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Recorder
By _____ Deputy

DECLARATION OF PROTECTIVE COVENANTS

OF

1250

TRAPPER'S CROSSING AT CRESTED BUTTE

THIS DECLARATION AND AGREEMENT is executed the 4 day of April, 1990, with an effective date of March 5, 1990, by Trappers Crossing, Ltd., a Delaware limited partnership hereafter termed "Declarant".

ARTICLE 1.

STATEMENT OF PURPOSE OF DECLARATION

Section 1. Ownership of Property. Declarant is the owner of the real property ("Property") situate in Gunnison County, Colorado described as follows:

TRAPPER'S CROSSING AT CRESTED BUTTE, according to the Plat thereof filed April 26, 1990 and bearing Reception No. 419857 of the records of Gunnison County, Colorado.

TRAPPER'S CROSSING SOUTH, according to the Plat thereof filed April 26, 1990 and bearing Reception No. 419858 of the records of Gunnison County, Colorado.

Section 2. Declaration of Covenants. Declarant hereby makes, declares and establishes the following covenants, restrictions and easements which shall affect the Property. This Declaration of Protective Covenants shall run with the Property and shall be binding upon all persons and entities having any right, title or interest in and to the Property or any Lots, tracts or parts thereof, their heirs, successors and assigns and their tenants, employees, guests and invitees and shall inure to and be for the benefit of each Owner of the Lot within the Property.

Section 3. Statement of Purpose. This Declaration of Protective Covenants is imposed for the benefit of all Owners and future owners of lots, parcels and areas located within the Property and to provide for the preservation of values of the Property and to provide and to provide and to preserve the covenants, easements, restrictions, assessments and liens hereafter set forth, all of which are for the benefit of the Property.

Section 4. Enlargement of Property. Declarant hereby reserves the right to enlarge the Property by the addition of additional real property, by the recording in the records of Gunnison County, Colorado of a certificate or certificates setting forth the legal description or descriptions of the real property so added to the Property together with a plat of such additional Property. Such

certificate may be incorporated into the plat of such additional Property. Such certificate may also set forth any specific provisions that pertain only to the additional real property. The recording of the certificate or certificates shall subject the Property, as so enlarged, to all of the terms and conditions of these Protective Covenants, except only as may be modified by such certificate or certificates.

ARTICLE 2. DEFINITIONS

The following terms and words shall have the following definitions:

Section 1. "Agreement" shall mean the Agreement between Trappers Crossing, Ltd., and the Town of Crested Butte, Colorado with an effective date of March 5, 1990 and recorded April 26, 1990 in Book 677 at page 53 of the records of Gunnison County, Colorado.

Section 2. "Association" shall mean the Trappers Crossing at Crested Butte Association, a Colorado non-profit corporation, or any successor thereof charged with the duties and obligations set forth herein.

Section 3. "Association Documents" shall mean this Declaration of Protective Covenants, the Articles of Incorporation and Bylaws of the Association, any amendments thereto, and any rules regulations or policies adopted by the Association.

Section 4. "Assessments" shall mean annual, periodic, special or deficit assessments levied pursuant to this Declaration to provide the funds required to meet the obligations of the Association.

Section 5. "Barn" shall mean an accessory building designed to enclose livestock and to store agricultural products, feed, supplies and agricultural and livestock equipment and property and any incidental use associated therewith.

Section 6. "Board of Directors" or "Board" shall mean the Board of Directors of the Association duly elected and acting according to the Articles of Incorporation and Bylaws of the Association.

Section 7. "Building" shall mean a building or structure, or any similar type of improvement situate and located on a lot or parcel of land within the Property.

Section 8. "Building Site" shall mean the envelope or area within a lot or tract where a building or other improvement shall be located, always subject to the prior written approval of the Board of Directors.

Section 9. "Common Area" shall mean all real property in which the Association owns any interest or has a leasehold interest for the common use and enjoyment of its members, as designated on the recorded plat. Such interest may include, without limitation, estates in fee, estates for a term of years, leasehold estates, or easements. Each and every Common Area may have a restricted use or enjoyment and may be designated for a specific use for such Common Area.

Section 10. "Family Residence" shall mean the primary residence on any Lot designed for occupancy by the owner of the Lot.

Section 11. "Garage" shall mean an accessory building or an accessory portion of a residence designed for the storage of one or more motor vehicles and any incidental use associated therewith.

Section 12. "Guest House" shall mean a separate residence, either attached or detached from the family residence, designed for occupancy either by the owner of the Lot or the owner's guests.

Section 13. "Improvement" shall mean all buildings, structures, parking areas, loading areas, fences, walls, hedges, plantings, poles, driveways, ponds, lakes, recreational facilities, signs, decks, enclosures, changes in exterior color or shape, excavation, and all other site work including without limitation grading, road construction, utility improvements, removal of trees or plantings, and any new exterior construction or exterior improvement constructed or completed on the Property.

Section 14. "Lot" shall mean a tract or lot as shown on the plat of Trapper's Crossing at Crested Butte, Trapper's Crossing South and any subsequent plat, but not including common areas.

Section 15. "Maintenance Fund" shall mean the fund created by assessments and fees levied pursuant to this Declaration to provide the Association with funds it requires to carry out its duties hereunder.

Section 16. "Member" shall mean any person holding membership in the Association.

Section 17. "Mortgage" shall mean any mortgage, deed of trust or other document pledging a lot or interest therein as security for the payment of indebtedness. "First Mortgage" shall mean any mortgage which is not subordinate to or junior to any lien or encumbrance, except liens for taxes and other liens which are given priority by statute.

Section 18. "Open Space" shall mean all of the Lot except for any building or structure located thereon and shall include, but is not limited to,

lawns, gardens, walkways, sidewalks, parking areas, driveways and outdoor living or recreational space.

Section 19. "Owner" shall mean the record owner, whether one or more persons or entities, of fee simple title to any Lot; provided, however, that prior to the first conveyance of any Lot for value after this Declaration, the Owner shall mean the Declarant unless the grantor has designated its successor in ownership of fee simple title to exercise the rights, duties and obligations of ownership.

Section 20. "Plat" shall mean the plat of Trapper's Crossing at Crested Butte and the plat of Trapper's Crossing South and all subsequent plats as filed in the records of Gunnison County, Colorado, which are subject to these Protective Covenants, and as the same may be amended, enlarged or revised from time to time and affecting the Property.

Section 21. "Property" shall mean and include all of the Property subject to this Declaration.

Section 22. "Town" shall mean the Town of Crested Butte, Colorado.

ARTICLE 3. USE OF LOTS

Section 1. Residential Use. All Lots shall be used exclusively for residential purposes, including a single family residence, together with one attached or detached guest house, one attached or detached garage, one barn, and the easements specifically authorized by these Protective Covenants. No additional buildings or improvements shall be permitted without the prior review and approval of the Board of Directors. Provided, however, that if a Plat designates a Lot for more than one single family residence, multiple single family residences shall be allowed on such Lot in accordance with the Plat.

Section 2. Building Site. The family residence, guest house, garage and barn shall be situated within the designated Building Site of the Lot.

Section 3. Guest House. One guest house, either attached or detached from the family residence, and containing not more than 1,500 square feet of gross residential floor area (GRFA) shall be allowed on each Lot. Provided, however, that only an attached guest house shall be allowed on any Lot in Trapper's Crossing South.

Such guest house shall at all times be owned by the Owner of the primary residence and the Lot upon which it is situated and neither the guest house nor the primary residence shall be commercially rented or leased separate and apart from a rental or lease of the entire Lot. At no time may a guest house

be used as the primary residence of a person or family other than the Owner of the Lot or a caretaker and the family of the caretaker employed by the Owner of the Lot.

Any detached guest house shall be served and connected with the same water and sanitation facilities designed and used by the family residence on the Lot and access to the guest house shall be by the same access driveway as used by the family residence.

The Gunnison County Land Use Resolution requires a Land Use Permit to construct a Guest House upon any Lot.

Section 4. Barn. One barn with an appropriately fenced corral or corrals shall be allowed on each Lot.

Section 5. Approval of Use. No Improvement shall be constructed on any Lot, except only as approved by the Board of Directors.

Section 6. No Commercial Use. No commercial or business enterprise of any nature shall be allowed or permitted on any Lot; provided, however, that the Owner of the Lot may be permitted to rent or lease the family residence and/or guest house (subject to the restrictions set forth in Article 3, Section 3) and to conduct a home occupation, artistic or literary activity on any Lot upon the prior approval by the Board of Directors as to such occupation or activity.

ARTICLE 4. **ARCHITECTURAL REVIEW AND APPROVAL**

Section 1. Board. The Board of Directors of the Association shall be the Architectural Review Board.

Section 2. Review and Approval. No single-family residence, guest house, garage, barn, building or Improvement shall be commenced, constructed, erected or maintained upon any Lot, nor shall any landscaping be done, nor shall any exterior addition, change or alteration be made, until the plans and specifications therefor have been submitted to and approved in writing by the Board in the manner hereafter set forth.

Section 3. Submittal Procedure. Prior to the commencement of any such construction, the plans for the proposed building or Improvement shall be submitted to the Architectural Review Board for approval. The submittal for approval shall include, at a minimum, the following documents:

3.1 A plot plan showing the location of any building or Improvement, access driveway, parking area and any terrain or structure

features, such as large rocks, trees, ponds, patios, fences, utility lines, storage areas or decks.

3.2 The plans and specifications for the building, and including a roof plan, in sufficient detail to verify and confirm the size, type and dimensions of the building, mass and height of the building, all design features thereof, all exterior elevations showing all sides of the building, all floor plans and the types of construction and materials.

3.3 Samples of the exterior materials and color schemes for the building.

3.4 A landscape, drainage and grading plan.

Section 4. Purpose of Review. The Board shall consider the suitability of the proposed building and in particular the harmony of the building with the environment, the effect of the building on the utilization and view of the Lot and surrounding Lots and property and the placement of the building with respect to topography, drainage, snow removal, ground elevations, existing natural and terrain features and the visibility of any structure from within the Town of Crested Butte, Colorado.

Section 5. Hearing. The Board shall, within thirty days of receipt of a submittal for approval request with all accompanying data, hold a hearing on such request. The Board may approve, disapprove or approve with conditions any request submitted to it. The decision of the Board shall be in writing. In the event that the Board fails to take action within ten days after the date of the hearing, or fails to hold such hearing within thirty days after receipt of a submittal for approval request, the application shall be deemed to have been approved.

Section 6. Notice of Hearing. The Applicant, and any person on his behalf, may attend the hearing on the application for approval and submit such information as the person may desire. Notice of the hearing shall be given in writing to all members of the Association and all members shall have the right to be present at the hearing or to submit in written form any comments they may desire.

Section 7. Quorum. A majority of the Board of Directors shall constitute a quorum and all decisions of the Board shall be by a majority vote of the directors of the members present.

Section 8. Final Decision. The decision of the Board of Directors shall be final, subject only to the right of judicial review as provided by the laws of the State of Colorado. The Board shall indicate to any Applicant in the event of disapproval, the reasons why the request was rejected and grant to the Applicant an opportunity to resubmit with the revisions and corrections that would

bring the request for approval into conformity with the requirements of this Declaration of Protective Covenants.

Section 9. Rules and Regulations. The Board may adopt such rules and regulations as are appropriate to govern its proceedings as an Architectural Review Board.

Section 10. No Application Fee. No application fee will be required for any approval request.

Section 11. Building Permit. In addition to the approval requirements by the Board of Directors, each owner is responsible for obtaining all approvals, licenses and permits as may be required by Gunnison County, Colorado and any entity or district having jurisdiction over the Lot prior to the commencement of construction.

ARTICLE 5. **DESIGN REQUIREMENTS**

Section 1. Design Requirements. Any residence, guest house, garage, barn, building or improvement situate on any Lot shall comply with the design requirements of this Article.

Section 2. Building Site. Any building or improvement shall be constructed entirely within the designated Building Site for the Lot.

Section 3. Setback. Any building or improvement, except fences, shall be set back from any Lot line 150 feet except as follows:

3.1 For Lot 7 in Trapper's Crossing South, the side lot set back shall be 100 feet.

3.2 For all Lots in Trapper's Crossing at Crested Butte, the set back line need be only 50 feet from any Lot line so long as such set back line is not less than 300 feet from any other Building Site.

Section 4. Uniform Building Code. All buildings and improvements shall meet all of the requirements, including fire protection standards, of the Uniform Building Code, and any other building code or fire code of Gunnison County, Colorado then in effect.

Section 5. Density. The allowable gross residential floor area (GRFA), shall be not less than 1,500 square feet for any family residence, unless otherwise approved by the Board of Directors.

Section 6. Maximum Density. The maximum gross floor area of all Buildings, determined in the manner provided by the Uniform Building Code, constructed upon any Lot shall not exceed 11,000 square feet in the aggregate.

Section 7. Height. The maximum height of any Building shall be 30 feet. The height of a Building for the purpose of this Section shall be measured and determined in the manner provided by the Uniform Building Code.

Section 8. Roofs. Any metal roof must have a color finish approved by the Board of Directors.

Section 9. Exterior Building Material and Style. All buildings shall be built in an exterior style and with colors and materials harmonious to the area and similar in style, color and materials to like kind buildings in existence in the surrounding areas, including the Town of Crested Butte, Colorado. No exterior walls shall consist of sheet metal, metal material, T-111 or any similar material, composition shingles or unplastered cement or similar type block. All colors of exterior walls and roofs will be natural or earth tones in color to blend with the natural surroundings except that colored trim may be allowed upon approval of the Board of Directors.

Section 10. Service or Utility Areas. All service or utility areas or yards and including garbage cans and trash storage areas shall be screened from view on all sides.

Section 11. Exterior Lighting. All exterior lighting shall be designed and directed in a manner approved by the Board. All exterior lighting or illumination on any Lot shall be so located, placed, shielded and designed to be architecturally and aesthetically in keeping with the Buildings and surroundings and to have minimum visual pollution or impact on any other Lot or the Town of Crested Butte, Colorado.

Section 12. Antennae. No exterior radio, television, microwave or other antennae or antennae dish or signal capture or distribution device shall be permitted or installed on any Lot unless it is entirely screened from view on all sides and such screening shall be in keeping with the terrain and environment.

Section 13. Wood Burning Devices. All solid fuel or wood burning stoves and devices, including fireplaces, shall comply with the following criteria:

13.1 Such devices must meet the requirements of the appropriate ordinance of the Town of Crested Butte, then in effect or, if similar regulations have been adopted by Gunnison County, Colorado or the State of Colorado, the requirements of such entity, whichever is the more restrictive.

13.2 The maximum number of woodburning devices per Lot shall be two.

Section 14. WATER SPRINKLER SYSTEMS. All residential Buildings situate upon the Property shall have installed and maintained water or chemical sprinkler systems of a type and design, including water capacity and water pressure, sufficient for fire protection of the Building.

Section 15. WILDFIRE SAFETY: In the design and location of any buildings within the building site, a wildfire safety zone will be utilized following the recommendation of the Colorado State Forest Service as contained in the "Wildfire Safety Guidelines for Rural Homeowners" by J. Bruce Coulter, Colorado State Forest Service, Colorado State University, 1980, or any later addition then in effect.

Section 16. USE OF PESTICIDES AND HERBICIDES. In the event that the Town enacts any ordinance pertaining to the control and use of pesticides and herbicides within the Town, the terms and conditions of such ordinance as to the control and use of pesticides and herbicides shall automatically extend to and be binding upon the Property, and the same shall be incorporated into this Declaration of Protective Covenants by reference upon the adoption of any such Ordinance by the Town.

ARTICLE 6. CONSTRUCTION AND MAINTENANCE REQUIREMENTS

Section 1. Excavation. No excavation shall be made on any Lot, except in connection with a building approved in accordance with this Declaration of Protective Covenants.

Section 2. Electrical and Telephone Service. All electrical and telephone service within any Lot shall be underground.

Section 3. Water and Sewage Disposal Systems. All buildings designed for human occupancy shall be connected with individual water and sanitation facilities. All individual water systems and sewage disposal systems shall be constructed, installed and maintained in compliance with all applicable rules and regulations of any governmental entity having jurisdiction over the property. All sewage disposal systems shall comply with the following:

3.1 Any sewage disposal system in Trapper's Crossing at Crested Butte shall be located so that it will not discharge into the Town water reservoir site, water treatment plant and waterlines.

3.2 All sewage disposal systems must meet all applicable rules and regulations of Gunnison County and the State of Colorado.

3.3 The location of any sewage disposal system as to Lots 7, 12, 14 and 17 at Trapper's Crossing at Crested Butte will be shown on the Plat of Trapper's Crossing at Crested Butte.

Section 4. Signs. No sign of any kind shall be displayed to public view on any portion of any Lot, except only a sign not to exceed four square feet identifying the Owner and/or address of the Lot or a sign, not to exceed four square feet, advertising the Property for sale.

Section 5. Drainage. No Owner shall do or permit any work, construct any improvements or do any landscaping which shall alter or interfere with the natural drainage for the Property, except to the extent the same is approved by the Architectural Review Board and as authorized for any surface water discharge easement.

Section 6. Temporary Structures. No temporary structure, mobile home, modular home, trailer house, travel trailer or R. V. vehicle shall be permitted on any Lot, except only as may be determined to be necessary during the period of construction of the family residence and as specifically approved by the Board. Provided, however, a motorhome, travel trailer or similar vehicle of any owner or their guests shall be permitted on a Lot for a short term period of time, not to exceed 90 days at any one time.

Section 7. Continuity of Construction. All construction, reconstruction, alterations or improvements shall be prosecuted diligently to completion and shall be completed within twelve months of the commencement thereof, unless an exception is granted by the Board.

Section 8. Landscaping. The Lot and all landscaping thereon shall be maintained in its natural condition to the extent possible. Lawns and artificial landscaping shall be minimal and in no event shall an irrigated lawn and garden exceed 1,000 square feet as set forth in Article 10, Section 3. No trees shall be cut or removed from any Lot except only (1) as required to permit ingress and egress to and from the Building Site, (2) to clear the actual construction site for any family residence, guest house, garage or barn, (3) to remove any diseased or dead trees, (4) to remove any tree that poses a danger to any building, (5) limited tree cutting approved by the Board of Directors in the manner that will not be visible to any other Lot or as required for Wildfire Safety and (6) to remove any trees for any recreational easement as provided in the easements therefore.

Section 9. Trash. No trash, ashes, garbage or other refuse shall be allowed to accumulate or placed on any Lot or area within the Property. There shall be no burning or other disposal of refuse out of doors. Each Owner shall provide suitable receptacles for the temporary storage and collection of such

refuse and all such receptacles shall be screened from the public view and from the wind and protected from animal and other disturbance.

Section 10. Abandoned or Inoperable Vehicles. Abandoned or inoperable automobiles or motor vehicles of any kind, except as hereinafter provided, shall not be stored or parked on any portion of a Lot. "Abandoned or Inoperable vehicle" shall be defined as any vehicle which has not been driven under its own propulsion for a period of three (3) months or longer; provided, however, this shall not include vehicles parked by Owners while on vacation. A written notice describing the "abandoned or Inoperable vehicle" and requesting removal thereof may be personally served upon the Owner or posted on the unused vehicle; and if such vehicle has not been removed within seventy-two (72) hours thereafter, the Association shall have the right to remove the same without liability to it, and the expense thereof shall be charged against the Owner.

Section 11. Noise. No exterior horns, whistles, bells or other sound devices, except security devices used exclusively to protect the security of the Improvements on any Lot, shall be placed or used on any Lot.

Section 12. Nuisance. No obnoxious or offensive activity shall be carried on within the Property, nor shall anything be done or permitted which shall constitute a public nuisance. No noise or other nuisance shall be permitted to exist or operate upon the Property so as to be offensive or detrimental to any other part of the Property or its owners or occupants; provided, however, that this Section shall not apply to any noise or other activity approved by the Board of Directors as to the construction of any Improvements.

Section 13. Hazardous Activities. No activities shall be allowed or conducted on the Property which are or might be unsafe or hazardous to any person or property. Such hazardous activities, include, but are not limited to fireworks, firearms, bow and arrows, explosives, air or pellet guns or any similar type devices. No outside open fires shall be permitted on any Lot unless contained within a cooking or barbecue type unit or grill.

Section 14. Fences. No fences, walls or barriers shall be constructed, erected or maintained on any Lot of the Bench and the Reservoir and any other residential subdivision Property, without the prior approval of the Association. No fence or gate shall be erected within 50 feet of any exterior Lot line shall exceed 4-1/2 feet in height. No fence or gate shall be placed, erected or maintained across a recreational easement, provided, however, a temporary fence or lay-down fence may be placed, erected or maintained across a recreational easement so long as the owner thereof removes or lays down such fence during any period of time the recreational easement is to be used for its designated purpose.

Section 15. Snowmobiles. No snowmobiles, snowcats, snowtractors or other similar motorized vehicles for travel over snow shall be

allowed, maintained or operated within the Property except as hereafter provided. Snowmobiles only shall be allowed to operate within the Property:

- 15.1 To set and maintain cross country ski courses.
- 15.2 For access to and from a residence during the winter months.
- 15.3 To and from a residence directly to the nearest area where snowmobiles are permitted.

**ARTICLE 7.
ANIMALS**

Section 1. Domestic Household Pets. Not more than two domesticated household pets of the same species shall be allowed, kept or maintained on any Lot.

Section 2. Confinement of Animals. All animals shall be kept confined to the Owner's Lot or attached to a leash or other suitable control device. The Owner of any animal shall at all times be personally liable and responsible for all actions of such animal and any damage caused by animal.

Section 3. Horses. One horse for each eight acres of land in any Lot may be maintained and kept on any Lot so long as such animals are kept and maintained within a fenced or enclosed area and such area is kept in a clean and sanitary condition.

Section 4. Rules and Regulations. The Board of Directors may adopt suitable rules and regulations as to the keeping and maintaining of any animals on any Lot and may in particular circumstances approve variances as to the number and type of animals to be allowed, kept or maintained on any Lot.

Section 5. Impoundment of Dogs. The Association is specifically empowered to impound any dog running at large within the Property. Upon impoundment, the owner of the dog, if known, shall be immediately notified and the animal shall be taken to the nearest facility which accepts impounded dogs. It is the duty of the owner of such dog to recover the dog from such facility and if the dog is not recovered by the owner in accordance with the rules and regulations of such facility, the facility may destroy the dog without liability to the owner thereof.

**ARTICLE 8.
TRAPPERS CROSSING AT CRESTED BUTTE ASSOCIATION**

Section 1. Government of Association. Trappers Crossing at Crested Butte Association, a Colorado non-profit corporation, shall be governed

by and shall exercise all of the duties, privileges and obligations set forth in this Declaration, and the Articles of Incorporation and Bylaws of the Association.

Section 2. Members. Each Owner shall be a member of the Association. No Owner, whether one or more persons or entities, shall have more than one membership per Lot owned by such Owner, but all persons owning each Lot shall be entitled to the rights of membership and the use and enjoyment appurtenant to the ownership of each Lot.

Section 3. Termination of Membership. The right of membership in the Association and the status as a member shall terminate upon the termination of status as an Owner of a Lot. Upon conveyance, sale or assignment of the Owner's interest, the selling Owner shall be relieved of liability for assessments levied from and after the date of such sale or conveyance; provided, however, that no such sale or conveyance of any ownership shall relieve an Owner of liability arising prior to the date of such sale or conveyance.

Section 4. Voting Rights. All Owners within the Trappers Crossing at Crested Butte Subdivision shall be members of the Association. Each Lot shall be entitled to one vote in the Association. The one vote for each Lot shall be exercised by the Owner and when more than one person or entity holds an interest in a Lot, the vote for the Lot shall be exercised as the Owners may determine among themselves, but vote for the Lot shall be cast by only one person.

Section 5. Compliance with Documents. Each Owner shall abide by and have the benefit from the provisions, covenants, conditions and restrictions contained in the Association Documents.

Section 6. Rules and Regulations. The Association shall from time to time adopt, amend and repeal rules and regulations to be known as the "Trappers Crossing at Crested Butte Subdivision Rules" governing, among other things, and without limitation:

6.1 The use of any private road or street.

6.2 The use of any easements for utilities within the Property.

6.3 Standards for the care and maintenance of all improvements, grounds and landscaping within the Property, including private roads and streets.

6.4 The use, maintenance and enjoyment of any real property, private road, street or easement conveyed or dedicated to the Association.

Section 7. Grant of Recreational Easement. The Owner of each Lot, by virtue of such ownership, hereby authorizes and empowers the Association, as its attorney in fact, to give and grant a perpetual easement over and across any part of any real property of the Association, which has been designated on a Plat as a recreational easement area to be used as an easement area for the installation, construction and maintenance of cross country skiing trail, a walking or pedestrian use trail, horseback riding trail or bicycling trail to the Town of Crested Butte, Colorado as follows:

7.1 To install, construct and maintain cross country ski courses within the area designated as such on a Plat.

7.2 To install, construct and maintain a walking, pedestrian and bicycle trail to Green Lake as set forth on the Plat of Trapper's Crossing South.

7.3 To install, construct and maintain walking trails and horseback trails within the area designated as such on a Plat.

7.4 Where the easement is denominated or shown as a Corridor or Area cross country ski trails may be located anywhere within such Corridor or Area. Where the easement is shown to be a Trail, the cross country ski trail shall be limited to the trail.

7.5 The perpetual easement to the Town of Crested Butte, Colorado, shall be subject to the terms and conditions as set forth in the Agreement between the declarant and the Town of Crested Butte, Colorado.

7.6 The grant of any recreational easement by the Association not shown on a Plat, is subject to a requirement that the written consent of the Owner of any Lot over which such easement is proposed to be granted must consent in writing to such easement.

Section 8. Grant of Utility Easements. The declarant hereby authorizes and empowers the Association as its attorney in fact, to give and grant a utility easement for the installation, construction and maintenance of underground utilities over and across any road easement designated on any Plat. The Owner of each Lot, by virtue of such ownership, hereby authorizes and empowers the Association, as its attorney in fact, to give and grant a utility easement and right of way 20 feet in width adjacent to the exterior boundary line of any Lot for the installation, construction and maintenance of underground utilities.

Section 9. Road Maintenance and Dust Control. All roads within the Property shall be constructed in accordance with the road permits issued by Gunnison County, Colorado. Upon completion of construction of the roads, all

maintenance, repairs, snow plowing and supervision shall be the duty of and vested in the Association. The Association shall specifically:

9.1 At all times keep in good repair all roads within the Property and maintain the same in suitable condition for use by the members of the Association and emergency vehicles, including fire trucks.

9.2 To provide dust control not less than once a year on any road following the commencement of construction of any building on a Lot served by such road and at any time that the use of any road within the Property is the cause of dust pollution, to provide dust control in the form of the use of magnesium chloride, oil treatment or other suitable dust retardant on the roads.

9.3 To snow plow the roads during the winter months as required for access to any Lot.

9.4 Any driveway for access to a Lot located and constructed within a recreational easement area shall be so constructed and maintained to allow a recreational easement to cross the driveway without obstruction. Snow shall be allowed to remain on any portion of a driveway where a cross country ski trail crosses such driveway in the manner designated by the Association and the Town of Crested Butte, Colorado. In addition, the Association and the Town of Crested Butte, Colorado, shall have the right to remove or add snow or take other actions as may be necessary so that the safety and convenience of a cross country skier is insured at any point where a cross country ski trail crosses such driveway.

Section 10. Snow Avalanches. The Association shall take all required actions, including the hiring of such professionals and contractors as may be required to monitor, control and contain snow avalanches within the Property at all times when any road within the Property is open for vehicular traffic.

ARTICLE 9. ASSESSMENTS

Section 1. Creation of Lien. Each Owner of any Lot, by acceptance of a Deed therefor, whether or not it shall be so expressed in any Deed, is deemed to covenant and agree to pay to the Association: (1) All regular assessments or charges; and (2) any special assessments or charges; and (3) any default assessments or charges, all of which shall be fixed, established and collected as determined by the Association. The annual, special and default assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge and continuing lien upon the Lot against which each such assessment is made until paid. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall be the personal obligation of the Owner of such Lot at the time when the assessment became due.

All such assessments shall be adopted and assessed in the manner set forth in this Article 9.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be limited to and used exclusively for the following:

2.1 The maintenance, repairs, snow removal and improvement of any private road or street within the Property.

2.2 Any maintenance, repair or improvement required to be made by any Owner to any improvement on any Lot which the Owner fails to do.

2.3 Any costs and expenses pertaining to the operation of the Association in the performance of its duties.

2.4 To monitor, control and contain avalanches within the Property.

2.5 Any other purpose approved by a majority vote of all members of the Association.

Section 3. Types of Assessments. The Board of Directors shall have the authority to levy the following types of assessments for the Association:

3.1 Regular Assessments. Assessments for the business and operation of the Association pertaining to all members of the Association and to be apportioned and allocated equally among all Lots.

3.2 Special Assessments. Special assessments for the purpose of construction, improvement, repair, replacement, enlargement or other special purposes pertaining to a specific or special matter for the benefit of the entire Association. Special assessments shall be apportioned and allocated equally among all Lots.

3.3 Subdivision Assessment. An assessment that is for the benefit of or allocated to be used for the Lots within a particular subdivision filing which is subject to this Declaration of Protective Covenants. A subdivision assessment shall be apportioned and allocated equally between the Lots in such subdivision filing.

Section 4. Regular Assessments. The Board of Directors shall prepare a budget prior to the beginning of each fiscal year of the Association and not less than thirty days prior to the commencement of each fiscal year, the Board shall adopt a final budget and shall determine, levy and assess the Association's regular assessments for the following year.

The proposed budget for the next fiscal year shall be presented to and approved by the members at the annual meeting of the membership.

Section 5. Special Assessments. In addition to the regular assessments set forth in Section 4 above, the Board of Directors may levy in any fiscal year one or more special assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement within or upon any private roads or streets, for any other construction, repair or replacement or to make up any shortfall in the current year's budget. Notice of the amount and due dates for such special assessments shall be sent to each owner at least thirty days prior to the due date. Such special assessment shall be for the use and benefit of all Lots.

Prior to the board of directors levying a special assessment that exceeds \$50,000.00 in an aggregate amount, the special assessment shall be submitted to and approved by an affirmative vote of the members at either a regular meeting of the members or a special meeting of the members called for such purpose.

Section 6. Subdivision Assessments. In addition to the regular assessments set forth in Section 4 above and the special assessments set forth in Section 5 above, the board of directors may levy in any fiscal year one or more subdivision assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of any road, street, structure, or improvement located within a particular subdivision filing. Notice of the amount and due dates for such subdivision assessments shall be sent to each owner of a Lot within such subdivision filing at least 30 days prior to the due date. Such subdivision assessment shall be for the use and benefit of all Lots within such subdivision filing.

Prior to the board of directors levying a subdivision assessment that exceeds \$50,000.00 in an aggregate amount, the subdivision assessment shall be submitted to and approved by an affirmative vote of the members who own Lots within such subdivision filing at either a regular meeting of the members or a special meeting of the members called for such purpose.

Section 7. Assessment for Each Lot. All regular and special assessments shall be apportioned and allocated equally among all Lots. All subdivision assessments shall be apportioned and allocated equally among the lots within such subdivision filing.

Section 8. Default Assessments. Any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of the Owner, shall be a default assessment and shall become a lien against such Owner's Lot and may thereafter be foreclosed or otherwise collected as provided herein. Notice of the amount and due date of such default

assessment shall be sent to the Owner subject to such assessment at least thirty days prior to the due date.

Section 9. Nonpayment of Assessments. Any assessment, whether regular, special or default assessment, which is not paid within thirty days of its due date shall be deemed delinquent. In the event that any assessment becomes delinquent, the Association, in its sole discretion, may take any or all of the following actions:

9.1 Assess a late charge of at least 10% of the amount due and owing per delinquency.

9.2 Assess an interest rate charge from the date of delinquency at 18% per year, or such other rate as shall be established by the Board of Directors.

9.3 Suspend the voting rights of the Owner during any period of delinquency.

9.4 Bring an action against any Owner personally obligated to pay the delinquent assessment.

9.5 File a Statement of Lien with respect to the Lot and foreclose such lien in the manner hereafter set forth. The Association may file a Statement of Lien by recording with the Clerk and Recorder of Gunnison County, Colorado, a written statement with respect to the Lot, setting forth the name of the Owner, the legal description of the Lot, the name of the Association and the amount of the delinquent assessments then owing, which Statement shall be signed and acknowledged by the President, Vice President or Secretary of the Association and which shall be sent by certified mail, postage prepaid, to the Owner of the Lot at such address as the Association may have in its records as to the Owner. Thirty days following the mailing of such Notice, the Association may proceed to foreclose the Statement of Lien in the same manner as provided for the foreclosure of mortgages under the statutes of the State of Colorado. Such Statement of Lien shall secure all assessments accruing or assessed subsequent to the date of recording of such Statement of Lien until the same has been satisfied and released, together with the Association's attorneys' fees and costs incurred in the preparation and recording of such Statement of Lien and any release thereof. In any action for the payment or foreclosure of such assessment, the Association shall be entitled to recover as part of the action, the interest, costs and reasonable attorneys' fees with respect to the action.

9.6 The Statement of Lien shall be superior to all other liens and encumbrances on such Lot, except only any tax and assessment liens levied by any governmental entity and the lien of any First Mortgage.

Section 10. Successor's Liability for Assessment. In addition to the personal obligation of each Owner of a Lot to pay all assessments and the Association's lien on a Lot for such assessments, all successors to the ownership of a Lot shall be jointly and severally liable with the prior Owner for any and all unpaid assessments, interest, costs, expenses and attorneys' fees against such Lot.

ARTICLE 10. **WATER RIGHTS**

Section 1. Water Augmentation Plan. The Association shall be responsible for compliance with the terms of the decree in Case Number 89CW219 of the Division 4 Water Court and the plan of augmentation approved therein, including the impoundment of water in priority in the Bench Pond and/or Trapper Pond, the maintenance of all records and other reporting requirements imposed by said decree and the release of water in storage therein as required by the Colorado Division of Water Resources consistent with the terms of said decree, and the maintenance, repair, and replacement of all ditches, pipes, flumes, dams, outlet works, and other physical components required for the proper operation of the Bench Pond and/or Trapper Pond and said plan of augmentation.

Section 2. Enforcement of Water Rights. Any owner of a Lot in the Property shall have the right, in the event of the failure or inability of the Association to preserve and administer the water system and water rights within the Property, to undertake such action as would be required of the Association but not performed, and to charge all costs and expenses thereof to the Association, including the maintenance of litigation for the recovery of all costs and expenses so incurred, including such owner's attorneys' fees and costs.

Section 3. Lawn and Garden Irrigation. In no event may the owner or occupant of any Lot within the Property irrigate, whether by sprinkler or flood irrigation, in excess of 1,000 square feet of lawn and garden on any lot; nor may any owner or occupant of any Lot take any action which contravenes the provisions and limitations contained in the decree of the Division 4 Water Court in Case Number 89CW219.

ARTICLE 11. **ENFORCEMENT OF COVENANTS**

Section 1. Violations Deemed a Nuisance. Every violation of this Declaration of Protective Covenants, the Articles and Bylaws of the Association or any rules and regulations adopted by the Association shall be deemed to be a nuisance and is subject to all the remedies provided for the abatement thereof.

Section 2. Fallure to Comply. The failure to comply herewith shall be grounds for an action to recover damages, or for injunctive relief or for

specific performance, or any of them. Reasonable notice and an opportunity for a hearing shall be provided by the Association to any delinquent Owner prior to commencing any legal proceedings.

Section 3. Who May Enforce. Any action to enforce any violation of any provision of these Protective Covenants may be brought as follows:

3.1 By the Association in the name of the Association and on behalf of the Owners.

3.2 By the Owner of any Lot.

3.3 By the Town of Crested Butte, Colorado, as set forth in the Agreement.

Section 4. No Waiver. The failure of the Board, the Association, any Lot Owner or Gunnison County, Colorado to enforce or obtain compliance as to any violation, shall not be deemed a waiver of the right to do so for any subsequent violation or the right to enforce any part of such documents.

Section 5. Right of Gunnison County, Colorado. The Board of County Commissioners of Gunnison County, Colorado is specifically granted the right to enforce these Protective Covenants and to bring any action as may be required for the violation of these Protective Covenants pertaining to the following:

5.1 Protect Gunnison County, Colorado or its inhabitants.

5.2 Enforce all provisions and requirements for the construction, maintenance and control of all roads and driveways, the plowing of snow therefrom, and any dust pollution controls pertaining thereto, all in accordance with the conditions of the approval of the road permits by Gunnison County, Colorado.

Gunnison County, Colorado, may enforce these Protective Covenants at its sole discretion, without assumption of any liability whether or not such enforcement is exercised, and without obligation to exercise such enforcement in any circumstance. The ability of Gunnison County, Colorado to enforce the Protective Covenants is non-exclusive and does not preclude and any other appropriate party from enforcing the same.

ARTICLE 12. **DURATION OF COVENANTS**

Section 1. Term. The term of this Declaration of Protective Covenants, and any amendments or supplements thereto, shall be from the date of recording in the records of Gunnison County, Colorado and until January 1, 2015. Thereafter, this Declaration of Protective Covenants shall be automatically extended for five successive periods of ten years each, unless otherwise terminated or amended as hereafter provided.

Section 2. Amendment. This Declaration of Protective Covenants, or any provision thereof, may only be terminated, extended, modified or amended as to the Property subject to the Protective Covenants, or any portion thereof, upon the written consent by the Owners of 75% or more of the Lots in the Property and the approval by the Town, if required, in the manner set forth in Section 3 of this paragraph. Any such amendment shall be by an instrument duly executed, acknowledged and recorded in the records of Gunnison County, Colorado, and upon such recording shall be for the benefit of and be binding on all Owners of Lots within the Property. Provided, however, the right of amendment herein granted may not be exercised by the owners of Lots in the Property until either (1) five years have passed from the date of construction of the first improvements on any Lot or (2) 75% of all Lots within the Property have been sold or conveyed to third person owners by the Declarant, whichever occurs first.

Section 3. Required Approvals. No amendment to the Protective Covenants which amends or changes any of the terms and conditions set forth in the Agreement with the Town of Crested Butte shall become effective until (1) not less than 20 days notice has been given in writing to the Town of Crested Butte of such proposed changes or amendments and (2) such changes or amendments have been approved by the Town of Crested Butte, which approval shall not be unreasonably withheld.

Section 4. Amendment by Declarant. Notwithstanding the provisions of Section 2, the Declarant reserves the sole right and power to modify and amend this Declaration of Protective Covenants, and all Plats subject to this Declaration of Protective Covenants, by executing and recording such amendment in the records of Gunnison County, Colorado. Such right or power of the Declarant is limited to (1) the correction of any typographical or language errors in the Declaration of Protective Covenants and/or Plats, (2) any corrections required to comply with the applicable laws, rules and regulations of any governmental entity having jurisdiction over the Property, and (3) any changes or corrections required to reasonably satisfy the requirements of any commercial lender to provide financing for the purchase and/or construction of a residence upon any Lot, which are not contrary to the terms of the Agreement. This right and power of the Declarant to modify or amend this Declaration of Protective Covenants and the Plats, in whole or in part, as set forth in this Section 4, shall be effective only until (1) five years after the date of construction of the first improvements on the Property or (2) the date that 75% of all Lots within the property have been sold or conveyed to third person owners by the Declarant, whichever occurs first.

ARTICLE 13. **PRINCIPLES OF INTERPRETATION**

Section 1. Severability. This Declaration of Protective Covenants, to the extent possible, shall be construed so as to give validity to all of the

provisions hereof. If any provision of this Declaration of Protective Covenants is determined to be invalid, unenforceable or prohibited by any court, the same shall not affect any other provision or section hereof and all other provisions and sections shall remain in full force and effect.

Section 2. Construction. In interpreting words herein, unless the context shall otherwise provide or require, the singular shall include the plural, the plural shall include the singular and the use of any gender shall include all genders.

Section 3. Headings. The headings on any section or article are included only for purposes of convenient reference and shall not affect the meaning or interpretation of this Declaration of Protective Covenants.

Section 4. Written Notice. All notices required under this Declaration shall be in writing. Notice to any Owner shall be considered delivered and effective upon personal delivery or five days after mailing by certified or registered mail, return receipt requested, to the address of such Owner on file in the records of the Association at the time of such mailing.

Section 5. Limitation of Liability. Neither the Association nor any officer or director, shall be liable to any party for any action or for any failure to take any action with respect to any matter arising by, through or under this Declaration if the action or failure to act was made in good faith. The Association shall indemnify all officers and directors with respect to any action taken in their official capacity as provided in the Articles of Incorporation and Bylaws of the Association.

Section 6. Attorneys' Fees. The Association shall be entitled to reasonable attorneys' fees, as well as its reasonable costs and expenses, incurred by it in any proceeding or action to interpret or enforce any provision of the Association documents.

Section 7. Applicable Law. The proper jurisdiction and venue for any action pertaining to the interpretation or enforcement of the Association documents shall be the District Court of Gunnison County, Colorado, unless otherwise chosen by the Association.

Section 8. Interest. Any sums, amounts or monies due and owing to the Association under the Association documents shall bear interest at 18% per year from the date due until paid.

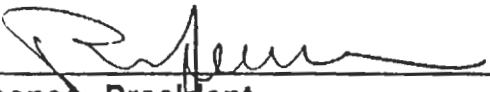
Section 9. Partition of Lots. No part of a Lot may be partitioned, separated or subdivided from any other part thereof except for Lot 20 of Trapper's Crossing at Crested Butte which may be partitioned or subdivided into three separate Building Sites upon approval of the Board of Directors and the compliance with the Land Use Resolution of Gunnison County, Colorado.

Section 10. Prior Covenants Null and Void. The previous Declaration of Protective Covenants of Trappers Crossing at Crested Butte dated December 21, 1989 and recorded December 27, 1989 in Book 674 at page 256 of the records of Gunnison County, Colorado, are hereby declared to be null and void and of no further force and effect and the same are superseded and replaced in their entirety by this Declaration of Protective Covenants.

IN WITNESS WHEREOF, the Declarant has executed this Declaration of Protective Covenants the day and year first above written.

TRAPPERS CROSSING, LTD., a Delaware limited partnership,

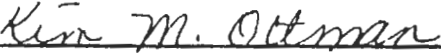
By FAR CORP., a Colorado corporation

By: 
 Ronald G. Spence, President
 GENERAL PARTNER

STATE OF NEW YORK)
) ss.
 County of Westchester)

The above and foregoing Declaration of Protective Covenants was acknowledged before me this 4th day of March, 1990 by Ronald G. Spence as President of Far Corp., a Colorado corporation, the general partner of Trappers Crossing, Ltd., a Delaware limited partnership.

Witness my hand and official seal.
 My commission expires: _____.


 Notary Public

KIM M. OLTMAN
 NOTARY PUBLIC, STATE OF NEW YORK
 NO. 4735306
 QUALIFIED IN DUTCHESS COUNTY
 CERTIFICATE FILED IN WESTCHESTER COUNTY
 TERM EXPIRES MARCH 30, 1991