, President

**RESOLUTION**  
**OF**  
**THE BOARD OF DIRECTORS**  
**SKYLAND COMMUNITY ASSOCIATION**

**WHEREAS**, Section 302 (1)(a) of the Colorado Common Interest Ownership Act authorizes Skyland Community Association to adopt and amend bylaws and rules and regulations; and

**WHEREAS**, the Declaration of Protective Covenants of Skyland, Initial Filing (“Declaration”) authorizes Skyland Community Association to:

(a) exercise all policies and authorities vested in or delegated to the association not reserved to the membership of the association by other provisions of its Articles of Incorporation, its Bylaws and the Declaration of Protective Covenants for Skyland, Initial Filing; and

(b) enforce the Declaration of Protective Covenants for Skyland, Initial Filing; and

**WHEREAS**, the Bylaws of Skyland Community Association authorizes the association to:

(a) administer the design control functions pursuant to the Declaration; and

(b) establish and enforce compliance with such reasonable rules as may be necessary for the implementation of the functions set forth above; and

**WHEREAS**, Paragraph 5 of Article VII of the Declaration provides that “no signs, including without limitation advertising signs, ‘for sale’ signs or billboards shall be erected or permitted on any lot or tract in Skyland, Initial Filing, except upon approval by the Design Review Committee ....”;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Skyland Community Association that "lot or tract" as used in paragraph 5 of Article VII of the Declaration includes vacant lots, improved lots and all buildings and improvements visible from any location within Skyland.

**ADOPTED** this 22<sup>nd</sup> day of March, 2007.

\_\_\_\_\_  
Bill LaDuke, President

Attest:

\_\_\_\_\_  
James Zid, Secretary

**RESOLUTION**

**BOARD OF DIRECTORS**

**SKYLAND COMMUNITY ASSOCIATION**

**AUGUST 31, 2011**

**WHEREAS**, the Declaration of Protective Covenants of Skyland, Initial Filing was recorded November 17, 1981 as Reception No. 363853 in the office of the Gunnison County Clerk and Recorder ("Declaration").

**WHEREAS**, the Declaration has been amended numerous times, including, without limitation, by the following recorded documents:

- A. Notice of Amendment of Declaration of Protective Covenants Skyland, Initial Filing bearing Reception No. 470199 in the office of the Gunnison County Clerk and Recorder.
- B. Amendments to Declaration of Protective Covenants Skyland, Initial Filing bearing Reception No. 473133 in the office of the Gunnison County Clerk and Recorder.
- C. Special Covenants of Skyland River Neighborhood bearing Reception No. 473134 in the office of the Gunnison County Clerk and Recorder.
- D. Skyland River Neighborhood, Amended Plat of Portions of Skyland, Affordable Housing Deed Restriction bearing Reception No. 473135 in the office of the Gunnison County Clerk and Recorder.
- E. Skyland River Neighborhood, Amended Plat of Portions of Skyland, Affordable Housing Deed Restriction bearing Reception No. 473136 in the office of the Gunnison County Clerk and Recorder.
- F. Special Covenants of Skyland – Third Filing bearing Reception No. 500523 in the office of the Gunnison County Clerk and Recorder.

- G. Amendments to Affordable Housing Guidelines, Special Covenants of Skyland River Neighborhood bearing Reception No. 521551 in the office of the Gunnison County Clerk and Recorder.
- H. Amendments to Special Covenants of Skyland River Neighborhood bearing Reception No. 521552 in the office of the Gunnison County Clerk and Recorder.
- I. Notice of Amendment of Declaration of Protective Covenants Skyland, Initial Filing bearing Reception No. 551122 in the office of the Gunnison County Clerk and Recorder.
- J. Amendment to Special Covenants and Affordable Housing Deed Restrictions of Skyland River Neighborhood bearing Reception No. 589719 in the office of the Gunnison County Clerk and Recorder.

As used below in this Resolution, the term "Covenants" refers to the Declaration and all amendments including, without limitation, all amendments and other documents referred to in subparagraphs A, B, C, D, E, F, G, H, I and J, above.

**WHEREAS**, Paragraph 3, Article XI of the Declaration contains the following provision:

- 3. Term of Covenants All of the articles contained in this instrument shall continue for a period of at least thirty (30) years from the date of adoption. At the end of the thirty (30) year period, the Board of Directors of the Skyland Community Association shall have the right to renew the term of this instrument for an additional thirty (30) years or to adopt a new or revised set of covenants.



**NOTICE OF AMENDMENT  
OF  
DECLARATION OF PROTECTIVE COVENANTS**

**SKYLAND INITIAL FILING**

**August 21, 1996**

*Skyland Community Association  
350 Country Club Drive Suite 112A  
Crested Butte, CO 81224*

**WHEREAS**, the Declaration of Protective Covenants Skyland Initial Filing was recorded in Book 574 at Page 141 of the Gunnison County records ("Covenants"); and

**WHEREAS**, Article X, paragraph 3, of the Covenants provides as follows:

3. Amendment The conditions, restrictions, stipulations, agreements, and covenants herein contained, as well as the recorded plat of SKYLAND, INITIAL FILING, and any supplemental plats as specified in Article II hereof, shall not be waived, abandoned, terminated or amended except by an instrument setting forth the written consent of the then Owners of seventy-five percent of the lots and tracts within the subdivision, which instrument shall be duly executed, acknowledged and recorded in Gunnison County, Colorado.

**WHEREAS**, Skyland Community Association, the property owner's association established by the Covenants, has received written consent of the owners' of seventy-five percent of the lots and tracts within the subdivision to amend the Covenants as hereinafter set forth; and

**WHEREAS**, such consents are on file at the office of Skyland Community Association, 350 Country Club Drive, Crested Butte, CO 81224;

**NOW, THEREFORE**, please take notice, that the following amendments to the Covenants have been duly adopted and are now effective:

1. Paragraph 5 of Article VII of the Covenants has been amended to read as follows:

5. Signs No signs, including without limitation advertising signs, "for sale" signs, or billboards shall be erected or permitted on any lot or tract in SKYLAND, INITIAL FILING, except, upon approval by the Design Review Committee, for the following:

a. Wood framed, lighted or unlighted identification signs mounted on a wood or rock base, having the following characteristics:

(1) On Multi-family, Employee Housing, Clubhouse and River Tracts, no more than 16 square foot of sign area and no more than 7 feet in height containing only the project name and/or address;

(2) On Single Family and Duplex Lots, no more than 4 square feet of sign area and no more than 4 feet in height containing only the project or inhabitants' name(s) and/or address;

(3) On Commercial Tracts, as approved by the Design Review Committee considering the type, size and location of the project.

b. "OPEN HOUSE" signs will be allowed within the following requirements:

- (1) Can be present only on Tuesday, Friday and Sunday;
- (2) Can be present only between 8:00 A.M. and 5:00 P.M.;
- (3) The open house must be occupied by a Realtor at all times;
- (4) Must be advertised, if for the general public;
- (5) Sign can be no larger than 4 square feet.

2. Paragraph 18 of Article VII of the Covenants has been amended to read as follows:

18. Exterior Antennae. No exterior antennae or satellite dishes shall be allowed except those which meet the following requirements:

- a. Shall be fixed and maximum diameter of 19 inches;
- b. Color shall blend with building color; and
- c. Location shall be approved by the Design Review Committee.



**NOTICE OF AMENDMENT**  
**OF DECLARATION OF PROTECTIVE COVENANTS**  
**SKYLAND, INITIAL FILING**

**WHEREAS**, the Declaration of Protective Covenants Skyland, Initial Filing was recorded in Book 574 at Page 141 of the Gunnison County records ("Declaration"); and

**WHEREAS**, Article X, paragraph 3, of the Declaration provides as follows:

3. **Amendment**. The conditions, restrictions, stipulations, agreement, and covenants herein contained, as well as the recorded plat of SKYLAND, INITIAL FILING, and any supplemental plats as specified in Article II hereof, shall not be waived, abandoned, terminated or amended except by an instrument setting forth the written consent of the then Owners of seventy-five percent of the lots and tracts within the subdivision, which instrument shall be duly executed, acknowledged and recorded in Gunnison County, Colorado.

**WHEREAS**, Skyland Community Association, the property owner's association established by the Declaration, has received written consent of the owners of seventy-five percent of the lots and tracts within the subdivision to amend the Declaration as hereinafter set forth; and

**WHEREAS**, such consents are on file at the office at Skyland Community Association, 350 Country Club Drive, Suite 112, Crested Butte, CO 81224;

**NOW, THEREFORE**, please take notice, that the following amendment to the Declaration has been duly adopted and is now effective:

1. Paragraph 5 of Article VII of the Declaration has been amended to read as follows:

5. **Signs**. No signs, including without limitation advertising signs, "for sale" signs or billboards, shall be erected or permitted on any lot or tract in Skyland Filings 1,2, and 3, except as provided in the Design Guidelines and approved by the Design Review Committee. The Design

Review Committee and the Board of Directors of the Skyland Community Association must approve all signs on open space.

"OPEN HOUSE" signs will be allowed subject to the following requirements:

- a. Signs are prohibited except on Tuesday, Friday and Sunday between 8 a.m. and 5 p.m.
- b. A Colorado licensed realtor or the owner must occupy the open house at all times.
- c. The open house must be advertised in a newspaper; and
- d. No sign shall exceed 4 square feet.

2. Paragraph 18 of Article VII of the Declaration has been amended to read as follows:

18. Exterior Antennae. No exterior antennae or satellite dishes shall be allowed, except as provided for in the Design Guidelines and approved by the Design Review Committee.

3. Paragraph 1 of Article VIII of the Declaration has been amended to read as follows:

1. Rubbish, Trash and Garbage. Rubbish, trash, garbage and other waste shall be kept and disposed of in a sanitary container. All containers and refuse shall be kept in a sanitary condition and shall be kept inside a building or an enclosed and screened structure. No trash, litter or junk shall be permitted to remain exposed upon the premises and visible from roads or nearby premises, except when placed curbside for collection. All refuse must be in a bear resistant metal or plastic container and shall not be placed for collection prior to 7 a.m. on the scheduled day of collection. All rubbish and trash shall be removed from all lots and tracts in SKYLAND INITIAL FILING, shall not be allowed to accumulate and shall not be burned or disposed of anywhere within SKYLAND INITIAL FILING.

Signed this 17th day of February, 2005.

Skyland Community Association, a Colorado  
non-profit corporation

(SEAL)

By: \_\_\_\_\_ (William J. LaDuke)  
President

Attest:

\_\_\_\_\_ (Kelly McGuire)  
Secretary

STATE OF COLORADO    )  
  ) ss.  
COUNTY OF GUNNISON    )

The foregoing Notice of Amendment was acknowledged before me this  
17th day of February, 2005 by William J. LaDuke as President  
and Kelly McGuire as Secretary of Skyland Community Association, a  
Colorado non-profit corporation.

Witness my hand and official seal. My commission expires: 08/28/06

\_\_\_\_\_ (Nola J. Oberosler)  
Notary Public

**NOTICE OF AMENDMENT  
OF  
DECLARATION OF PROTECTIVE COVENANTS**

**SKYLAND INITIAL FILING**

**December 13, 1996**

*Skyland Community Association  
350 Country Club Drive Suite 112A  
Crested Butte, CO 81224*

## INDEX

1. RECITALS .....	1
2. DECLARATION OF PROTECTIVE COVENANTS .....	2
3. PLATS .....	2
4. AMENDED PLAT OF PORTIONS OF SKYLAND.....	2
5. AMENDMENTS TO PROTECTIVE COVENANTS .....	2
6. ARTICLE II PURPOSE OF COVENANTS.....	2
7. ARTICLE III DEFINITIONS, PARAGRAPH 1 - Inclusion of Land.....	2
8. ARTICLE III DEFINITIONS, PARAGRAPH 9 - Skyland River Neighborhood .....	2
9. ARTICLE III DEFINITIONS, PARAGRAPH 10 - Delete Commercial Tract .....	3
10. ARTICLE III DEFINITIONS, PARAGRAPH 14 - Delete River Tract.....	3
11. ARTICLE III DEFINITIONS, PARAGRAPH 17 - Skyland River Neighborhood Design Guidelines .....	3
12. ARTICLE III DEFINITIONS, PARAGRAPH 21 - Definition of Unit .....	3
13. ARTICLE III DEFINITIONS, PARAGRAPH 22 - Add Special Covenants for Skyland River Neighborhood.....	3
14. ARTICLE V SKYLAND COMMUNITY ASSOCIATION, PARAGRAPH 3 Rights for Skyland River Neighborhood .....	3
15. ARTICLE V SKYLAND COMMUNITY ASSOCIATION, PARAGRAPH 6 Design Guidelines For Skyland River Neighborhood .....	4
16. ARTICLE VI DESIGN REVIEW AND APPROVAL, PARAGRAPH 3, DESIGN GUIDELINES - Add Skyland River Neighborhood.....	4
17. ARTICLE VII GENERAL USE REQUIREMENTS, PARAGRAPH 1, LAND USE - Add Skyland River Neighborhood and Delete Commercial Tracts and Employee Housing Tract .....	4
18. ARTICLE VII GENERAL USE REQUIREMENTS, PARAGRAPH 2, SUBDIVISION - Add Skyland River Neighborhood and Delete Commercial Tracts and Employee Housing Tract.....	5

19. ARTICLE VII GENERAL USE REQUIREMENTS, PARAGRAPH 5,  
    SIGNS - Delete Commercial Tract .....5

20. ASSESSMENTS - Provide for Assessments in Skyland River Neighborhood .....5

21. FULL FORCE AND EFFECT .....5

    EXHIBIT A - Legal Description.....8

THESE AMENDMENTS to the Declaration of Protective Covenants Skyland, Initial Filing are executed the 13th day of December 1996, by:

SKYLAND COMMUNITY ASSOCIATION, a Colorado non-profit corporation, hereafter termed "Association";

and

SKYLAND COMMUNITY ASSOCIATION, a Colorado non-profit corporation, as attorney-in-fact for not less than 75% of the record owners of the lots and tracts within Skyland, Initial Filing and Skyland, Second Filing, in accordance with Article XI, paragraph 3 of the Declaration of Protective Covenants recorded in Book 574 at page 141 of the records of Gunnison County, Colorado, as identified by the Powers of Attorney recorded herewith, hereafter termed "Association";

and

SKYLAND METROPOLITAN DISTRICT, a Colorado special district, hereafter termed "District".

and jointly termed the "Declarants".

1. RECITALS. The following recitals apply to these Amendments to Declaration of Protective Covenants Skyland, Initial Filing (the "Amendments"):

1.1 Association is the designated homeowners association charged with the responsibility for the enforcement of the Declaration of Protective Covenants and is the designated attorney-in-fact for not less than 75% of the record owners of the lots and tracts within Skyland, Initial Filing, and Skyland, Second Filing, in accordance with Article XI, paragraph 3 of the Declaration of Protective Covenants recorded in Book 574 at page 141 of the records of Gunnison County, Colorado.

1.2 District is the owner of the Open Space and the roads, streets, easements, central domestic water system, central sanitary sewer system, and drainage system within the real property described in attached Exhibit A.

1.3 The purpose of these Amendments is to amend the Declaration of Protective Covenants as to those tracts of land previously designated as the River Tract, Employee Housing Tract, Commercial Tract 1, Commercial Tract 2, Commercial Tract 3, and the Open Space situate westerly of Slate River Drive as shown on the Plat of Skyland, Initial Filing.

2. DECLARATION OF PROTECTIVE COVENANTS. The Declaration of Protective Covenants means the Declaration of Protective Covenants Skyland, Initial Filing, recorded November 17, 1981 in Book 574 at page 141 of the records of Gunnison

County, Colorado and the Supplement thereto recorded in Book 607 at page 672 of the records of Gunnison County, Colorado.

3. PLATS.

3.1 The Plat of Skyland, Initial Filing means the Plat bearing Reception No. 363852 of the records of Gunnison County, Colorado.

3.2 The Plat of Skyland, Second Filing means the Plat bearing Reception No. 382370 of the records of Gunnison County, Colorado.

3.3 The Replat of Portions of Skyland, Initial Filing means the Plat bearing Reception No. 373701 of the records of Gunnison County, Colorado.

3.4 The term "Skyland" means all of the land, lots, tracts, condominium units or townhouse units within the above referenced Plats.

4. AMENDED PLAT OF PORTIONS OF SKYLAND. The Amended Plat of Portions of Skyland means the Plat filed the 3rd day of January, 1997 and bearing Reception No. 473132 of the records of Gunnison County, Colorado.

5. AMENDMENTS TO PROTECTIVE COVENANTS. The Declaration of Protective Covenants is amended in the manner hereafter set forth in these Amendments to Declaration of Protective Covenants.

6. Article II Purpose of Covenants. Article II Purpose of Covenants is amended to include by reference the Amended Plat of Portions of Skyland.

7. Article III Definitions, Paragraph 1. Article III Definitions, Paragraph 1 is amended to include all lands within the Amended Plat of Portions of Skyland.

8. Article III Definitions, Paragraph 9. Article III Definitions, Paragraph 9 is deleted in its entirety and in lieu thereof a new paragraph 9 is inserted as follows:

9. Skyland River Neighborhood. That portion of the Amended Plat of Portions of Skyland designated as "Skyland River Neighborhood" which shall be used solely for affordable housing and shall consist of Single Family Lots, Triplex Lots, Quadraplex Lots and Quadraplex Lots - Rental in the manner set forth in this Declaration and the Special Covenants of Skyland River Neighborhood.

9. Article III Definitions, Paragraph 10. Article III Definitions, Paragraph 10 "Commercial Tract" is deleted in its entirety.

10. Article III Definitions, Paragraph 14. Article III Definitions, Paragraph 14 "River Tract" is deleted in its entirety.

11. Article III Definitions, Paragraph 17. Article III Definitions, Paragraph 17 "Design Guidelines" is amended by the addition of the following paragraph:

Skyland River Neighborhood Design Guidelines shall be adopted by the Board of Directors of the Association which contains specific requirements and restrictions for building design and location, building materials, minimum square footages and other requirements which may, from time to time be amended, modified or changed by the Board of Directors of the Association to meet the objective of providing affordable housing in such manner that the same is harmonious with all other lots and tracts within Skyland.

12. Article III Definitions, Paragraph 21. Article III Definitions, Paragraph 21 "Unit" is amended by deleting the words "Commercial Tract" and "Employee Housing Tract" and by the addition of the words "any Lot, Triplex Lot, Quadraplex Lot and Quadraplex Lot - Rental within Skyland River Neighborhood".

13. Article III Definitions, Paragraph 22. Article III Definitions, Paragraph 22 is amended by the addition of a new Paragraph 22 "Special Covenants" as follows:

22. Special Covenants. The "Special Covenants of Skyland River Neighborhood" pertaining solely to Skyland River Neighborhood.

14. Article V Skyland Community Association, Paragraph 3. Article V Skyland Community Association, Paragraph 3 Voting Rights, second paragraph, shall be amended to read as follows:

A Member shall be entitled to vote as follows:

-1 vote per each single family lot.

-1 vote per multi-family tract until such time as the same has been

resubdivided, when there shall be one vote per each condominium or townhouse unit thereon for which a certificate of occupancy has been issued.

- 0.25 fractional vote per each single family lot within the Skyland River Neighborhood.

- 0.75 fractional vote per each triplex lot within the Skyland River Neighborhood, unless the same has been resubdivided, in which case there shall be 0.25 fractional vote per unit for which a certificate of occupancy has been issued.

-1 vote per each quadraplex lot and quadraplex lot - rental within the Skyland River Neighborhood, unless the same has been resubdivided, in which case there shall be 0.25 fractional vote per unit for which a certificate of occupancy has been issued.

15. Article V Skyland Community Association, Paragraph 6 Design Guidelines. Article V Skyland Community Association, Paragraph 6 Design Guidelines is amended to include the Skyland River Neighborhood Design Guidelines in addition to the Design Guidelines.

16. Article VI Design Review and Approval, Paragraph 3 Design Guidelines. Article VI Design Review and Approval, Paragraph 3 "Design Guidelines" is amended by deletion of reference of "Employee Housing Tracts" and "Commercial Tracts" and in lieu thereof substituting all lots and tracts within Skyland River Neighborhood.

17. Article VII General Use Requirements, Paragraph 1 Land Use. Article VII General Use Requirements, Paragraph 1 "Land Use" shall be amended as follows:

17.1 By the deletion of Paragraph 1.D Employee Housing Tract.

17.2 By the deletion of Paragraph 1.E Commercial Tract.

17.3 By the addition of a new Paragraph 1.G as follows:

1.G Skyland River Neighborhood. All lots and tracts within Skyland River Neighborhood shall have the uses set forth in the Special Covenants and in accordance with the Skyland River Neighborhood Design Guidelines.

18. Article VII General Use Requirements, Paragraph 2 Subdivision. Article VII General Use Requirements, Paragraph 2 Subdivision is amended as follows:

18.1 Any reference to "Employee Housing Tract" and "Commercial Tract" is deleted.

18.2 In lieu thereof "all Triplex Lots, Quadraplex Lots and Quadraplex Lots - Rental within Skyland River Neighborhood" is inserted.

19. Article VII General Use Requirements, Paragraph 5 Signs. Article VII General Use Requirements, Paragraph 5 "Signs" is amended by the deletion of "Commercial Tract".

20. Assessments. All newly created lots, tracts and parcels of land as shown on the Amended Plat of Portions of Skyland shall be liable for all assessments in the same manner as is provided for the liability and payment of assessments in the Declaration of Protective Covenants. Provided, however, the lots, tracts, parcels and units within Skyland River Neighborhood shall be liable for all assessments in proportion to their voting rights as set forth in paragraph 14 above.

21. Full Force and Effect. Except only as above amended by these Amendments to Declaration of Protective Covenants, the Declaration of Protective Covenants shall remain in full force and effect.

Executed the day and year first above written.

SKYLAND COMMUNITY ASSOCIATION, a  
Colorado non-profit corporation

By: \_\_\_\_\_ (Jim Gebhart)  
Title: \_\_\_\_\_ (Secretary)

SKYLAND COMMUNITY ASSOCIATION, a Colorado non-profit corporation, as attorney-in-fact for not less than 75% of the record owners of the lots and tracts within Skyland, Initial Filing and Skyland, Second Filing, in accordance with Article XI, paragraph 3 of the Declaration of Protective Covenants recorded in Book 574 at page 141 of the records of Gunnison County, Colorado, as identified by the Powers of Attorney recorded herewith.

By: \_\_\_\_\_ (Jim Gebhart)  
Title: \_\_\_\_\_ (Secretary)

SKYLAND METROPOLITAN DISTRICT, a Colorado special district

By: \_\_\_\_\_ (Greg Wiggins)  
Title: \_\_\_\_\_ (President)

STATE OF COLORADO        )  
  ) ss.  
County of Gunnison        )

The foregoing Amendment to Declaration of Protective Covenants was acknowledged before me this 13th day of December, 1996, by Jim Gebhart, as Secretary of Skyland Community Association, a Colorado non-profit corporation.

Witness my hand and official seal.  
My commission expires: 02-26-2000

\_\_\_\_\_  
(Barbara Rider)  
Notary Public

STATE OF COLORADO        )  
  ) ss.  
County of Gunnison         )

The foregoing Amendment to Declaration of Protective Covenants was acknowledged before me this 13th day of December, 1996, by Jim Gebhart, as Secretary of Skyland Community Association, a Colorado non-profit corporation, as attorney-in-fact for not less than 75% of the record owners of the lots and tracts within Skyland, Initial Filing and Skyland, Second Filing, in accordance with Article XI, paragraph 3 of the Declaration of Protective Covenants recorded in Book 574 at page 141 of the records of Gunnison County, Colorado, as identified by the Powers of Attorney recorded herewith.

Witness my hand and official seal.  
My commission expires: 02-26-2000

(Barbara Rider)  
Notary Public

STATE OF COLORADO        )  
  ) ss.  
County of Gunnison         )

The foregoing Amendment to Declaration of Protective Covenants was acknowledged before me this 13th day of December, 1996, by Greg Wiggins, as President of Skyland Metropolitan District, a Colorado special district.

Witness my hand and official seal.  
My commission expires: 02-26-2000

(Barbara Rider)  
Notary Public

EXHIBIT A  
TO  
AMENDMENTS TO  
DECLARATION OF PROTECTIVE COVENANTS  
SKYLAND, INITIAL FILING

The following described tracts of land as set forth in the PLAT OF SKYLAND, INITIAL FILING, bearing Reception No. 363852 of the records of Gunnison County, Colorado and also being situate in the N1/2 of Section 12, Township 14 South, Range 86 West, 6th Principal Meridian, County of Gunnison, State of Colorado:

The River Tract, Employee Housing Tract, Commercial Tract 1, Commercial Tract 2, Commercial Tract 3 and the Open Space situate westerly of Slate River Drive as shown on the Plat of SKYLAND, INITIAL FILING, said tracts containing 51.654 acres more or less.