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RESOLUTION CONCERNING WELLS AND INDIVIDUAL SEWAGE DISPOSAL SYSTEMS

BOARD OF DIRECTORS

CRESTED BUTTE SOUTH PROPERTY OWNERS ASSOCIATION, INC.

WHEREAS, Paragraph 11.01 of the Covenants and Restrictions of Crested Butte South, as amended, provides as follows:

No structure shall be built upon any lot until the road, water and sewer adjacent to the lot involved shall be installed and functional, nor shall any individual water supply or sewage disposal system be permitted on any lot. All residential and commercial structures shall be connected to the water and sewer system provided, unless an exemption from these provisions is obtained from the Architectural Review Board, the Crested Butte South Metropolitan District, and the Gunnison County Sanitarian.

WHEREAS, There currently exist a large number of lots within Crested Butte South that are not served by water and sewer service lines; and

WHEREAS, the Crested Butte South Property Owners Association, Inc. ("Association") desires to allow development of such lots pending the extension of water and sewer lines by the Crested Butte South Metropolitan District ("District") to make water and sewer service available to such lots;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CRESTED BUTTE SOUTH PROPERTY OWNERS ASSOCIATION, INC.:

1. Wells and individual sewage disposal systems will be allowed within Crested Butte South on condition that all of the following terms, conditions and requirements are satisfied:

A. The nearest water or sanitary sewer line of the District to the property on which the well or individual sewage disposal system is to be constructed shall not be less than 500 feet, as measured along the route of line extension in accordance with the District's master plan for water or sewer lines, as the case may be.

B. Each well and individual sewage disposal system shall be located in compliance with the requirements of Gunnison County and so as not to limit or make more expensive the installation of a well or individual sewage disposal system on neighboring property.

C. In the event that it is necessary to combine several lots in order to obtain the requisite setbacks for the installation of a well or individual sewage disposal system, the owner shall either cluster said lots pursuant to a cluster declaration under section 14 of the Crested Butte South Covenants and Restrictions or record a binding restrictive covenant running with the land satisfactory to the Association to maintain such lots in single ownership as one parcel for so long as the well or individual sewage disposal system is in use. The owner shall present the Association with a current commitment for title insurance or other evidence of title reasonably satisfactory to the association confirming current ownership of and encumbrances on the property proposed to be clustered or combined confirming the owner's authority to cluster or combine all of the property.

D. The owner of the property upon which construction of a well or individual sewage disposal system is proposed shall execute a binding restrictive covenant running with the land obligating the owner and the owner's successors and assigns to tap onto the District's water and sanitary sewer line when such water or sanitary sewer line is constructed adjacent to the owner's property. Such covenant shall provide that the connection to the District's water or sanitary sewer line shall be accomplished within 30 days after the District has notified the owner that the District's water and sanitary sewer line has been constructed adjacent to the owner's property. At the time the owner connects to the District's water or sanitary sewer line, the Owner shall pay the current tap fee charged by the District.

E. No well or individual sewage disposal system shall be constructed unless and until approval therefor has been obtained from the Gunnison County Sanitarian, the District and the State of Colorado, as applicable. All such wells and individual sewage disposal systems shall be constructed in strict compliance with all applicable rules and regulations of Gunnison County, Colorado and all applicable rules, regulations and statutes of the State of Colorado. The Owner shall continuously maintain such individual sewage disposal system and pump out all solid matter from the system at least every two years.

F. Prior to initiating construction of a well or an individual sewage disposal system, the Owner of the property shall sign an agreement with the Association agreeing to be bound by all terms and provisions of this Resolution and to strictly comply with all terms and conditions of this Resolution and of the permit to construct such well or individual sewage disposal systems.

2. In the event of a violation of this Resolution or of the agreement provided for in subparagraph 1(F), above, the owner of the property on which such violation occurs shall be responsible

for reimbursing to the Association all reasonable costs and expenses of enforcing compliance, including reasonable attorneys' fees, incurred by the Association in connection therewith.

INTRODUCED, READ AND PASSED AT A REGULAR MEETING OF THE
CRESTED BUTTE SOUTH PROPERTY OWNERS ASSOCIATION, INC. BOARD OF
DIRECTORS THIS 12th DAY OF May 1993.

Crested Butte South Property Owners'
Association, Inc., a Colorado non-profit
corporation

By: Don Schappert, P.C.
President

Attest: M. Catherine Brown
Secretary