

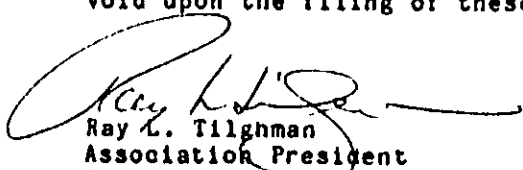
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Teyuakan Phase Two Property Owners Association
Archuleta County, Colorado

To Whom It May Concern:

In accordance with paragraph XI, sub paragraph B, the Declaration of Covenants, Conditions and Restrictions of the Teyuakan Phase Two Development, ("Declarations") amendment of Declarations may be modified with the written consent of the members holding at least 75% of Class A membership of the Association. This is to certify that as of this date, August 13, 1986, there are no Class A members of the Association and the declarant, Armada Trading Company, is the sole member of the Association and was notified of these changes 90 days prior to their recording.

Modifications and amendments to the covenants have been made in the attached document. These new Covenants, Conditions and Restrictions, dated August 13, 1986, will be recorded with the office of Clerk and recorded in Archuleta County, Colorado, and at such time shall become the sole Declarations of the Association. All previous Declarations are considered null and void upon the filing of these new documents.


Ray L. Tilghman
Association President
August 13, 1986

TEYUAKAN
PHASE TWO
DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

A Development of
Armada Trading Corporation

Designed by Walker, Lucas Associates, Inc.
August 13, 1986

ARCHULETA COUNTY, CO 0141544 08/13/1986 11:20
BK N/A PG 2 MARTHA VALDEZ, RECORDER

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TEYUAKAN
PHASE TWO
DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

I. RECITALS

A. Declarant is the record owner of certain real property located in Archuleta County, Colorado (the "Property") described more particularly below, and intends to create thereon an exclusive residential community with open space, (the "Common Properties") for the benefit of said community through the granting of specific rights, privileges and easements that may be shared and enjoyed by all residents thereof.

B. To insure the attractiveness of individual real property and the community facilities within the property, to prevent their future impairment, to prevent nuisances, to preserve, protect and enhance the value and amenities of the property, the Declarant has created the covenants, conditions, restrictions, easements, charges, rights and liens set forth herein (this Declaration).

C. To administer said Covenants and Restrictions, the Declarant has caused to be incorporated under the Laws of the State of Colorado a non-profit corporation, The Teyuakan Phase Two Property Owners Association (the "Association"), to which shall be delegated the powers of owning and maintaining the common properties, and also enforcing these covenants and restrictions, together with collecting, disbursing and accounting for the assessments and charges set forth in this Declaration.

Now, therefore, the Declarant declares that the property and such additions thereto as may hereafter be made pursuant to Paragraph X, Section A, is and shall be held, sold transferred, hypothecated, encumbered, leased, conveyed and occupied subject to the Covenants and Restrictions hereinafter set forth, all of which shall run with the land.

II. DEFINITIONS

A. The following words when used in this Declaration, unless the contract shall prohibit or there shall be specific statement to the contrary shall have the following meanings:

1. The "Property" shall mean and refer to the lands known as "Teyuakan Phase Two" as described on the final plat of that name recorded in Archuleta County, Colorado, at reception #117828, date Aug 5, 1983, plat file # 264.

2. "Common Properties" shall mean land, improvements and other facilities owned by the Association, or designated as Common Properties on the plat.

3. "Parcel" shall refer to a platted parcel in which there may be constructed only a single family residence.

4. "Improvement" shall refer to any alteration of the property from the existing state at time of conveyance to any private owner.

5. "This Declaration" shall refer to this Declaration of Covenants, Conditions, Restrictions, easements, charges, liens and rights recorded by Declarant.

6. "Declarant" shall mean Armada Trading Corporation, a corporation formed under the Laws of the State of Delaware or its successors or assigns.

7. "The Association" shall refer to "Teyuakan Phase Two Property Owners Association", a non-profit corporation incorporated under the Laws of the State of Colorado.

8. "The Committee" shall refer to the "Environmental Control Committee" as described in Section VII, Paragraph A, Subsection 1 of these Covenants, Conditions and Restrictions.

III. MEMBERSHIP AND VOTING RIGHTS IN THE TEYUAKAN PROPERTY OWNERS ASSOCIATION

A. MEMBERSHIP - Every person or entity, who is a record owner of any parcel within the property shall automatically be a member of the Association and accept the Association By-Laws and this Declaration of Covenants, Conditions and Restrictions, provided that any such person or entity holding such interest merely as security for the performance of an obligation shall not be a member. Such membership shall be inseparable from the ownership of any parcel. Membership shall begin with the recording of the Declarant's deed of sale to the member, and terminate with the recording of the member's deed of sale, and shall be duly registered in the Association Membership Ledger, along with the member's address.

B. VOTING RIGHTS - The Association shall have two

classes of voting membership:

1. Class A members shall be all the owners as defined in Section A of this paragraph, with the exception of the Declarant. The Declarant may, however, become a Class A member upon termination of its Class B membership as hereinafter provided. Subject to Paragraph VI, Section B, Class A members shall be entitled to one vote for each parcel owned.

When two or more members have an undivided ownership interest in any one parcel then they shall elect from among themselves as they so decide one voting members to cast their vote, at which time they shall give the Association formal notice of such decision, containing the name and address of said member. Such notice shall be duly recorded in the Association Membership Ledger, and shall be irrevocable unless decreed by an order of court or unless said members decide to elect another voting member, at which time formal notice shall be presented to the Association and duly recorded.

The voting member can, by proxy agreement, designate another person or entity to represent said member. All proxies shall be in writing and filed with the Association, and every proxy shall automatically cease upon the sale or foreclosure of said member's parcel.

The voting rights of any voting member may be suspended if delinquent in assessments or otherwise in violation of this Declaration pursuant to Paragraph VI, Section B. If voting member is a mortgagor, such member shall sign a proxy agreement naming the mortgagee as a voting member if said member's parcel is foreclosed by the mortgagee.

Any voting member shall be allowed to cast his vote by mail on the issue or issues (stated in the notice of meeting) for which a meeting has been called and the content of such vote shall not be disclosed to the members until the votes of all members present have been cast and duly recorded.

At all meetings of the members all questions, the manner of deciding which is not specifically regulated by statute or these By-Laws shall be determined by a majority vote of the voting members, whether by mail, proxy or present in person.

Cumulative voting shall not be permitted. In no event shall more than one vote be cast with respect to any parcel.

The Association shall keep the minutes of the meetings of the Board of Directors and of the members in appropriate books, and shall give and serve all notices of the Association by certified mail.

The Association shall keep a member ledger book so as to show at all times the names of all members, their voting status, their proxies if any, their respective places of residence, their post office addresses, their phone numbers and when the deed of sale to every member was recorded with the Clerk and Recorder of Archuleta County, Colorado. All members shall inform the Association of all mortgages and liens upon the members's property and a member encumbrance book shall state amount of said mortgages and any other lien on any parcel within the property and list the mortgagees and lienholders. Said mortgagees shall have the right to examine the books of the Association. The Association shall give formal notice to the mortgagees and to the owner of any parcel for which assessment dues are delinquent.

2. Class B - the Declarant shall be the sole Class B member and shall be entitled to three votes for each parcel owned. Class B membership shall cease and terminate upon the happening of any of the following events, whichever the first occurs:

a. When the total votes outstanding in Class A membership exceed the total votes outstanding in Class B membership;

b. On the 31st day of December, 1995;

c. At such time as the Declarant voluntarily relinquishes its Class B rights.

After the happening of any of these events, whichever first occurs, the Class B member shall be deemed to be a Class A member entitled to one vote for each parcel owned.

IV. PROPERTY RIGHTS IN THE COMMON PROPERTIES

A. TITLE - Title shall be held in perpetuity by the Association.

B. MEMBERS' EASEMENTS AND RIGHTS OF ENJOYMENT - along with reception of title to the Common Properties by the Association and subject to the provisions set forth in this Declaration of Covenants and Restrictions, every member of the Association shall have the right of enjoyment in and to the Common Properties and such right shall be appurtenant to and shall pass with the title to every parcel within the property. The members' rights of enjoyment to the Common Properties shall also be subject to the following:

1. The right of the Association to grant such easements and rights-of-way to such utility companies or public

or private agencies or authorities as it shall deem necessary for emergencies and the proper service and maintenance of the property.

2. The right of the Association to grant private access easements in addition to or in substitution for platted easement rights, if in the opinion of the Environmental Control Committee such adjustment or grant would be desirable.

3. The right of the Association to grant temporary easements for storage of construction materials, dirt, etc. to members, to the Declarant or to the Association during the construction of improvements upon any areas within the property provided that following the completion of such construction, the Common Properties shall be substantially restored to the condition existing before the use thereof, or to a condition acceptable to the Environmental Control Committee and Association, all at the sole cost and expense of said voting member or Association as the case may be.

4. The right of the Association to enter into cooperative agreements with other business entities and with governmental entities for the rental and use of equipment and exchange of services on a fee basis or otherwise.

5. The right of the Association to enter into lease agreements, either as lessee or lessor, with third parties, for such purposes and subject to such conditions as the Declarant or Association shall deem appropriate.

6. The right of the Association to enter into contractual management agreements to provide services or to maintain the Common Properties; provided, however, that the Association shall be fully reimbursed for its costs and expenses for providing such services.

C. EXTENSION OF RIGHTS AND BENEFITS - Every member of the Association shall have the right, subject to rules and regulations promulgated by the Board of Directors, to extend the rights and easements of enjoyment vested in him under this section to each of his tenants, each member of his family who reside with him within the property and to such other persons as may be permitted by the Association.

V. COVENANTS FOR MAINTENANCE AND ASSESSMENT

A. CREATION OF THE LIEN AND PERSONAL OBLIGATION FOR ASSESSMENTS - Each owner of any parcel within the property, other than the Declarant, shall be deemed to covenant and agree to pay to the Association:

1. Annual assessments or charges;

2. Capital assessments for capital improvement;
3. Emergency assessments to provide for costs incurred by virtue of unforeseen emergencies;
4. Special assessments in connection with an owner's failure to perform the required exterior maintenance of improvements on his property.

The annual assessments or charges may, at the discretion of the Board of Directors of the Association, include the capital assessment for future capital improvements to the Common Properties. All assessments herein provided for shall be assessed by the Association. All such assessments shall be uniform for all parcel owners, except for special assessments in connection with an owner's failure to perform the required exterior maintenance of improvements on his property. The annual assessment shall be levied on an annual basis, and a capital assessment may be levied from time to time as determined by the Board of Directors of the Association in accordance with its By-Laws. Any expenditure, except those mandated by state or local law or code, that would result in Capital or Emergency assessments in excess of Five hundred (\$500) dollars shall be approved by a majority vote of all members. All the assessments described aforesaid, together with such interest thereon, and costs of collection thereof, as hereinafter provided shall be a continuing lien upon the property against which such assessment is made, subject to foreclosure in accordance with applicable Law relating to trust deeds of public trustees in Colorado.

For each of the assessments to which members are subject under this Declaration, the Association shall keep a separate accounting, and shall segregate the accounts into a tax fund, current fund and annual fund for any assessments, which may include a reserve for future replacement. If required, the Association shall also establish separate funds for assessments due to emergencies or lack of an owner's maintenance, and shall deposit all such funds in the name of the Association in such bank or banks, trust company or trust companies, or safe deposit vaults as the Association may designate.

The Association shall prepare a budget derived from sound management procedures and it shall be approved by a majority of the members at the annual meeting.

Each parcel owner shall pay uniform assessment dues toward the annual assessment funds and toward the capital assessment reserve if any, as determined by the Board of Directors. The assessments shall become a lien upon the owner's parcel, subordinate only to the owner's first mortgage. The sale of any owner's parcel shall not exempt said owner's obligation to

pay any assessments coming due before such sale. Until November 1, 1986 the Declarant shall not be obligated to pay any capital assessments for any parcel owned by the Declarant.

B. PURPOSE AND USE OF ASSESSMENTS

1. THE ANNUAL ASSESSMENTS - The annual assessments levied as provided for in Section A above shall be used exclusively for the maintenance of the Common Properties, services and facilities, including but not limited to, the payment of taxes and appropriate liability and hazard insurance thereon, for the maintenance of recreational facilities located on the Common Properties, for the provision of services to the owners of parcels such as water distribution and perimeter fence maintenance and other such needs of the Association and parcel owners as may arise.

2. CAPITAL ASSESSMENTS FOR IMPROVEMENTS, REPAIRS OR REPLACEMENTS - In addition to the annual assessments described aforesaid, the Association may levy in any assessment year either as part of the annual assessment or as a separate assessment, a capital assessment to be set aside as a reserve for future capital expenditures, including major repair to or replacements of improvements located on the Common Properties.

3. EMERGENCY ASSESSMENTS FOR CAPITAL IMPROVEMENTS DUE TO EMERGENCIES - In addition to the annual assessments described aforesaid, the Association may levy in any assessment year an emergency assessments, for the purpose of defraying in whole or in part the cost of reconstruction, unexpected repair or replacement due to any emergencies of a capital improvement on the Common Properties, including the necessary fixtures and personal property related thereto. In the event of substantial damage, all members and mortgagees must be notified in writing of the assessments to be levied before any action is taken by the Association.

4. SPECIAL ASSESSMENTS FOR EXTERIOR MAINTENANCE- In the event that the owner of any parcel shall fail to maintain the premises and the improvements situated thereon as required by This Declaration, the owner shall be deemed to grant the Association Power of Attorney and it shall then have the right, through its agents and employees to enter upon said parcel and to repair, maintain, restore or remove the same in the manner contemplated by the above provisions. The costs of such exterior maintenance shall become a special assessment in addition to any other Assessments to which said parcel is subject as aforesaid.

C. DUE DATE OF ANNUAL ASSESSMENTS - The annual assessments provided herein shall commence on such date as is specified in the By-Laws of the Association. Assessment shall be on a full calendar year basis. Within thirty (30) days after

each annual meeting, the Board of Directors shall fix the amount of the annual assessment against each parcel by estimating the net expenses incurred by the Association for the purposes set forth in this Declaration. The annual assessment shall be due in such installments as are required by the By-Laws of the Association. The assessment dues shall be segregated and apportioned among various funds as is stated in the By-Laws. No owner may waive use of Common Properties in lieu of payment of assessment.

D. EFFECT OF NON-PAYMENT OF ASSESSMENTS AND PERSONAL LIABILITY OF OWNER - If the assessment is not paid within thirty (30) days after the due date, the Secretary shall prepare a certified statement of such lien and send to the owner and the assessment shall bear interest from the due date at 18% per annum and the Association may withhold rights as provided in Paragraph VI, Section B as well as bring legal action against the owner personally obligated to pay the same, or foreclose the lien against the property. There shall be added to the amount of such assessment all costs incurred by the Association in foreclosing the lien or collecting the amount owing, including a reasonable attorney's fee. Any such foreclosure shall be recorded with the Clerk and Recorder of Archuleta County, Colorado.

E. SUBORDINATION OF THE LIEN TO MORTGAGE - The lien of the assessments provided for herein shall be subordinate to the lien of a bona fide institutional first mortgage placed upon the property subject of assessment; provided, however, 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 other proceeding in lieu of foreclosure. Such sale or transfer shall not release such property from any assessment thereafter coming due, nor from the lien of any subsequent assessments.

VI. ENFORCEMENT

A. ABATEMENT AND SUIT

1. The Covenants and Restrictions may be enforced as provided hereinafter by the Association, the Declarant or the Environmental Control Committee. If a parcel owner notifies the Association in writing of a claimed violation of these Covenants and Restrictions and the Association fails to act within thirty (30) days after receipt of such notification, then and in that event only, an owner may separately, at his own cost and expense, enforce the Covenants and Restrictions as provided in this Section.

2. In any legal or equitable proceeding for the enforcement of or to restrain the violation of this Declaration or any provision hereof, the losing party or parties shall pay

the reasonable attorney's fee of the prevailing party or parties in the amount as may be fixed by the court in such proceeding. All remedies provided herein or at law or in equity shall be cumulative and not exclusive.

3. Invalidation of any of the Covenants or Restrictions in this Declaration by judgment or court order shall in now way affect any other provisions, all of which shall remain in full force and effect.

4. The failure of the Association to enforce any of these Covenants and Restrictions herein contained shall in no event be deemed to be a waiver of the right to do so for subsequent violation or of the right to enforce any Covenants or Restrictions.

B. WITHHOLDING RIGHTS - As an alternative to such legal proceedings, the Association shall have the exclusive right to suspend voting rights and/or rights of enjoyment of Common Properties until such time as the violation has been rectified to the satisfaction of the Association and the Environmental Control Committee. Such suspension shall not relieve the violator from the obligation to pay any assessments due.

C. ESTOPPEL CERTIFICATE - Upon payment of a reasonable fee and upon written request of any parcel owner, mortgagee, prospective owner, lessee or prospective lessee of any property covered by these Covenants and Restrictions, the Association shall issue an Estoppel Certificate setting forth generally whether or not to the best of the Association's knowledge said owner is in violation of any of the terms and conditions of these covenants. Said written statement shall be conclusive upon the Association and the persons who rely thereon in good faith. Such statement shall be furnished by Association within a reasonable time not to exceed ten (10) days from the receipt of request for such statement. If the Association fails to furnish such statement within said ten (10) days, it will be conclusively presumed that there are no unpaid assessments relating to the property as to which the request was made and that said parcel is in accordance with this Declaration.

VII. APPROVAL OF PLANS

A. ENVIRONMENTAL CONTROL COMMITTEE

1. There is hereby established an Environmental Control Committee (the "Committee") of three members. Two of the members shall be appointed by the Declarant. The aforesaid two members of the Committee shall serve at the pleasure of the Declarant. The third member of the Committee shall be an owner of a parcel within the Property and shall be elected by the majority of the members, excluding the Class B member, at any

annual or special meeting of the members of the Association. A member of the Committee so elected shall be deemed the members' Representative and shall serve a term of one year until the election and qualification of his or her successor. Prior to the first annual meeting of the Association the members' Representative shall be appointed by the Declarant from among the owners of parcels and shall serve until the first annual meeting of the Association. The vote of the majority of the members of the Committee shall constitute the action of the Committee. The majority may designate a Representative to act for it.

2. No improvements shall be erected, placed, permitted or altered on any parcel or on the Common Properties, nor shall any construction, landscaping or excavating whatsoever be commenced, or materials, equipment or construction vehicles be placed on any parcel or on the Common Properties, until plans and specifications with respect thereto in manner and form satisfactory to the Committee showing the proposed improvements, site location of such improvements, complete building plans and material specifications, and all exterior elevations, materials and colors, landscaping, grading, easements and utilities, and such other information as may be requested by the Committee. All such information shall be submitted in writing over the signature of the owner of the parcel or the owner's authorized agent.

3. Approval shall be based, among other things, on conformity and harmony of exterior design, colors and materials with neighboring structures; the relation of grade and finished ground elevation of the proposed improvement to that of neighboring structures and natural features of the property, and conformity of the plans and specifications to the provisions and intent of this Declaration. Normally no improvement shall be approved for construction or installation that is within 50 feet of a parcel boundary line. The Committee shall require landscaping plans. The Committee shall not arbitrarily or unreasonably withhold approval of such plans and specifications, and if plans are disapproved, disapproval shall be accompanied by suggested changes, which, if adopted, would result in approval.

4. If the Committee fails to either approve or disapprove such plans and specifications, including resubmitted plans and specifications which have been revised, within forty-five (45) days after the same have been submitted to it, provided that all required information has been submitted, it shall be conclusively presumed that said plans and specifications have been approved. Neither the Committee, the Declarant, nor the Association or their respective successors or assigns shall be liable in damages to anyone submitting plans to them for approval, or to any owner of land affected by this Declaration, by reason of mistake in judgment, negligence nonfeasance arising out of or in connection with the approval or disapproval or a failure to approve any such plans and specifications. Every

owner or other person who submits plans to the Committee for approval agrees, by submission of such plans and specifications that he will not bring any action or suit against the Committee, Association or Declarant to recover any damages. Approval of the Committee shall not be deemed to constitute compliance with the requirements of the rules, regulations and building codes of Archuleta County and any other applicable state or federal agencies, and it shall be the responsibility of the owner or any other person submitting plans to the Committee to comply therewith. Furthermore, the written approval indicating compliance with the rules, regulations and building codes of Archuleta County must be presented to the Committee before any improvements can be constructed. Archuleta County shall not review any plans prior to Committee approval.

VIII. PRIVATE AREA USE AND RESTRICTIONS

A. PERMITTED USES

1. The record owner of any parcel within the property shall be deemed to covenant and to agree to grant the right of entry and operation to emergency vehicles and necessary equipment should the need arise in any emergency situation occurring within the Property.

2. No obnoxious or offensive activities shall be carried on within any parcel nor shall anything be done or placed therein which may be or become a nuisance or cause unreasonable disturbance or annoyance to the other owners' enjoyment of their parcel or Common Properties.

3. No business activity of any nature shall be conducted on the property, except that one room in any residence may be used for office work in relation to owner's occupation and with the permission of the Committee, limited business activities, such as the manufacture of arts and crafts shall be permitted. This section shall not limit the business activities of Declarant relating to the subdivision.

4. Mining, quarrying, boring or drilling for water, oil, gas, minerals, gravel or earth is prohibited.

5. No more than five dogs and/or cats and four horses may be kept on any one parcel. All animals will be under the direct control of the owners at all times. Animals will not be allowed to create a noise disturbance to other owners. Horses will be maintained in a properly fenced enclosure or corral approved by the Committee.

6. No mobile homes, trucks exceeding 1 1/2 tons, wrecked or junked cars shall be kept on the parcels for a period in excess of 48 hours. All temporarily unused trucks, trailers,

boats, campers, etc. shall be kept in a location that is screened from the view of other parcels.

7. No open fires shall be lighted or permitted on a parcel except in a contained barbecue or campfire unit while attended and in use, or except in a safe and well designed interior fireplace or except such controlled fires approved by the Committee as are required for clearing and maintenance of land. No coal or other type of fuel which gives off smoke, except wood and charcoal, shall be used for heating, cooking or any other purpose within a parcel unless approved by the Committee.

8. There shall be no discharge of firearms, hunting or trapping with the property except as required for the maintenance of any property. No bait fishing shall be allowed unless approved by the Association.

9. The use of motorcycles, snowmobiles, and any other motorized vehicle off roadways is expressly prohibited within any parcel except as required for emergency and maintenance purpose.

10. No portable personal property such as recreational equipment, bicycles, balls, etc. shall be left so as to be visible from any parcel or Common Properties when not in use, except as approved by both the Committee and the Association.

11. No refuse, including without limitation, trash, garbage, lumber, metals, bulk materials and scrap materials shall be allowed to accumulate upon any parcel. Each owner shall provide suitable covered, noiseless receptacles for the collection of such refuse in preparation for periodic pick up. Refuse shall be stored for such pick up in such containers which, along with organic materials such as plant waste, grass, shrub or tree clippings, compost and ashes shall be enclosed in an approved structure or structures so as to be screened from public view and protected from disturbance. No refuse may be thrown or dumped on any of the land. The burning of refuse out of doors shall not be permitted. No incinerators or other devices for the burning of refuse indoors shall be constructed, installed or used by any person except as approved by the Committee.

12. Total consumptive use of water for each parcel shall be determined and announced annually by the Association. The allowed usage shall not be less than 250 gal/day based on a 365 day per year occupancy. The Association has the right to take measures to monitor usage to any and all parcels and to take necessary step to require parcel owners to

comply with water restrictions.

B. IMPROVEMENTS ON PRIVATE AREA

1. No parcel shall be further subdivided by the owners thereof and only one residence may be constructed on any parcel.

2. No improvement of any kind whatsoever may be erected or placed upon any platted or other easement without the prior written approval of the Committee.

3. A parcel and all improvements thereon shall be maintained at all times by the owner in good condition and repair and the same shall have full hazard insurance coverage. The owner shall cause all dwellings and other improvements to be refinished, resurfaced or repaired periodically as effects of damage, deterioration or weather become apparent. Appearance, color, type of painting or stain or other exterior conditions shall not be changed without prior approval of the Committee. All appropriate repairs and replacements shall be made as often as necessary. Unsightly conditions shall constitute a nuisance as defined in these Covenants and Restrictions.

4. On parcels bordering the Property boundary, perimeter fencing no more than forty-two (42) inches high shall be maintained in good repair at all times. This duty shall be the responsibility of the Association and each member shall be deemed to covenant to grant the right of access to the Association, or its agents, so as to maintain such fencing.

5. Any type of refrigeration or heating apparatus or any tank used in connection with any dwelling, (for example, those for the storage of gas, oil or water must be located underground or concealed by appropriate fencing or screening). The restrictions contained in this Subsection may be varied or waived only with the prior approval of the Committee.

6. All electric, gas, water, telephone, sewer or other utility lines shall be placed underground when extended from the parcel line to any dwelling or other improvement on a parcel, and all parcels shall have a utility easement ten (10) feet on either side of the side and back lines of such parcel for the purpose of construction, installing, maintaining, repairing and replacing said utilities. All owners shall pay all connecting costs, and where required, owner shall install culverts meeting county specifications where driveways meet the road.

7. No permanent exterior lighting of any sort shall be installed or maintained on any dwelling or other improvement on a parcel without first obtaining the approval of

the Committee, which shall establish lighting standards. In no cases shall the direct light from any light fixture be visible from any other property.

8. Each dwelling constructed on a parcel shall contain a minimum of 1250 square feet of fully enclosed floor area devoted to primary living space (exclusive of roofed or unroofed porches, terraces, garages, unfinished basements, or other structures).

9. An encroachment easement of the border of the parcels will be reserved by the Declarant or Association in the event that engineering requirements dictate the necessity for encroachment, provided that such encroachment will not significantly damage any parcel encroached upon.

10. Each parcel shall include at least two (2) parking spaces within the parcel completely screened from view.

11. In order to preserve the natural quality and aesthetic appearance of the existing geographic areas within the property, the property lines of all parcels shall be kept free and open to each other, unless lawns bounded by fences or plantings simulating fencing are extended to the property line. All lawns shall have such fencing or plantings as approved by the Committee. No alteration of any existing vegetation within fifty (50) feet of any private parcel's boundary and/or greater than two (2) inches in diameter on any area within a parcel shall be permitted without the approval of the Committee.

12. No signs whatsoever shall be permitted within any parcel with the exception of these listed below:

a. Signs required by legal proceedings.

b. Residential identification signs constructed of wood and/or stone and compatible with the architecture of the area, and these shall be subject to the approval of the Committee prior to erection thereof. Such signs shall not exceed a total area to two (2) square feet.

c. Signs of the type usually used by contractors, subcontractors and tradesmen may be constructed during the authorized time of construction provided these signs do not exceed a total face area of six (6) square feet.

d. "For Sale" signs may be erected upon a parcel provided that no more than one sign is erected and that total face area does not exceed more than six (6) square feet unless otherwise approved in advance by the Committee.

e. No sign shall exceed a height of six (6)

feet from grade.

IX. COMMON PROPERTIES USES AND RESTRICTIONS

A. PERMITTED USES

1. The Common Properties shall not be partitioned at any time unless decreed by an order of court.

2. No obnoxious or offensive activities shall be carried on at any time on the Common Properties nor shall anything be done or placed therein which may be or become a nuisance or cause unreasonable disturbance or annoyance to the owners in the enjoyment of their parcels or in the Common Properties.

3. All uses of Common Properties shall be subject to rules and regulations of the Association as promulgated and revised by the Directors thereof from time to time.

4. Uses of the undeveloped and unimproved Common Property shall be limited to those activities which do not materially injure or scar the Common Properties or the vegetation thereon, substantially increase the cost of maintenance thereof, or cause unreasonable disturbance or annoyance to owners in the enjoyment of their parcels or the Common Properties unless sanctioned or approved by the Committee and the Association.

5. There shall be no fires started or maintained on the Common Properties, except fires started by the Association or its employees incidental to the maintenance of the Common Properties and except for cooking and campfires in those areas designated for that use and in recreational facilities in which the same shall be expressly permitted.

6. No domestic animals shall be permitted on Common Properties except:

a. Generally recognized house or yard pets accompanied by or under the control of their owners.

b. Horses upon paths or other facilities designated as bridle paths by the Association and upon equestrian facilities intended for that use.

7. The use of snowmobiles, motorcycles, or other motorized vehicles off the roadways is expressly prohibited within the Common Properties except as required for emergency and maintenance purposes.

B. IMPROVEMENTS ON COMMON PROPERTIES

1. No improvement, excavation or other alteration shall be made which would in any manner alter the Common Properties from their existing state at the time of conveyance by the Declarant to the Association unless approved in advance by the Committee.

2. Complete liability and hazard insurance coverage on the Common Properties shall be maintained by the Association.

X. ADDITIONS TO THE PROPERTY

Additions may be made to the property in any of the following ways:

1. The Declarant shall have the right to bring within the scheme of this Declaration, and make subject to the provisions hereof, additional properties, provided such additional properties added to or brought within the scheme of this Declaration will include their fair share of Common Properties and facilities, and be at least of similar quality and character to those established with the Property. All owners of all property covered hereby shall be subject to this Declaration and shall be members of the Association and their property shall be subject to assessment for their just share of the Association's expenses. Any additions to the property and the attendant addition of membership shall require the unanimous approval of all the members of the Association.

2. Upon approval in writing of the Association pursuant to the consent of all of its members, the owner of any property who desire to add it to the scheme of this Declaration and subject it to the jurisdiction of the Association shall file of record a Supplementary Declaration of Covenants and Restrictions as described herein. The appropriate officers of the Association shall also execute such Supplementary Declaration evidencing that its members have approved the inclusion of such property.

The additions or changes in the scheme of the property as authorized under this Section shall be made by filing of record a Supplementary Declaration with respect to the additional properties, which shall extend the coverage of the Covenants and Restrictions of this Declaration to such property, and thereby subject such additions and assessments for their just share of the Association's expenses.

XI. DURATION AND AMENDMENT

A. This Declaration and every provision hereof and every Covenant and Restriction contained herein shall run with and bind the land and shall continue in full force and effect for

perpetuity unless otherwise terminated or modified as herein provided.

B. This Declaration and any provision hereof or any Covenant, Condition or Restriction contained herein, may be amended as to the whole of the property or any portion thereof with the written consent of the members holding at least 75% of Class A membership of the Association. No termination of these Covenants and Restrictions can be made without the written consent of all members and mortgagees. No amendment or termination of these shall be effective unless the instrument evidencing such amendment has been duly recorded and unless a written notice of the proposed amendment is sent to every member of the Association at least ninety (90) days in advance of any action taken. Such termination or amendment shall be immediately effective upon recording the proper instrument in writing, executed and acknowledged by such owners and by Declarant as required herein in the office of Clerk and Recorder of Archuleta County, Colorado.

XII. SUPPLEMENTAL PROVISIONS

This Declaration of Covenants, Conditions and Restrictions shall incorporate all information presented on the final plat. The final plat may be amended only pursuant to the approval of the Board of County Commissioners of Archuleta County. Any parcel of the property shall be conveyed as follows:

"Parcel _____ of Teyuakan Phase Two in Archuleta County, Colorado, according to the plat thereof, filed for record in Archuleta County, Colorado and recorded in plat file _____, Archuleta County Records."

ARCHULETA COUNTY, CO 0141544 08/15/1986 11:20
BK N/A PG 20 MARTHA VALDEZ, RECORDER