

SUNSET RIDGE PROPERTIES

Declaration of Protective Covenants and Restrictions

THIS DECLARATION made this 22 day of March, 1996 by SUNSET RIDGE PROPERTY OWNERS ASSOCIATION, INC., is a revision of and supersedes the previous declaration dated February 2, 1972, Supplemental Declaration dated December 28, 1971, and Amendment to Supplemental Declaration dated March 12, 1973 by GRAND COUNTY RANCHES ASSOCIATES, the developer. This Declaration will be effective 22 day of March, 1999, three years following approval of the revisions as specified in Article VIII of the current Declaration of Protective Covenants and Restrictions. The Declaration was further amended by order of The District Court of Grand County filed at reception No.2007010724 on 24 September 2007.

WITNESSETH:

WHEREAS, it is desired to establish certain standards covering the said real estate premises by means of protective covenants so as to assure that Sunset Ridge shall remain an attractive residential community; to prevent nuisances; to prohibit the impairment of the attractiveness of the property, and thereby to secure to each individual owner the full benefit and enjoyment of his home and/or property with no greater restrictions upon the free and undisturbed use of this property than is necessary to insure the same advantage to other similar property owners; and to insure the lasting beauty and investment value of the property; and to this end, desires to subject the real property described hereinafter together with such additions as may hereafter be made thereto, to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, Developer deemed it desirable, for the efficient preservation of the values and amenities of the planned community, to create an agency to which should be delegated and assigned the powers of maintaining and administering the Sunset Ridge Properties and facilities and administration and enforcement of the covenants and restrictions and collection and disbursement of the assessments and charges hereinafter created; and

WHEREAS, Developer created an organization for the purpose of exercising the functions aforesaid, known as Sunset Ridge Property Owners Association.

NOW, THEREFORE, it is declared that the real property described in Article II, and such additions thereto as hereafter may be made pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth.

ARTICLE I

DEFINITIONS

Section 1. The following words when used in this Declarations or any Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

A. The word "**Association**" means and refers to Sunset Ridge Property Owners Association, Inc., a Colorado nonprofit corporation, which will be incorporated, its successors and assigns.

B. The word "**Declaration**" means and refers to this Declaration of Covenants and Restrictions.

C. "**The Properties**" shall mean and refer to all such existing properties, and additions thereto, as are subject to this Declaration or any Supplemental Declaration under the provisions of Article II hereof.

D. The word "**Developer**" means and refers to Grand Country Ranches Associates, a limited partnership by Hide-Away Ranches, Inc., a Colorado Corporation, such person or entity to whom the Developer may assign its rights as Subdivider under this Declaration, and any successor to Subdivider.

E. "**Lot**" shall mean and refer to any plot of land shown upon any recorded map of the properties as hereinabove defined.

F. The words "**residential building site**" mean:

A plot or parcel of land conveyed by Subdivider consisting of one lot shown on the recorded plat of Sunset Ridge - Filing No. 1 and No. 2, or one lot and a fractional part of an adjacent lot, or more than one lot provided, however, that no residential building site may have an area of less than one acre and provided further that residential building site shall exclude any parcel designated as a 'tract' on the recorded plat on Sunset Ridge - Filing No. 1 and No. 2 except that Tract E of Filing No. 2 may be developed for up to 5 residential building sites of not less than one acre each or

A plot or parcel of land conveyed by Subdivider consisting of fractional parts of two adjacent lots shown on the recorded plat of Sunset Ridge - Filing No. 1 and No. 2, provided, however, that no residential building site may have an area of less than one acre and provided further that residential building site shall exclude any parcel designated as a 'tract' on the recorded plat of Sunset Ridge - Filing No. 1 and No. 2 except that Tract E of Filing No. 2 may be developed for up to 5 residential building sites of not less than 1 acre each.

No residential building site as originally conveyed by the Subdivider shall be re-subdivided so as to form smaller building sites.

G. "**Living Unit**" shall mean and refer to any portion of a building situated upon the Properties designed and intended for use and occupancy as heretofore defined.

H. "**Multifamily Structure**" shall mean and refer to any building, townhouse or condominium containing two or more Living Units under one roof except when each such Living Unit is situated upon its own individual tract.

I. "**Owner**" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or Living Unit situated upon the Properties but, notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgage unless and until such mortgagee has acquired title pursuant to foreclosure or a proceeding in lieu of foreclosure. The word "Owner" includes Subdivider.

J. "**Member**" shall mean and refer to all those Owners who are members of the Association as provided in Article V, Section 1, hereof.

K. "**Dwelling Tract**" shall mean a Tract intended for improvement with a dwelling.

L. "**Dwelling**" shall mean any building located on a dwelling tract and intended for the shelter and housing of a single family.

M. "**Dwelling Accessory Building**" shall mean a subordinate building or a portion of a dwelling the use of which is incidental to the dwelling and customary in connection with that use.

N. "**Single Family**" shall mean one or more persons each related to the other by blood; marriage or adoption, or a group of not more than three persons not all so related, together with his or their domestic servants, maintaining a common household in a dwelling.

O. "**Basement**" shall mean the portion of a dwelling located partly underground but having less than one-half its clear floor-to-ceiling height below the average grade of the adjoining ground at the building front.

P. "**Cellar**" shall mean the portion of the dwelling located partly or wholly underground and having one-half or more than one-half of its clear floor-to-ceiling height below the average grade of the adjoining ground at the building front.

Q. "**Building Height**" shall mean the vertical distance measured from the established building grade at the building front to be highest point of the underside of the ceiling beams, in the case of a flat roof; to the deck line of a mansard roof; and to the mean level of the underside of rafters between the eaves and the ridge of a gable, hip or gambrel roof. Chimneys and ornamental architectural projections shall not be included in calculating the height.

R. "**Building Line**" shall mean a line on a lot that is delineated in the recorded plat of subdivision which denotes the required depth of a front, side, or rear yard.

S. "**Tract Area**" shall mean the area of a horizontal plane bounded by the vertical planes through front, side and rear tract lines.

T. "**Tract Line**" shall mean any boundary of a tract.

U. "**Story**" shall mean that portion of a dwelling included between the surface of any floor and the surface of the floor next above; or if there is no floor above, the space between the floor and the ceiling next above. A basement shall be counted as a story and a cellar shall not be counted as a story.

V. "**Half Story**" shall mean the space under a sloping roof which has the line of intersection of roof decking and wall not more than three feet above the top floor level, and in which space not more than 60% of the floor area is completed for principal or accessory use.

W. "**Ground Floor Area**" shall mean the living area in that story of the dwelling which is the first story entirely above the established building grade, at the building front.

X. "**Living Area**" shall mean that portion of a dwelling which is enclosed and customarily used for dwelling purposes but shall not include open porches, open terraces, breezeways, cellars, attached garages, carports or dwelling accessory buildings.

Y. "**Structure**" shall mean anything erected or constructed, the use of which requires more or less permanent location on or in the ground, or attached to something having a permanent location on or in the ground. Any sign or other advertising device should be construed to be a separate structure.

Z. "**Trail Easement**" shall mean those paths or routes designated in Sunset Ridge Properties for travel and use by horses, pedestrians and skiers, as more fully set out on the plat of survey recorded in Grand County, Colorado.

A-1. "**Common Properties**" shall mean and refer to: those areas of land shown on any recorded subdivision Plat of the Properties as "Common Properties" and intended to be devoted to the common use and enjoyment of the owners of the Properties.

A-2. The word "**Committee**" means and refers to the Architectural Control Committee established pursuant to Article III.

A-3. "**Roadway Easements**" shall mean the 10 foot wide easement along all lot lines that abut streets, as more fully set out on the Plat of Survey recorded in Grand County, Colorado.

A-4. "**Equipment**" shall mean motor homes, pickup trucks with tops, other recreational vehicles, trucks and vans of any kind which could not be stored in a standard one car garage with a door 7 feet tall by 9 feet wide and 18 feet deep. Equipment shall not include motor homes and house trailers used by guests of owners for periods not in excess of 30 days.

Equipment shall also mean detached camper tops, travel trailers, trailers, tractors, truck beds and commercial vehicles of any kind habitually stored on or adjacent to any lot.

Equipment shall also mean construction equipment of any kind stored on or adjacent to any lot, except for equipment used as part of construction approved by the Architectural Control Committee.

Equipment shall also mean boats, snowmobiles, ski doos, jet skis, motorcycles and all-terrain vehicles habitually stored or parked on or adjacent to any lot.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION: ADDITIONS THERETO

Section 1. **Existing Property.** The real property which is, and shall be, held, transferred, sold, conveyed and occupied subject to the Declaration is located in Grand County, Colorado and is more particularly described as

Lots 1 through 20 in Block 1 Filing No. 1

Lots 1 through 21 in Block 2 Filing No. 1

Lots 1 through 10 in Block 3 Filing No. 2

Lots 1 through 10 in Block 4 Filing No. 2

Lots 1 through 13 in Block 5 Filing No. 2

Lots 1 through 26 in Block 6 Filing No. 2

Lots 1 through 7 in Block 7 Filing No. 2

Lots 1 through 6 in Block 8 Filing No. 2

in accordance with the Plat thereof recorded in Grand County, Colorado, all of which real property shall hereinafter be referred to as "Existing Property." Tracts A - B - E -, Filing No. 1 - F and G may not be committed to residential use, but such tracts may be used for only those purposes as determined by the Board of Directors of the Association; and that Tract D is expressly excluded and is not subject to this Declaration of Covenants and Restrictions; Tract C is reserved for multi-family or single-family structures. Tract E, Filing No. 2 may be developed for up to 5 residential building sites of not less than 1 acre each.

Section 2. Additions to Existing Property. Additional lands may become subject to this Declaration in the following manner:

(a) **Additions in accordance with a General Plan of Development.** The Association shall have the right to bring within the scheme of this Declaration additional properties in future stages of the development provided that such additions are in accord with a General Plan of Development.

Such General Plan of Development shall show the proposed additions to the Existing Property and contain: (1) a general indication of size and location of additional development stages and proposed land use in each; (2) the approximate size and location of Common Properties proposed for each filing; (3) the general nature of proposed common facilities and improvements; (4) a statement that the proposed additions, if made, will become subject to assessment for their just share of Association expenses. Unless otherwise stated therein, such General Plan shall not bind the Association to make the proposed additions.

The additions authorized under this and the succeeding sub-section shall be made by filing of record a Supplementary Declaration of Covenants and Restrictions with respect to the additional property which shall extend the scheme of the covenants and restrictions of this Declaration to such property.

Such Supplementary Declaration may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the scheme of this Declaration. In no event, however, shall such Supplementary Declaration revoke, modify or add to the covenants established by this Declaration within the Existing Property.

(b) **Other Additions.** Upon approval in writing of the Association pursuant to a vote of its members as provided in its Articles of Incorporation, the Owner of any property who desires to add it to the scheme of this Declaration and to subject it to the jurisdiction of the Association, may file of record a Supplementary Declaration of Covenants and Restrictions, as described in subsection (a) hereof.

(c) **Mergers.** In the event of a merger or consolidation of the Association with another association as provided in its Articles of Incorporation, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration within the Existing Property except as hereinafter provided.

ARTICLE III

ARCHITECTURAL CONTROL COMMITTEE

A. Membership. The Architectural Control Committee for Sunset Ridge - Filing No. 1 and 2 shall be appointed by the Board of Directors of the Association and will consist of three or more members, any or all of which may be members of the Board of Directors.

B. Address. Plans and requests for approval submitted to the Committee shall be sent or delivered to Sunset Ridge Property Owners Association, P. O. Box 416, Tabernash, CO., 80478 or to such other address as the Committee may designate.

C. Approval of Plans. All plans and specifications in connection with the construction of any residence, garage, accessory building, fence, wall, driveway, or other structure and in connection with any exterior remodeling of any residence or other structure or any alteration of any wall, fence or driveway shall require the approval in writing of the Committee. Before the construction work begins, one complete set of plans and specifications including the exterior design, the principal exterior materials to be used, the exterior color scheme, the site plan, the location of the building with respect to topography and finished grade elevations, the location of the driveway, plans for the proper drainage of the residential building site with respect to other properties, and a copy of the Sewage Disposal System Design by a professional engineer, shall be submitted to the Committee for approval. In passing upon such plans, specifications and other requirements, the Committee may take into consideration whether the proposed residence or other structure and the type and quality of materials of which it is to be built are suitable for the residential building site upon which the residence or other structure is to be erected, the harmony thereof with the surroundings and the effect of the residence or other structure as planned on the outlook from adjacent or neighboring property. The Committee shall have the authority to prohibit the use of certain types of exterior walls and finish and to prohibit or restrict construction of certain types of architecture. Furthermore, no building, new or old, may be moved onto any residential building site without submitting plans and specifications as though the building were being initially constructed on such site.

No residence or structure of any kind which has not received approval by the Committee and which does not fully comply with such approved plans and specifications shall be erected, constructed, placed, or maintained upon any residential building site or the Common Area. Approval of such plans and specifications shall be evidenced by written endorsement on such plans and specification, and by a letter of approval from the Committee to the Owner of the residential building site upon which the proposed work is to be done or, in the case of construction on the Common Area, to the Association. The Architectural Control Committee plan and specification copy shall be retained by the Committee. No changes or deviations in and from such plans and specifications as approved shall be made without the prior written consent of the Committee. The Architectural Control Committee shall not be responsible for any structural defects in such plans or specifications or in any building or structure erected according to such plans and specifications.

In the event said Board, or its designated committee, fail to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, or in any event if no suit to enjoin the addition, alteration or change has been commenced prior to the completion thereof, approval will not be required and this Article will be deemed to have been fully complied with, except that no water facility shall be built or maintained without the prior written approval of the Board of Directors of the Association or by an Architectural Control Committee. At the discretion of the committee, a filing fee shall accompany the submission of such plans to defray committee expenses. No additional fee shall be required for resubmission of plans revised in accordance with committee recommendations.

D. Members of Committee not liable for damages. The Architectural Control Committee shall not be liable for payment of any damages based on any action or failure to act, nor shall any member thereof be liable for payment of any damages based on any action or failure to act as a member of said Committee.

ARTICLE IV

GENERAL RESTRICTIONS

Section 1. **Land Use and Building Type.** All lots which are so designated as numbered numerically and those lots developed in Tract E, Filing No. 2 on any recorded subdivision plat of the Properties are intended as dwelling tracts and shall be used for private residence purposes only. No structure, except as specifically authorized elsewhere in this Declaration shall be erected, re-erected or maintained on a dwelling tract except one dwelling for occupancy by a single family, and detached garage containing no more than four parking spaces for the sole use of the Owners or occupants of the dwelling. Said garages may have living quarters in connection therewith for the sole use of the Owner or occupants or his servants or guests. No structure, garage, or other dwelling accessory shall be erected prior to construction of a dwelling. No other dwelling, accessory buildings or structures may be erected except in such manner and location as hereinafter provided or as approved in writing by the Committee. Where foundations are desired, they should be so designed as to minimize excavation (such as column and beam construction) and excavated material should be stocked in a way that it cannot be eroded and carried into the water supply. Where vegetation cover is destroyed, it should be replaced immediately so as not to allow soil to be exposed to erosive forces.

Section 2. **Maximum Height of Building.** No structure on a residential site shall exceed 30 feet in height as measured from grade, being the ground level at a point midway between the side lot lines and 25 feet from the front lot line of each lot, but for good cause the Architectural Control Committee may grant relief from this provision.

Section 3. **Dwelling Materials, Quality and Size.** It is the intention and purposes of these covenants to insure that all dwellings shall be of quality of design, workmanship and materials approved by the Committee. All dwellings shall be constructed in accordance with applicable governmental building codes and with more restrictive standards that may be required by the Architectural Control Committee or the Association. A residential structure on any building site covered by these covenants shall have a habitable ground floor footprint area of 1,000 square feet or more, exclusive of basement, open porches, patios, and garages. All residential sites must have at least a one car garage (attached or detached). All structures shall have an exterior surface of natural wood (which may have a clear finish or stain but shall not be painted), stone, or glass; and roof surfaces shall be asphalt or metal; except that the architectural committee may allow the use of other materials for wall and roof surfaces, provided such materials are designed and located in harmony with surrounding structures and natural land features. The exterior portion of any structure must be completed within one year from date of commencement of said construction.

All structures shall comply with the provisions of the following standard codes, or their official amendments, provided that where unusual circumstances exist, the Architectural Control Committee may grant variances from the terms of such standard codes:

"Uniform Building Code," 1958 Edition International Conference of Building Officials; "Technical Plumbing Code", Colorado State Department of Public Health; "National Electrical Code", 1956 Edition, National Fire Protective Association International or any 'as amended'.

Section 4. **Location on the Lot.** No single residential structure shall be erected or placed on any building site, which does not contain at least one complete lot as designated as the official plat. No other principal

building shall be erected or placed on any site which has an area of less than one acre or a width of less than 100 feet at the front building setback line.

No building shall be located on any building site less than 25 feet from the front lot line for all sites covered by these covenants, nor less than 25 feet from any side street line. No building shall be located less than 10 feet from any side lot line or 10 feet from any building on the same site. No building shall be so located as to reduce the rear yard of the plot on which it is located to less than 10 feet.

Section 5. **Parking.** At the time the residence is built on a residential building site, there shall also be constructed on such site adequate parking off the dedicated road for at least four automobiles, provided, however, that the Architectural Control Committee may modify this requirement if the topography and available area limit the space available for parking.

Section 6. **Fireplaces.** All fireplaces, chimneys, and barbecues shall be equipped and maintained with spark arresting screens.

Section 7. **Driveways.** To the extent possible driveways shall be located so as to minimize water run-off and erosion. Culverts meeting standard county requirements, if conditions require, shall be installed wherever the driveway enters the road.

Section 8. **Water Facilities.** No water facility may be built or maintained on any lot or any Common Property without the prior written approval of the Board of Directors of the Association or an Architectural Committee appointed by the Boards. In its discretion the Board may approve, prohibit or limit the construction or maintenance or location of any water facility and the use thereof.

Section 9. **Home Occupations and Nuisances.** No home occupation or profession which results in clients or customers visiting the premise shall be conducted in any Living Unit or accessory building. No noxious activity shall be carried on, in or upon any premises nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. The use of any garage, carport, driveway or parking area which may be in front or adjacent to a part of any lot as a habitual parking place for commercial vehicles is prohibited. No dwelling house shall be constructed on said land unless there is concurrently constructed on the same land adequate off-street parking for at least four (4) automobiles.

Section 10. **Plant Disease or Noxious Insects.** No plants or seeds or other things or conditions harboring or breeding infectious plant diseases or noxious insects shall be introduced or maintained upon any part of a lot.

Section 11. **Dwelling House to be Constructed First.** No garage or other out building shall be constructed on the lot until after commencement or construction of the dwelling house on the same land.

Section 12. **Residence Completion Deadline.** A residence shall be completed within twelve months after construction begins. The time limit may be extended by the Architectural Control Committee if unusual circumstances delay completion and shall be extended upon proof that the delay is caused by strike, the shortage of material or government restrictions.

Section 13. **Move in Restrictions.** No residence erected upon any residential building site shall be lived in permanently until the exterior is fully completed, including the treating or staining of wood and the residence has been approved for occupancy by the appropriate governmental agency.

Section 14. **Easements.** In the recorded plat of subdivision of the Existing Property Developer has:

(a) The undersigned hereby reserve to themselves, their successors and assigns, perpetual easements (10) feet in width on each side of the boundary line along the entire perimeter of said lands for the

purpose of constructing, maintaining, operating, sewer, gas, and similar lines, pipes, wires, ditches and conduits, however, the undersigned hereby reserve to themselves, their successors and assigns, the right to vacate the easement along any interior side lot lines if two or more adjoining lots are sold and used as a single dwelling site.

(b) Created a 10 foot roadway easement along all streets for snow removal and a 15 foot trail easement for walking, bridal trails, snowshoeing, ski touring, and other quiet recreational use-as shown on the plat marked "Roadway Easements" and "Trail Easements." Snowmobiles, trail bikes and other noise making recreational machines are prohibited from these easements.

Section 15. Maintenance of Roadway Easements and Trail Easements. Each Owner shall be responsible for the maintenance of said Easements located between lot lines and other lot lines and streets adjoining Owner's property.

Section 16. Wells and Plumbing. All plumbing fixtures, dishwashers, toilets or sewage disposal systems shall be connected to a septic tank system constructed by the Owner and approved by the Association and any state, county or municipal authority having jurisdiction. Septic tank systems and locations must be registered professional engineer design. Said engineer's design plans must be submitted to the Architectural Control Committee for approval and issuance of permit prior to commencing construction. All systems are to be of the closed type; no waste water is to be discharged into water supplies. Any such system as installed shall be subject to inspection and final approval by approving authority before backfilling. Every new leech field must comply with county regulations but must be at least 100 feet from any adjacent existing well and each new well must be at least 100 feet from any adjacent existing leech field. The Board of Directors of the Association may establish rules and regulations regarding the proper maintenance for on-site sewage disposal systems.

If public sewage facilities become available, each residence shall be connected to the public system within one year after the service becomes available. No outside toilet shall be placed on any residential building site except a temporary self contained unit during period of construction of residence.

Section 17. Fences. No fence, wall, hedge, or mass planting shall be permitted to extend unto any trail easement shown on the plat of the subdivision, except upon approval of the Architectural Control Committee.

Section 18. Nuisance. No owner of any residential building site shall suffer or permit any noxious, dangerous or offensive activity to be conducted, carried on or practiced at any place on such site.

Section 19. Service Yards and Trash. All residential building sites must be kept in clean and orderly condition. All equipment, service yards, clothes lines, and storage piles, except neat appearing woodpiles, shall be kept screened by adequate planting or fencing so as to conceal them from the view of adjoining properties and public roads.

Unless otherwise controlled by law, burning of any refuse shall be at such hours of the day as shall be established by the Architectural Control Committee. Each residence shall have covered sanitary containers for refuse.

No trash or other refuse may be thrown or dumped on any property subject to this Declaration. All rubbish and trash shall be removed to an approved dump area and shall not be allowed to accumulate on said land, provided, however, that the Architectural Control Committee may approve burning of wood and waste in certain cases, provided that such burning is carried out under full time observation and with water available for full control of the burning.

Section 20. Mining or Drilling Operations. No mining operations of any kind and no drilling or quarrying shall be permitted upon or in any residential building site or the Common Area, nor shall tunnels, mineral

excavations, shafts, or wells, except for water wells, be permitted upon or in any residential building site or the Common Area.

Section 21. **Automobiles.** No junk automobiles or automobiles not ordinarily in operating condition may be parked or stored on the Common Area or on any residential building site, except in an enclosed garage. If this provision is violated, the Architectural Control Committee shall have the right to remove any such automobile at the expense of the Owner of the residential building site or, if the automobile is on Common Area, at the expense of the owner of the automobile.

Section 22. **Animals and Poultry.** No animals, livestock, or poultry of any kind shall be raised, breed or kept on any residential building site, except that dogs, cats or like household pets (not exceeding four animals more than four months of age at any one time) may be kept provided that they are not kept, bred or maintained for any commercial purpose.

Section 23. **Illumination.** Any light used to illuminate signs, parking areas or for any other purposes shall be so arranged as to reflect the light away from residential properties. All exterior light fixtures shall be subject to the provision contained herein requiring approval by the Architectural Control Committee.

Section 24. **Discharge of Firearms.** No firearms, fireworks, explosives, arrows, air rifles, BB guns, or similar devices, shall be discharged on any property subject to this Declaration, except in the course of law enforcement, unless permission is granted by the Architectural Control Committee.

Section 25. **Towers and Antennas.** Any tower or antenna for radio or television shall be attached to the residence. No such tower or radio or television antenna higher than three feet above the highest roof line on the residence shall be erected on any residential building site except by prior written approval by the Architectural Control Committee; nothing contained herein shall prohibit the Association or a licensee from constructing one or more community TV antennas to be made available to all Owners on a subscription basis.

Satellite antennas may be erected with permission of the Architectural Control Committee and must be a color that harmonizes with the surroundings and must be placed on the lot to be screened from sight from the street and any neighboring property owners as much as possible.

Section 26. **Tanks.** No elevated tanks of any kind shall be erected, placed, or permitted upon any residential building site. Any tanks to be used in connection with any residence, including tanks for the storage of gas, oil, or water must be below ground, or, if above ground, shall be located and screened in a manner approved by the Architectural Control Committee.

Section 27. **Signs.** Except as approved by the Architectural Control Committee, no advertising or signs of any type shall be erected, placed, permitted or maintained on any residential building site in Sunset Ridge other than:

1. A name and address sign for each residential building site which shall have an area of not more than two square feet.
2. For sale or for rent signs, which shall have an area of not more than four square feet, on a temporary basis.

Section 28. **Removal of Debris from Fire or Other Casualty.** In the event that a residence or other structure is destroyed wholly or partially by fire or any other casualty, said improvement shall be properly rebuilt or repaired to conform to this Declaration, or all that remains of the improvement including the foundations and all debris shall be removed within six months.

Section 29. **Trees.** Natural beauty shall be preserved wherever possible. When plans for construction or a residence are submitted, the site plan shall show the area in which trees are to be removed for construction of the buildings, parking area and driveway; and such removal shall be subject to approval by the Architectural Control Committee. Thereafter, the Owner may remove dead and diseased trees and trees damaged by natural causes; but Owner shall not remove other trees without the approval of the Architectural Control Committee. Nothing in this paragraph shall preclude any utility company from removing trees from utility easements or trimming trees in utility easements when necessary for the installation and maintenance of utility services.

Section 30. **Types of Living Quarters Prohibited.** No temporary structure, basement, tent, garage, trailer or mobile home shall be used on any residential building site at any time as a residence, either temporary or permanent, except as may be necessary during construction and authorized by the Architectural Control Committee.

Section 31. **No Re-subdivision.** Said land shall not be re-subdivided into small tracts or lots nor conveyed or encumbered in any size less than the full dimensions as shown on the official plat, recorded in the records of the Grand County Clerk and Recorder; provided that conveyances or dedications of easement for utilities or roads may be made for less than all of one tract, and further provided that the foregoing notwithstanding Tract E, Filing No.2 may be re-subdivided into not more than 5 residential building sites for not less than one acre each.

ARTICLE V

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. **Membership.** Every person or entity who is a record Owner of a fee or undivided fee, interest in any Lot or Living Unit which is subject by covenants of record to assessment by the Association shall be a member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member.

Section 2. **Voting Rights.** Members shall be all those Owners as defined in Section 1. Members shall be entitled to one vote for each Lot or Living Unit in which they hold the interest required for membership by Section 1, except that any Owner of a Lot improved with a multifamily structure in which the Living Units are not owned by the respective occupants shall not have more than ten votes plus 1/3 vote for such Living Unit in excess of ten. When more than one person holds each interest or interests in any Lot or Living Unit all such persons shall be members, and the vote for such Lot or Living Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot or Living Unit.

For purposes of determining the votes allowed under this section, when Living Units are counted, the Lot or Lots upon which such Living Units are situated shall not be counted.

ARTICLE VI

PROPERTY RIGHTS IN THE COMMON PROPERTIES

Section 1. **Members' Easements of Enjoyment.** Subject to the provisions of Section 2, every member shall have a right and easement of enjoyment in and to the Common Properties, and such easement shall be appurtenant to and shall pass with the title to every Lot or Living Unit.

Section 2. **Extent of Members' Easements.** The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association to prescribe rules and regulations for the use of Common Properties, including but not limited to the size, type of boats operated on any waters on the Properties; the taking of fish from waters on The Properties; and such other regulations as the Association deems necessary to the health, safety and welfare of the Association and its members.

(b) The right of the Association in accordance with its Articles and Bylaws to borrow money for the purchase of improving the Common Properties and in aid thereof to mortgage said properties. In the event of a default upon any such mortgage the lender's rights hereunder shall be limited to a right, after taking possession of such properties, to charge admission and other fees as a condition to continued enjoyment by the members and, if necessary, to open the enjoyment of such properties to a wider public until the mortgage debt is satisfied whereupon the possession of such properties shall be returned to the Association and all rights of the members hereunder shall be fully restored.

(c) The right of the Association to take such steps as are reasonably necessary to protect the above-described properties against foreclosures.

(d) The right of the Association, as provided in its Articles and Bylaws, to suspend the enjoyment rights of any member for any period during which any assessment remains unpaid, and for any infraction of its published rules and regulations.

(e) The right of the Association to charge reasonable admission and other fees for the use of the Common Properties and also the right to establish rules and regulations on the use of the Common Properties.

(f) The right of the Association to dedicate or transfer all or any part of the Common Properties to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Association in accordance with its Articles and Bylaws.

(g) The right of the Association, its successors and assigns, to construct on, over and under the Common Properties and to maintain water, electric, gas, telephone, sanitary disposal system and other utility facilities to serve The Properties or portions thereof and to grant easements to others in such regard.

ARTICLE VII

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. **Creation of the Lien and Personal Obligation of Assessments.** The Developer for each Tract and Living Unit owned by it within The Properties hereby covenants and each Owner of any Tract or Living Unit by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association: (1) annual assessments or charges; (2) special assessments for capital improvements; such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon The Property against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

Section 2. **Purpose of Assessments.** The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in The Properties and, in particular, for the improvement and maintenance of properties, services, and facilities devoted to this purpose and related to the use and enjoyment of the Common Properties and of the Living Units situated upon The Properties, including, but not limited to, the payment of taxes and insurance thereon and repair, replacement, and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof, enforcing the restrictions and covenants set forth in this Declaration, and in providing any other services authorized by the Members.

Section 3. **Basis and Maximum of Annual Assessments.** The annual assessment shall be \$50.00 per Lot or Living Unit. From and after January 1, 1975, the annual assessment may be increased by vote of the members, as hereinafter provided.

The Board of Directors of the Association may, after consideration of current maintenance costs and future needs of the Association, fix the actual assessment for any year at a lesser amount.

Section 4. **Special Assessments for Capital Improvements.** In addition to the annual assessments authorized by Section 3 hereof, the Association may levy in any assessment year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement or a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds of the votes of members who are voting in person or proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 5. **Change in Basis and Maximum of Annual Assessments.** The Association may change the maximum and basis of the assessments fixed by Section 3 hereof prospectively for any period provided that any such change shall have the assent of two-thirds of the votes of members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 6. **Quorum for Any Action Authorized Under Section 4 and 5.** The quorum required for any action authorized by Section 4 and 5 hereof shall be as follows:

At the first meeting called, as provided in Section 4 and 5 hereof, the presence at the meeting of members or of proxies entitled to cast sixty (60) percent of all the votes of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Section 4 and 5, and the required quorum at any such subsequent meeting shall be one-half of the required quorum at the preceding meeting; provided that no such subsequent meeting shall be held more than sixty (60) days following the previous meeting.

Section 7. **The due date of any special assessment** under Section 4 hereof shall be fixed in the resolution authorizing such assessment.

Section 8. **Duties of the Board of Directors.** The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against each Lot or Living Unit for each assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of The Properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

Written notice of the assessment shall thereupon be sent to every Owner subject thereto.

The Association, upon demand and payment of a service fee shall at any time furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether

said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Effect of Nonpayment of Assessment: The Personal Obligation of the Owner; The Lien; Remedies of Association. If the assessments are not paid on the date when due, then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the then Owner, his heirs, devisee, personal representatives and assigns. The personal obligation of the then Owner to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of 5% above the current prime rate per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against the property, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action.

Section 10. Subordination of the Lien to Mortgages. The lien for the assessments provided for herein shall be subordinated to the lien of any mortgages now or hereafter placed upon The Properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, not from the lien of any such subsequent assessment.

Section 11. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charge and lien created herein: (a) all properties to the extent of any easement or other interest therein dedicated and accepted by local public authority and devoted to the public use; (b) all Common Properties as defined in Article I, Section 1 hereof; (c) all properties exempted from taxation by the laws of the State of Colorado, upon the terms and to the extent of such legal exemption.

Notwithstanding any provisions herein, no land or improvements devoted to dwelling use shall be exempt from said assessments, charges or liens.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Duration. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of 30 years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years provided that these Declarations may be amended at any time and from time to time in whole or in part by the affirmative vote in person or by proxy of two-thirds of the members entitled to vote at a meeting duly called for this purpose, written notice of which shall be sent to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting. Any amendment to the Declarations shall become effective only when a document setting forth the amendment is recorded with the Grand County Clerk and Recorder with certification by appropriate officers of the Association that the amendment was duly adopted. For purposes of meeting the two-thirds

requirement, when Living Units are accounted the Lot or Lots upon which such Living Units are situated shall not be counted.

Section 2. **Notices.** Any notice required to be sent to any member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as member or Owner on the records of the Association at the time of such mailing.

Section 3. **Enforcement.** Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 4. **Assignment by Subdivider.** The Subdivider by appropriate instrument may assign or convey to any person, organization, or corporation any or all of the rights, reservations, and privileges herein reserved by the Subdivider, and upon such assignment or conveyance being made, its assigns or grantees may, at their option, exercise, transfer or assign such rights, reservations, and privileges or any one or more of them at any time or times in the same way and manner as though directly reserved by them or it in this instrument.

Section 5. **Zoning resolutions,** rules and regulations are considered to be a part hereof, and to any extent that these covenants might establish minimum requirements which are less than minimum requirements established by said Zoning Resolutions, rules and regulations, the latter shall prevail. If any provision of these protective covenants would require or constitute a violation of any present or future zoning laws, ordinances or regulations, such zoning laws, ordinances, or regulations shall be controlling with respect to the provision in question.

Section 6. **Section and Paragraph Headings.** The section and paragraph headings are inserted only as a matter of convenience and for reference and are not to be construed as limiting the meaning of the section or paragraph or used in the interpretation of the section or any part thereof.

Section 7. **Gender.** The use of any gender shall be applicable to all genders.

Section 8. **Severability.** Invalidation of any one of these reservations, restrictions, or covenants by judgment or court order shall in no way affect any of the other provisions of this Declaration of Covenants and Regulations; but all of the remaining reservations, covenants and restrictions shall continue unimpaired and in full force and effect.

IN WITNESS WHEREOF, the foregoing instrument has been executed and its corporate seal thereunto affixed, in the date and year first above written by the officers of the undersigned thereunto duly authorized.

SUNSET RIDGE PROPERTY OWNERS ASSOCIATION, INC.

By

President

ATTEST:

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Secretary

Edited 8/4/2010