



DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
SAGE CREEK CANYON SUBDIVISION
FIRST FILING

This Declaration ("New Declaration" or "Declaration") is made August 3, 2002 by Sage Creek Canyon Property Owners' Association, Inc., a Colorado non-profit corporation ("SCCPOA") and the majority of all Lot Owners who are signing below as shown in Exhibit A ("Declarants") pursuant to the authority found in the Declaration of Protective Covenants For Sage Creek Canyon Subdivision, First Filing ("original declaration") as recorded June 26, 1967, at Book 186, pages 967 through 969, at Reception No. 107166 of the records of the Clerk and Recorder, Summit County, Colorado.

1. Declarants are the majority of Lot Owners of the following described real property, located and platted in Summit County, Colorado, to wit (the "Property" or the "Subdivision"):

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and Declarants include the Sage Creek Canyon Property Owners' Association, Inc., the successor in interest of Sage Creek Canyon Company, and which is the Association responsible for enforcement of all covenants, conditions, and restrictions of the real property referenced above.

2. The Original Declaration (referenced above) provided that: These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty-five years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten years unless an instrument signed by a majority [defined in Paragraph 64 below] of the then owners of the lots has been recorded agreeing to change said covenants in whole or part. The twenty-fifth year after the date the original covenants were recorded is June 26, 1992.

3. A majority of the now existing Owners of the lots of Sage Creek Canyon Subdivision, First Filing (as evidenced by the signature page hereof) at the Annual meeting held August 3, 2002 agreed to change said covenants (i.e. change the original Covenants) in whole by abrogating and repealing the original Covenants in their entirety and replacing the original Covenants with this New Declaration of Covenants.

VISION AND PURPOSE

4. Declarants desire to continue to establish and maintain an attractive residential community for the mutual benefit and protection of all Owners and future Owners of lots at or on said referenced property.

5. Sage Creek Canyon is a unique and diverse residential mountain community that consists and will consist solely of single-family dwellings. All of the houses should be unique in design, i.e., no tract houses. The homes must blend into the natural surroundings. The community values open space, conservation, and softscape, thereby encouraging those designs and activities that perpetuate this concept. The community supports the rights of the property Owner(s) to conduct whatever activity they choose unless those activities infringe on another property Owner's activities, property values, or community values. These declarations herein will help to define these aforementioned values.

6. Declarants further desire to provide for the operation and maintenance of all Common Areas, including any roads, pasture area, water system and any other and all related facilities serving Sage Creek Canyon Subdivision.

7. Declarants have deemed it necessary and desirable, for the welfare of the residents and Lot Owners of the Subdivision and the preservation of the Property, to subject the Property to the covenants, restrictions, easements, charges, assessments and liens set forth below, which shall be burdens and benefits to all Owners, including all current and future Owners therein and their respective successors, heirs, executors, administrators, devisees, grantees, or assigns.

8. Declarants hereby desire to continue the SCCPOA to which shall be delegated and assigned the powers and duties of maintaining and administering the Common Area, and administering and enforcing the covenants and restrictions, and collecting and disbursing the assessments and charges created under this Declaration.

ARTICLE I
Declaration

9. Declarants hereby declare that the Property shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which shall run with the Property and be binding on and benefit all parties having any right, title or interest in the Property or any part thereof, and their heirs, successors and assigns.

ARTICLE II
Architectural Review

10. Approval Required. Written approval is required prior to construction or installation of all permanent structures, hardscape, facilities, equipment and any permanent changes to the exterior of all existing structures, which are over 50 square feet. Permanent is considered as anything that is erected, installed, or otherwise set upon on any property for more than 120 days continuous. A "complete plan set" must be submitted and approved in writing prior to commencement of any onsite construction activities. A complete plan set shall include: plat showing adjacent neighboring structures, floor plans, elevations, exterior materials and colors, and exterior lighting scheme. In addition, the applicant must forward a description of the project to all contiguous and adjacent Lot Owners to provide opportunity for project comment to the Board of Directors of the SCCPOA ("Board"). Approval by the Sage Creek Canyon Architectural Review Committee (ARC) shall be made in accordance with the vision and purpose set forth in this document and is in addition to and not in lieu of Summit County and other building code and requirements. Where Sage creek covenants are more restrictive than County or other codes, Sage Creek covenants will take precedent.

11. Committee. The Architectural Review Committee (ARC) shall consist of a minimum of three (3) members who shall be designated by the membership of the SCCPOA. The (ARC) shall review, study, and make recommendations to the Board for approval or rejection of proposed improvements upon any property subject to these covenants and restrictions. The Board from time to time may appoint additional members to the (ARC) as needed.

12. Criteria. The (ARC) shall consider all of the following criteria in review of a submitted proposal:

- A. General Objectives. It shall be an objective of the (ARC) to ensure that no improvements impair the aesthetic and monetary values of the Sage Creek Canyon Subdivision. For example, no designs or materials will be approved that will decrease the value of the subject's Lot or surrounding properties. Material standards change with time and therefore materials once used may be unacceptable now or in the future. The (ARC) shall consider the character and suitability of the improvements, the quality of materials to be utilized, the method(s) of construction, the effects of any proposed improvement on the adjacent or neighboring Lot and the entire Subdivision, and the effects on the natural surroundings. The (ARC) shall oversee the timely and orderly completion of all such improvements and or projects.
- B. Utilities and Services. The (ARC) must approve all utility connections to Lots (including improvements thereon) prior to installation, subject to the same criteria set forth elsewhere in this Article II. Septic system and water line plans must also be approved by the (ARC) prior to installation. Propane tanks may only be used during construction. Tanks must be removed at the time of receipt of a Certificate of Occupancy.
- C. Specific Criteria and Protective Covenants.
 - 1. Only one single-family dwelling shall be permitted on each lot with garage and outbuildings incidental to such dwelling purpose.
 - 2. All dwellings must be of single-family custom design.
 - 3. All dwellings must have a minimum finished floor area of not less than 2,000 square feet, exclusive of garage, basement, cellar, and decks. The maximum size footprint including deck(s), outbuilding(s), garage, and driveway is not to exceed 30% of the lot size.
 - 4. No dwelling may exceed thirty feet above the average platted grade.

5. Structures and driveways must be sited to provide adequate space for snow storage, and to ensure that drainage will not be increased to adjacent structure or properties.
 6. Road drainage may not be impacted by driveways. Swales, and or an 18" diameter (minimum) culvert must be provided by the property owner.
 7. Electricity, telephone, gas, water, cable, sewer, and other similar services must be installed underground to both property line and dwellings.
 8. No structure, outbuilding may be located within 75 feet of a neighbor's dwelling.
 9. No perimeter fencing shall be allowed; special use fencing may be allowed subject to approval by (ARC).
 10. Exterior lighting – Down-lighting is required for all exterior lights with the exception of security floodlights which may be installed. Use of security lights should be limited to no longer than 15 minutes at any one time. Light pollution is to be avoided. Lighting should not spill onto a neighbor's property.
 11. No raw sewage or gray water discharge is allowed in the Subdivision.
13. The (ARC) and Board shall have thirty days after all construction documents have been submitted to the Committee to render a decision. Decisions will be rendered in writing to the applicant indicating the status of the proposal and including any reasons for approval, approval with changes, or for disapproval. Failure to approve or disapprove such documents within 30 days will be considered an approval as submitted. If any construction is started prior to approval, a water tap may be denied and or the homeowner may be assessed a \$3,000 penalty, at the sole discretion of the Board.
14. Appeals and Variance. An appeal may be made to the Board to append or reverse a decision or to provide a substantially supported variance from these covenants. The applicant may provide any additional information the applicant thinks will benefit the Board in making its decision. The Board may require additional information from the applicant. The Board will meet within 30 days of receipt of applicant's "variance or appeal application. The Board will render its decision within one week after the meeting.
15. The construction of all improvement shall be prosecuted diligently to completion and shall be completed within fifteen months of commencement, unless the Board grants exception in writing.
16. A strip of land on each lot, lying parallel and adjacent to Sage Creek Canyon Subdivision roads, measuring ten feet in width from the lot line is hereby reserved from each lot for use as a utility and right-of-way easement. The easements so reserved may be used for road travel, services, or for utility services that at anytime may be made available for electricity, gas, telephone and other similar services.
17. RVs/Motor Homes. Since RV's / Motor Homes have not been approved by the (ARC) and Board, but are structures that are considered "housing", they must adhere to their own guidelines granting temporary status for occupancy. An RV or Motor Home may be occupied on-site if not parked for more than 30 days continuously within any 6-month period. The RV or Motor Home must be screened from Property neighbors and common areas in cases of repeat annual visits.
18. Trailers, Motor Homes, RVs, boats, and other similar equipment or vehicles belonging to the resident and not inhabited may be stored on property year-round if screened (with natural materials) from neighbors and common areas. The screening plan must be approved by the (ARC) and Board in accordance with this Declaration. The intent of this screening is to hide the trailers, Motor Homes, RVs, boats and other similar equipment or vehicles from view of Property neighbors.
19. All surface areas disturbed by construction must be revegetated by replanting in native grasses or other landscaping. In the event of the issuance of a certificate of occupancy or actual occupancy after July 1 of any given year, the Owner must complete restoration of the Lot on or before July 1 of the following year. In the event restoration is not completed within the applicable time period, the SCCPOA may complete said restoration at the sole expense of the Owner.
20. All timber cutting is prohibited other than necessary for building site clearance, disease, safety, or reduction of wildfire danger. Cutting for any other purpose must be approved in writing by the (ARC).
21. No change, diversion or obstruction of any watercourse, water stream or irrigation ditch will be permitted within the Subdivision, unless approved by the (ARC).
22. Any signs larger than 4 square feet must be approved by the (ARC). A Lot Owner may display a "For sale by owner" sign of a size and type generally used by local realtors. A realtor's sign may be displayed only during the period of a property listing.

23. SCCPOA has installed and owns the community water system delivering domestic water to lot lines adjacent to the roads and is responsible for the operation, maintenance, and purity of said system. No individual wells are permitted on any lot. All residences and buildings of any nature must use the community water system. Each Lot Owner who builds a residence on his or her property shall be responsible for paying the required tap fee as set by the SCCPOA. All Owners must provide an exterior water shut off with its location identifiable (accessible?) year round. Each homeowner is responsible for the maintenance and costs of their supply line, water shut-off, and connection to the main line. The homeowner is further responsible for any costs associated with the maintenance of the in-house water system, water heaters, or furnaces within the house.
24. The SCCPOA shall be responsible for proper maintenance of all roads and removal of snow from roads and driveways within the limitations of typical snow removal equipment. Any additional hand shoveling as required in driveways and walks is the responsibility of each respective homeowner.
25. No trash, ashes, rubbish, garbage or other refuse shall be thrown or dumped on any land within the Subdivision. Each Lot Owner shall provide suitable receptacles for the temporary collection and storage of refuse and all such receptacles shall be kept in a clean and sanitary condition and screened from the view of neighbors. Each Owner shall be responsible for the removal of his or her refuse from the Subdivision. Trash cans shall be brought to the end of the driveways no earlier than the evening prior to garbage pick up and must be returned to the house within 24 hours.
26. No animals of any kind, other than a reasonable number of house pets kept for household enjoyment and not for commercial purposes, may be kept on any residential site within the Property. It is the responsibility of every Lot Owner to keep all pets completely under control at all times. No animal(s) shall be allowed to roam at large.
27. Mining operations of any kind are not permitted upon or under any land within the Subdivision.
28. The transplantation of any trees, shrubbery, bushes, plants, grasses, or other living objects of whatever nature located or growing on any part of the common areas of the Subdivision shall be prohibited. Removal of earth or rocks from any common area is prohibited.
29. Fireworks, firearm discharging (except as may be used by and required by professionals employed by the SCCPOA for the control of pests or vermin), or discharging of explosives, air rifles, air pistols, flare guns, or any other such devices are prohibited within any part of the Subdivision. The use and/or setting out of any type of leg-iron traps are prohibited within any part of the Subdivision. The use of poisons outside one's home is prohibited within any part of the Subdivision.
30. The land designated "grazing area" on the plat of said Subdivision is owned by the SCCPOA and is reserved as open space with no structures of whatever nature to be placed thereon, except with the approval of 2/3 of all members and the approval of all the contiguous Lot Owners. All Lot Owners have full rights for and to the use of such property for recreational purposes. No motorized vehicles of any type may be used thereon. Any animals on said property shall be under the total control of their owners at all times.
31. Community residents are strongly encouraged to provide enough garage / parking space to accommodate residents and guests vehicles. On those occasions when additional parking is required for a short period of time, guests may park on common streets but only on one side of the roadway at one time, thus maintaining access for public apparatus such as police cruisers, fire trucks and ambulances. There is no parking within 25 feet of a fire hydrant at anytime due to the inherent risk to public safety. Vehicles parked within 25 feet of a fire hydrant may be towed at the owner's expense. No snowmobiles, motorized trail bikes, motorcycles or machines of a similar nature shall be operated within the common areas. Only licensed vehicles may be used on the roads.
32. No loud noises, obnoxious or offensive activity may be carried on or upon the Lot, nor shall anything be done thereon which may be or may become an annoyance, nuisance, ear sore, or eyesore to the Subdivision.
33. There shall be no hunting of any kind at any time within the Subdivision.
34. Fishing privileges associated with the ownership of a Lot within the Subdivision shall be limited to the use by the immediate family of the Lot Owner(s) and their guests. Access to the Blue River is located at both ends of the Subdivision. As a courtesy, traversing private lots requires the Owners permission.

35. Structures severely damaged or destroyed by fire, wind, earthquake, or any other cause of whatever nature that result in a hazard to the public or to the immediate neighbors shall be removed within 90 days. The SCCPOA is empowered to enforce this covenant by removing the offending structure and charging the Lot Owner for the cost of its removal or repair with interest assessed at 1.5% per month.

36. Enforcement shall be by proceedings at law or in equity against any person or persons violating said covenants either to restrain violation or to recover damages, except that the \$3,000 assessment for commencement of construction without prior approval, as described in Article II, Paragraph 12.C.2. above, may be achieved upon written notice without further process of law.

ARTICLE III.
Membership and Voting Rights In
The Association

37. Membership. Every Owner of a private Lot in the Subdivision (i.e. not the owner of common areas) shall be a Member. Membership in the SCCPOA shall be appurtenant to and may not be separated from ownership of any Lot, which is subject to assessment.

38. Compliance with SCCPOA Articles of Incorporation, Bylaws, Covenants and Rules. Each Owner shall abide by and benefit from each provision, covenant, condition and restriction contained herein and contained in the Articles of Incorporation and Bylaws of the SCCPOA, and contained in any rule, regulation or restriction promulgated pursuant to said Articles of Incorporation and Bylaws. The obligations, burdens and benefits of membership in the SCCPOA touch and concern the land and shall be covenants running with each Owner's Lot for the benefit of all other Lots and for the benefit of any adjacent Lot Owner by Declarants.

ARTICLE IV.
Powers of the Board
Of
Directors of the Association

39. General Powers. Without limiting any powers which may be conferred upon the Board of Directors by other provision of this Declaration, the Articles of Incorporation and Bylaws of the SCCPOA, or Colorado law, the Board of Directors shall have power to do the following:

- A. Adopt and publish rules and regulations governing the use of the common areas by the Members and their guests thereon, and to establish penalties for the infraction thereof.
- B. Suspend the voting rights of a Member during any period in which such Member shall be in default of the payment of any assessment levied by the SCCPOA.
- C. Administer, manage, repair, and maintain the common areas, as provided herein.
- D. Exercise for the SCCPOA all powers, duties and authority vested in or delegated to the Board and not reserved to the membership or by other provisions of this Declaration, the Articles of Incorporation or the Bylaws of the SCCPOA.

ARTICLE V.
Rights in the common areas

40. Owner's Easements of Enjoyment. Every Owner shall have a non-exclusive right and easement of enjoyment in and to the common areas and across the private roads in the Subdivision, which shall be appurtenant to and shall pass with title to every Lot, subject to the following provisions:

- A. The right of the Declarants or the SCCPOA at any time and from time to time to build improvements on, over, under and above the Common Area for the benefit of the Owners generally.
- B. The right of Declarants or the SCCPOA to suspend the voting rights and right to use of the common areas or

portions thereof by an Owner, except that such suspension shall not, in any manner, interfere with the rights of any Owner, his family members, his guests, licensees, invitees, and installment contract purchasers to free access for purposes of ingress and egress to and from the Owner's Lot in question.

C. The right of Declarants or the SCCPOA to use or grant permission to use all or any part of the common areas for utility purposes and subject to such conditions as may be agreed to.

41. Delegation of Use. Any Owner may delegate his right of enjoyment to the common areas and facilities to the members of his family, his tenants, guests, or contract purchasers who reside on the Property, but only in accordance with this Declaration.

ARTICLE VI Easements and Licenses

42. Easement for Ingress and Egress. Declarants hereby grant as an appurtenance of each Lot a non-exclusive easement for ingress and egress across the private roads and for enjoyment of the grazing (common) area, as shown on any recorded plat of the Property to each Lot and to assure access from a public road to each Lot. The specific means of ingress and egress shall be subject to change, as Declarants shall from time to time deem necessary so long as a reasonable means of access is always provided. Roads constituting easements for ingress and egress to Lots are designated as private roads and do not necessarily meet requirements of county roads. Any private roads constituting a part of the common areas shall be maintained by the SCCPOA.

43. Reservation of Easements, Exceptions and Exclusions. Declarants hereby reserve for itself and its successors and assigns, and also grant to the SCCPOA, the right to establish from time to time by dedication or otherwise, utility and other easements over, across and under the common areas for any purpose necessary or convenient for the use, occupancy, construction, and reconstruction of the Property, including but not limited to, roads, drainage, irrigation and recreation, and to create other reservations, exceptions and exclusions in the common areas consistent with the harmonious use of the common areas by the Owners, the SCCPOA, and Declarants herein.

44. Title. Title to a Lot may be held or owned by any person or persons and any entity or entities and in any manner in which title to real property may be held or owned in the State of Colorado.

45. Inseparability. Every gift, devise, bequest, transfer, encumbrance, conveyance or other disposition of a lot (Including any improvements thereon) shall be presumed to be a gift, devise, bequest, transfer, encumbrance or conveyance, respectively, of the entire Lot, including each easement, license for common areas designated for exclusive use of the Owner, together with all other appurtenant rights created by law or by this Declaration.

46. No Partition. The common areas shall be owned by the SCCPOA, and neither any Owner, group of Owners, nor the SCCPOA shall bring any action for partition or division of the common areas. Similarly, no Lot shall be divided between or among the Owners thereof.

47. Access to Lots for Maintenance, Repair and Emergencies. The Board, or its delegated representatives, shall have the right to have access to each Lot from time to time as may be necessary for the maintenance, repair or replacement on any Lot (including any structure thereon), or any of the common areas, accessible therefrom if needed for the common good of the SCCPOA. All maintenance, repairs or replacements of any Lot (or structures thereon) shall be at the expense of the Owner of the Lot in question. Such right of access shall be immediate for the making of emergency repairs to prevent property damage or bodily injury. All damaged improvements shall be restored to substantially the same condition in which they existed prior to damage. All maintenance, repairs or replacements of any Lot including any structure thereon shall be at the expense of the Owner of the Lot in question. All maintenance, repairs and replacements of the common areas shall be at the common expense of all Owners, provided, however, if such damage is caused by a negligent or tortuous act of any Owner, members of his family, his agents, employees, invitees, licensees or tenants, then such Owner shall be responsible and liable for all damage. This Declaration establishes no duty upon the Board, the SCCPOA, or Declarants to maintain, repair or replace any Lot (or structure thereon) and this Section vests no rights in Owners or any other person as against the Board, The (ARC), the SCCPOA, or Declarants.

ARTICLE VII.
Assessments

48. Obligation. All Owners shall be obligated to pay the estimated assessments imposed by the Board to meet the common expenses of maintenance, operation, and management of the Property and the SCCPOA. The Board may establish any reasonable system for collection periodically of common expenses, in advance or arrears, as deemed desirable and as are consistent with the Articles of Incorporation and Bylaws of the SCCPOA. Assessments made shall be based upon the estimated cash requirements deemed to be such aggregate sum as the Board shall from time to time determine to be paid by all of the Owners. Estimated expenses include, but are not limited to, the following: the cost of maintenance and operation of the common areas, roads, expenses of management; taxes and special governmental assessments appertaining to the common areas unless separately assessed to each Lot; insurance premiums for insurance coverage as deemed desirable or necessary by the SCCPOA, landscaping; care of grounds, common lighting; repairs and renovations; wages, common water and utility charges, legal and accounting fees, management or other contract fees; expenses and liabilities incurred by the SCCPOA under or by reason of this Declaration, payment of any deficit remaining from a previous assessment period, the creation of a reasonable contingency or other reserve or surplus fund, as well as other costs and expenses relating to a general common expense. The omission or failure of the SCCPOA to fix the assessment period shall not be deemed a waiver, modification or release of the Owners from their obligation to pay the same. The SCCPOA shall have the right, but not the obligation, to make pro rata refunds of any assessments in excess of the actual expenses incurred prior to the end of the fiscal year.

49. Apportionments. The Owner of each Lot shall be responsible for its share of the common expenses. Common expenses shall be determined by dividing the total estimated common expenses for a particular period by the total number of Lots at Sage Creek Canyon Subdivision, Filing One, it being understood that the SCCPOA is allowed to set assessments at different amounts or levels based upon the status of the property (improved or unimproved).

50. Time for Payment Assessments. Assessments shall be due and payable within thirty days after written notice of the amount thereof shall have been given to the Owner of the Lot in question. Each assessment shall bear interest at the annual rate of 18% per annum, from the date it becomes due and payable if not paid within thirty days after such date. Failure of the SCCPOA to give timely notice of any assessment as provided in this Declaration shall not affect the liability of an Owner for such assessment, but the date when payment shall become due in such case shall be deferred to a date of thirty days after such notice shall have been given. The SCCPOA may elect to have the assessments paid annually, quarterly or monthly.

51. Special Assessments for Capital Improvements. In addition to the annual assessments authorized by this Article, the SCCPOA may levy in any assessment year a special assessment payable over such a period as the SCCPOA may determine, for the purpose of deferring, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Property or improvements thereon, or for any other expense or purchase incurred or to be incurred, as provided in this Declaration. This Section shall not be construed as an independent source of authority for the SCCPOA to incur expense, but shall be construed to prescribe the manner of assessing for expenses authorized by other portions of this Declaration that make specific references to this Article. Any amounts assessed pursuant to this Section shall be assessed to the Owners in the same proportion as provided in Paragraph 49, except in the case of a special assessment charged against an Owner to cover any damage to the common areas caused by negligent or tortuous acts of the Owner, members of his family, his agents, employees, invitees, licensees or tenants, for which the Owner shall be liable, as provided above. Notice in writing of the amount of such special assessments and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than thirty days after such notice shall have been given. A special assessment shall bear interest at the annual rate of 18% per annum from the date it becomes due and payable if not paid within thirty days after such date.

52. Assessment Lien. All sums assessed for the share of common expenses or the share of special assessments chargeable to any Lot that have not been paid in a timely manner in accordance with this Declaration shall constitute a lien on such Lot (including the improvements thereon) superior to any homestead exemption provided now or in the future by the laws of the State of Colorado, and superior to all other liens and encumbrances except (a) tax and special governmental assessment liens on the Lot, and (b) all sums unpaid on a first mortgage of record, including all obligatory advances as may be provided by such encumbrance. To evidence the lien as herein permitted, the SCCPOA may, but shall not be required to, prepare a written notice setting forth the amount of such unpaid indebtedness, the amount of accrued penalty and interest thereon, the name of the Owner of the Lot, and a description of the Lot (which may include any improvement thereon), and record the same in the office of the Clerk and Recorder of Summit County, Colorado. Such lien for assessment shall attach from the due date of the assessment. The lien may be enforced by foreclosure of the defaulting Owner's Lot (and improvements thereon) by the SCCPOA in the manner for foreclosing a mortgage on real property under the laws of the State of Colorado. In the event of any such foreclosure, the Owner shall be liable for the amount of unpaid assessments, any penalties and interest thereon, the cost

and expenses of such proceedings, the cost and expenses for filing the notice of the claim and the lien, and all reasonable attorneys' fees (and legal assistants' fees) and costs in connection therewith. The SCCPOA shall have the power to bid on a Lot (and improvements thereon) at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. Any subsequent Mortgagee or Owner shall pay any unpaid assessment payable with respect to such Lot, and any and all costs with respect thereto.

53. Personal Obligation. The amount of any assessment chargeable against any Lot shall be a personal and individual debt of the Owner of the Lot, "but in the event of multiple owners of any Lot, each owner shall be jointly and severally liable for the full amount of the assessment". No Owner may exempt himself from liability for the assessments by abandonment of a Lot or waiver of the use or enjoyment of any of the common areas. Suit to recover a money judgment for unpaid common expenses, any penalties and interest thereon, the cost and expenses of such proceedings, and all reasonable attorneys' fees (and legal assistants' fees) and costs in connection therewith, shall be maintainable without foreclosing or waiving the assessment lien provided above.

54. Notices to Mortgagee. The SCCPOA shall report to any Mortgagee of a Lot any unpaid assessments remaining unpaid for longer than ninety days after the assessments shall have become due, if such Mortgagee first shall have furnished to the SCCPOA written notice of the mortgage. The SCCPOA shall, within fourteen days, after request, respond to any Mortgagee's request for a balance owed. By accepting a deed to a Lot, each Owner shall thereby waive and release any and all rights and claims said Owner might have in and to the Lot as a homestead exemption or any other exemption. Said waiver and release shall be applicable only with respect to assessment liens imposed pursuant to this Declaration.

55. Personal Liability of Purchaser for Assessments. Subject to the provisions below, a purchaser of a Lot shall be jointly and severally liable with the seller for all unpaid assessments against the Lot up to the time of conveyance to the purchaser, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

56. Statement of Status of Assessment Payment. Upon payment of a reasonable fee and upon the written request of any Owner, Mortgagee, prospective Mortgagee, or prospective purchaser of a Lot, the Board of Directors shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Lot. Unless such statement shall be issued within fourteen days, all unpaid assessments, which become due prior to the date of making such request, shall be subordinate to the lien of a Mortgagee, which acquired its interest subsequent to requesting such statement.

57. Assessment Reserves. Each Owner may be required to deposit and maintain with the SCCPOA an amount to be determined only after notice and meeting for each Lot owned by such Owner. Said deposit shall be held without interest, and shall be used by the SCCPOA or any managing agent of the SCCPOA as a reserve for paying such Owner's assessments, for purchase of equipment and supplies as necessary pursuant to this Declaration, and for working capital of the SCCPOA. Such advance payment shall not relieve an Owner from making the regular payments of the assessments as the same became due. Upon the sale of a Lot, an Owner shall be entitled to a credit from his deposit of any unused portion thereof.

ARTICLE VIII General Provisions

58. Enforcement. Except as otherwise provided in this Declaration, the Board of Directors shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Board of Directors to enforce any covenant or restriction contained in this Declaration shall in no event be deemed a waiver of the right to do so thereafter.

59. Violations Deemed a Nuisance. Every violation of this Declaration is deemed to be a nuisance and is subject to all the remedies provided for the abatement of the violation. In addition, all public and private remedies allowed at law or equity against anyone in violation of these covenants shall be available.

60. Remedies. In addition to the remedies set forth above in this Article, any violation of this Declaration or of the Articles of Incorporation or Bylaws of the SCCPOA shall give to the Board or its respective agents, on behalf of the Owners, the right to take peaceful action to abate, remove, modify or replace, at the expense of the offending Owner, any structure, thing or condition that may exist thereon contrary to the interest and meaning of this Declaration or of the Articles of Incorporation or Bylaws of the SCCPOA. If the offense occurs on any easement, walkway, common areas or the like, the cure shall be at the expense of the Owner or other person responsible for the offending condition.

61. No Liability. No member of the Board nor its respective agents, nor any Owner shall be liable to any other Owner for failure to enforce any provision of this Declaration or the Articles of Incorporation or the Bylaws of the SCCPOA at any time.

62. Recovery of Costs. If the SCCPOA obtains legal assistance to enforce any of the provisions of this Declaration or the Article of Incorporation or the Bylaws of the SCCPOA, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of any of the above described documents or the restraint of violations of such documents, and if the SCCPOA prevails in such proceedings, the SCCPOA shall be entitled to recover all expenses incurred by it in such action, including reasonable attorneys fee (and legal assistants' fees) and costs as may be incurred, or if suit is brought, as may be determined by the court.

63. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions that shall remain in full force and effect.

64. Amendment: The covenants and restrictions of this Declaration shall run with and bind the land for a term of ten years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of time for ten years. This Declaration may be amended in part (but not repealed or terminated) during the first or during any subsequent ten-year period(s) by an instrument signed by the Owners of not less than sixty-six percent of the Lots; and at the expiration of any ten-year period(s) it may be amended, modified repealed or terminated by an instrument signed by the Owners of not less than fifty-one percent of the Lots. Any amendment must be recorded in the real estate records of Summit County, Colorado.

65. Exhibits. Exhibit A described above and attached to this Declaration is incorporated in this Declaration by this reference.

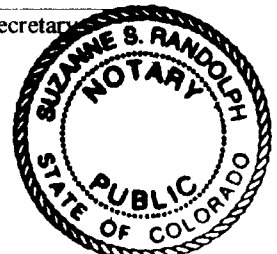
66. Rules Against Perpetuities. Any interest in property created pursuant to this Declaration shall vest, if at all, within twenty-one years after the death of the last survivor among the now living children of Prince Charles, Prince of Wales.

67. Governing Law. The terms and provisions of this Declaration shall be governed and construed under the laws of the State at Colorado.

DECLARANT, who does attest that the signatures on the attached Exhibit A do represent a majority of the Owners of lots at Sage Creek Canyon Subdivision, Filing One, Summit County, Colorado:
Sage Creek Canyon Property Owner's Association, Inc., a Colorado Corporation

ATTEST
By: [Signature]
Peter Siegel, President
(SEAL)

By: [Signature]
Ward Jackson, Secretary



My Commission Expires
May 5, 2006

STATE OF COLORADO)

COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this 9th day of August 2002, by Peter Siegel as President and by Ward Jackson as Secretary of Sage Creek Canyon Property Owners' Association, Inc., a Colorado corporation.

WITNESS my hand and official seal.

My commission expires: Mon 5, 2006
(SEAL)

[Signature]
Notary Public
Address Box 3215
PO Box 3215

EXHIBIT A

LIST OF OWNERS

BLOCK 1

Lot 1 Name: Francis Hrusli
Address: 0337 LARIAT LOOP DR.

Lot 2 Name: _____
Address: _____

Lot 3 Name: Scott Carver
Address: 91 SADDLE CIRCLE

Lot 4 Name: _____
Address: _____

Lot 5 Name: Towell D Johnson
Address: 72 SADDLE CIRCLE

Lot 6 Name: STEPHEN GOODMAN
Address: 48 SADDLE CIRCLE

Lot 7 Name: Pat and Gerald Miller
Address: 807 Lariat Loop Drive

Lot 8 Name: _____
Address: _____

Lot 9 Name: _____
Address: _____

Lot 10 Name: Michael & Julie Magliocchetti
Address: 0707 LARIAT LOOP

Lot 11 Name: _____
Address: _____

Lot 12 Name: Joseph m Ritter TRUST #1
Address: 0090R CIRCLE

Lot 13 Name: Mary & Laurie Daignault
Address: 0677 Daniel Loop Dr


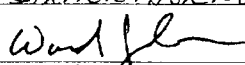
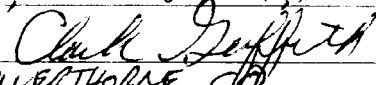
Lot 14 Name: Richard L. Stieg & Lucille
Address: 657 Lariat Loop Dr.

Lot 15 Name: Alfred E. Couture
Address: 617 Lariat Loop Drive

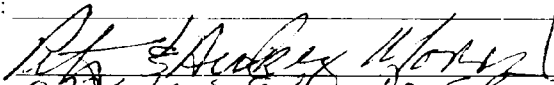
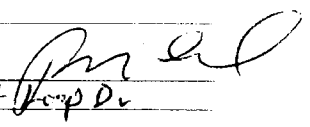
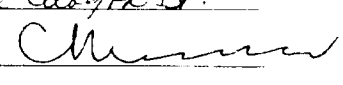
Lot 16 Name: WILLIAM/DOLores SIMON
Address: 597 LARIAT LOOP DR

Lot 17 Name: Michael and Peggy Kappy
Address: 537 Lariat Loop Dr.

Lot 18 Name: Martin & Cherrette Russell
Address: 517 Lariat Loop
Silverthorn Co

- Lot 19 Name: Robert Traub (Blount Cabin)
Address: ~~241~~ 241 Ridge Drive, Jackson, MS 39216
- Lot 20 Name: T.G.B. Land Co Inc. by  President
Address: 0486 LARIAT LOOP
- Lot 21 Name: Karl F + Mary H. Arleth
Address: 0467 Lariat Loop Dr. Silverthorne CO. 80498
- Lot 22 Name: Mr CARL BAILEY
Address: 0447 LARIAT LOOP DR. SILVERTHORNE CO
- Lot 23 Name: WARD JACKSON 
Address: 85 SAGE HILL DRIVE, SILVERTHORNE, CO
- Lot 24 Name: CLARK GRIFFITH 
Address: 105 SAGE HILL DR, SILVERTHORNE CO
- Lot 25 Name: TRUST OF JOHN W. GOETZ by John W. Goetz, Trustee
Address: 125 SAGE HILL DR, SILVERTHORNE, CO
- Lot 26 Name: PETER SIGEL
Address: 415 SAGE HILL DR, SILVERTHORNE, CO 80498

BLOCK 2

- Lot 1 Name: _____
Address: _____
- Lot 2 Name: _____
Address: _____
- Lot 3 Name: 
Address: 0226 Lariat Loop Dr Silverthorne CO 80498
- Lot 4 Name: John Hasegawa & Sue
Address: 0266 Lariat Loop Drive
- Lot 5 Name: Richard Mayfield = Susan 
Address: 0296 Sage Creek Canyon Dr / Lariat Loop Dr
- Lot 6 Name: _____
Address: _____
- Lot 7 Name: _____
Address: _____
- Lot 8 Name: _____
Address: _____
- Lot 9 Name: Julie Whead
Address: 10516 Lariat Loop Drive / Sage Canyon Dr.
- Lot 10 Name: Cynthia Clark Mansano 
Address: 1556 Lariat Loop
- Lot 11 Name: _____
Address: _____

BLOCK 3

Lot 1

Name: Mary M Intire
Address: 0121 Sage Creek Canyon Dr.
26036 S. Beetonwood Dr - Henrieville, WY 85148

Lot 2

Name: _____
Address: _____

BLOCK 4

Lot 1

Name: _____
Address: _____

Lot 2

Name: _____
Address: _____