

Declaration of Restrictions

Incorporates by Reference

Declaration of Restrictions

Made 3/13/70 and

Recorded 6/24/70 in

Book 122, Pages 224-247

(Pagosa)

MARTINEZ MOUNTAIN ESTATES - I

LOTS 60 THRU 101. SUBJECT TO TERMS OF DECLARATION OF RESTRICTIONS
MADE ON THE 25TH DAY OF OCTOBER, 1978 AND RECORDED ON THE 8TH DAY
OF NOVEMBER, 1978 IN BOOK 161 AT PAGES 556-557.

Recorded NOV 8 1978 At 8:06 A.M.
Recpt. No. 93209 Felima Gardner-- Recorder

DECLARATION OF RESTRICTIONS

MARTINEZ MOUNTAIN ESTATES

Lots 1 through 59 inclusive
and 102 through 136

THIS DECLARATION is made this 25th day of October, 1978, by EATON INTERNATIONAL CORPORATION, a Delaware corporation, herein referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of all the real property set forth and described on that certain plan entitled MARTINEZ MOUNTAIN ESTATES, a subdivision of Pagosa, recorded in the Public Records of Archuleta County, Colorado; and

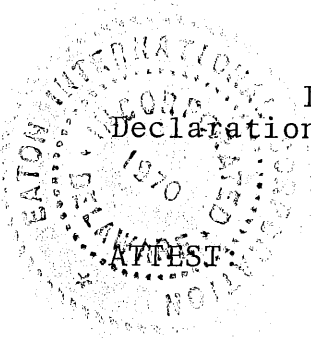
WHEREAS, the real property described in the plat has been subdivided into numbered parcels identified on the plat as lots, and Declarant desires Lots 1 through 59, inclusive, and 102 through 136, inclusive, MARTINEZ MOUNTAIN ESTATES, to be subject to the terms of a Declaration of Restrictions made on the 9th day of September, 1971, and recorded in the Public Records of Archuleta County, Colorado, in Book 156, at pages 95 through 105, inclusive, and amended as recorded in Book 156 at pages 134-135, which are made a part hereof and are incorporated herein by reference. Book 126

NOW, THEREFORE, Declarant hereby declares that the afore-said lots in MARTINEZ MOUNTAIN ESTATES are held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved, subject to the Declaration of Restrictions referred to above, with the following recited changes:

After Paragraph 4Y, the following paragraphs shall be added:

"Z. No dwelling shall be constructed on any lot with less than 1,500 square feet of living space in a one-story house. Multiple-story houses shall have a minimum of 1,000 square feet of living area on main floor.

"ZZ. For lots 1 through 14, inclusive, which adjoin the national forest, the forest fence shall be maintained by each individual property owner. In the event a property owner does not maintain the fence bounding his property, the provisions of Paragraph 8 of the Declaration of Restrictions shall fully apply."

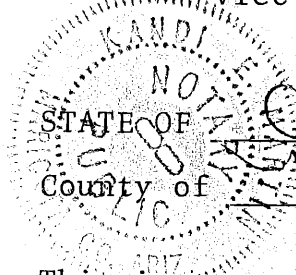


IN WITNESS WHEREOF, the Declarant has executed this Declaration on the day and year first above written.

EATON INTERNATIONAL CORPORATION,
a Delaware corporation

By Fred B. Thielen
Vice President

By Ralph H. Eaton
President



STATE OF Arizona }
County of Maricopa } ss.

This instrument was acknowledged before me this 25th day of October, 1978, by Ralph H. Eaton and Fred B. Thielen as President and Vice President, respectively, of EATON INTERNATIONAL CORPORATION, a Delaware corporation.

Gandi Martin
Notary Public

My Commission expires :

My Commission Expires Feb. 6, 1981

NOV 8 1978

93209

BOOK 16/ PAGE 555

recorded NOV 8 1978 At 8:07 A.M.
Recpt. No. 93210 Felima Gardner-- Recorder *je*

DECLARATION OF RESTRICTIONS

MARTINEZ MOUNTAIN ESTATES

Lots 60 through 101 inclusive *70%*

THIS DECLARATION is made this 25th day of October,
1978, by EATON INTERNATIONAL CORPORATION, a Delaware corporation,
herein referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of all the real property
set forth and described on that certain plan entitled MARTINEZ
MOUNTAIN ESTATES, a subdivision of Pagosa, recorded in the Public
Records of Archuleta County, Colorado; and

WHEREAS, the real property described in the plat has been
subdivided into numbered parcels identified on the plat as lots,
and Declarant desires Lots 60 through 101 inclusive, MARTINEZ
MOUNTAIN ESTATES, to be subject to the terms of a Declaration of
Restrictions made on the 13th day of March, 1970 and recorded on
the 24th day of June, 1970, in the Public Records of Archuleta
County, Colorado, in Book 122, at pages 224 through 247 inclu-
sive, and amended as recorded in Book 156 at pages 134-135, which
are made a part hereof and are incorporated herein by reference.

NOW, THEREFORE, Declarant hereby declares that the afore-
said lots in MARTINEZ MOUNTAIN ESTATES are held and shall be held,
conveyed, hypothecated or encumbered, leased, rented, used, occu-
pied and improved, subject to the Declaration of Restrictions re-
ferred to above, with the following provisions to apply:

All the above referenced lots shall be governed by the
R-1-90 Single Family Residential District land use provisions as
set forth in Paragraph 5B of said Declaration of Restrictions re-
corded in Book 122, page 224, except that the Minimum Living Area
category (Subparagraph 4) is amended to read as follows:

"(4) Minimum Living Area

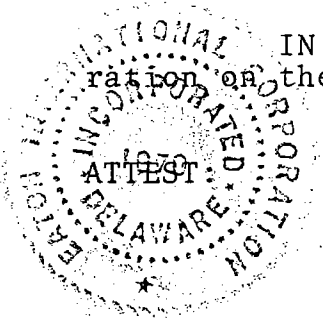
No dwelling shall be constructed on any R-1-90
lot in the Subdivision having less than the
following minimum square footage of living
space, exclusive of porch, garage, cabana,
guest house or servant quarters.

One-story houses shall have a minimum
of 1,200 square feet of living space.

BOOK *161* PAGE *556*

Multiple-story houses shall have a minimum of 900 square feet of living space on the main floor."

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



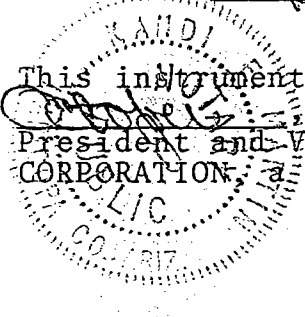
EATON INTERNATIONAL CORPORATION
a Delaware corporation

By Fred B. Thielen
Vice President

By Ralph H. Eaton
President

STATE OF Arizona }
County of Maricopa } ss.

This instrument was acknowledged before me this 25th day of November, 1978, by Ralph H. Eaton and Fred B. Thielen as President and Vice President respectively of EATON INTERNATIONAL CORPORATION, a Delaware corporation.



Gerald S. Martin
Notary Public

My Commission expires:

My Commission Expires Feb. 6, 1981

BOOK 16/ PAGE 557

NOV 8 1978

93210

DECLARATION OF RESTRICTIONS

MARTINEZ MOUNTAIN ESTATES UNIT TWO

THIS DECLARATION is made this 26th day February, 1980, by EATON INTERNATIONAL CORPORATION, a Delaware corporation, herein referred to as "Declarant".

WHEREAS, the real property described in the plat has been subdivided into numbered or lettered parcels identified on the plat as Lots or Tracts (herein collectively called "Lot" or "Lots"), which shall be subject to the terms of a Declaration of Restrictions made on the 9th day of September, 1971 and recorded in the Public Records of Archuleta County, Colorado, in Book 126, at pages 95 through 105 inclusive, and amended as recorded in Book 156 at pages 134-135, which are made a part hereof and are incorporated herein by reference.

NOW, THEREFORE, Declarant hereby declares that the aforesaid lots in MARTINEZ MOUNTAIN ESTATES UNIT TWO are held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved subject to the Declaration of Restrictions referred to above, with the following recited changes:

- Paragraph 4H shall be extended to read as follows:

All individual sewage disposal systems will be of an evaporative type in MARTINEZ MOUNTAIN ESTATES UNIT TWO. Consequently, all references in the above referenced paragraph to septic systems or septic facilities shall mean evaporative systems or evaporative facilities (a more expensive system).

After Paragraph 4Y, the following paragraphs shall be added:

Z. No dwelling shall be constructed on any lot with less than 1,500 square feet of living space in a one-story house. Multiple-story houses shall have a minimum of 1,000 square feet of living area on main floor.

ZZ. For lots 28 through 40, and lots 45 through 52, inclusive and lot 64, which adjoin the national forest, the forest fence shall be maintained by each individual property owner. In the event a property owner does not maintain the fence bounding his property, the provisions of Paragraph 8 of the Declaration of Restrictions shall fully apply. The existing fence must be maintained at a height not to exceed 42 inches.

ZZZ. The portion of Paragraph 4B stating that no more than two (2) horses for each acre owned shall be bred, raised or allowed thereon, shall not apply to Tract A of MARTINEZ MOUNTAIN ESTATES UNIT TWO.

ZZZZ. Household pets shall be confined to the occupants' property or at all times be under the direct control of occupant(s) when in other areas.

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

EATON INTERNATIONAL CORPORATION,
a Delaware corporation

By Thomas H. Kent
Secretary

By David H. Eaton
President

STATE OF Arizona)
County of Maricopa) ss.

This instrument was acknowledged before me this 26th day of February, 1980 by David H. Eaton and Thomas H. Kent as President and Secretary, respectively, of EATON INTERNATIONAL CORPORATION, a Delaware corporation.

M. Carol Eismann
Notary Public

My Commission expires:

My Commission Expires Jan. 13, 1984

BOOK 172 PAGE 351

BOOK 172 PAGE 350

MAR 31 1980

Recorded

Recpt. No. 99043

Mary Ann Callan - Recorder

3:30 P.M.

DECLARATION OF RESTRICTIONS

PAGOSA MEADOWS, UNIT II, III and IV

MARTINEZ MOUNTAIN ESTATES I, LOTS 1 THRU 59

INCLUSIVE AND 102 THRU 136 and MARTINEZ MOUNTAIN ESTATES II

THIS DECLARATION, made this 9 day of SEPTEMBER 1971, by TRANS-AMERICA TITLE INSURANCE COMPANY, a California corporation, being the owner in fee, as Trustee for EATON INTERNATIONAL CORPORATION, a Delaware corporation, and acting pursuant to directions from EATON INTERNATIONAL CORPORATION, as Trust beneficiary, herein referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of the following described real property, hereinafter sometimes called the "real property", located in the County of Archuleta, State of Colorado:

All of that portion of Section 32, Township 35 North, Range 2 West, N.M.P.M., entitled Pagosa Meadows, Unit II, which plat is recorded or intended to be recorded in the records of Archuleta County, Colorado, and is made a part hereof and incorporated herein by reference; and

WHEREAS, Declarant anticipates selling and conveying from time to time portions of the above-described property, any such portion being hereinafter called a "parcel"; and

WHEREAS, Declarant desires to establish the nature of the use and enjoyment of said real property and to that end wishes to subject it to and impose upon it certain covenants, conditions, restrictions and reservations, hereinafter referred to as "Restrictions";

NOW, THEREFORE, Declarant hereby declares that the said real property and each parcel therein is and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved subject to the following Restrictions, all of which are declared and agreed to be in furtherance of a general plan, and are established for the purpose of enhancing and protecting the value, desirability and attractiveness of the real property. All of the Restrictions shall run with the land and shall be binding upon all parties having or acquiring any right, title or interest in and to the real property or any part or parts thereof.

I. TERM

A. These Restrictions shall affect and run with the land and shall exist and be binding upon all parties and all persons claiming under them until

Recorded Sept. 13, 1971 At 3:40 p.m.
Recpt. No. 74887 Felima Gardner-- Recorder

INDEXED

January 1, 2000, after which time the same shall be extended for successive periods of ten (10) years each, unless an instrument signed by a majority of the then owners of the lots subject thereto has been recorded, agreeing to change the covenants in whole or in part, provided, however, that at any time before January 1, 1985 these Restrictions may be amended by the vote of the then record owners of two-thirds (2/3) of such lots and thereafter by a majority of such owners.

B. Declarant reserves to itself, its successors and assigns the right to revoke at any time prior to the sale of any parcel all or any of these Restrictions.

2. MUTUALITY OF BENEFIT AND OBLIGATION

The Restrictions and agreements set forth herein are made for the mutual and reciprocal benefit of each and every owner of any portion of the real property and are intended to create mutual, equitable servitudes upon each of said lots in favor of each and all of the other parcels therein; to create reciprocal rights between the respective owners of all of said parcels; to create a privity of contract and estate between the grantees of said parcels, their heirs, successors and assigns, and shall, as to the owner of each such parcel, his heirs, successors or assigns operate as covenants running with the land for the benefit of each and all other parcels and their respective owners.

3. ENVIRONMENTAL CONTROL COMMITTEE

A. All plans and specifications for any structure or improvement whatsoever to be erected on or moved upon or to any portion of the real property and the proposed location thereof, the construction material, the roofs and exterior color schemes, any later changes or additions after initial approval thereof, and any remodeling, reconstruction, alterations or additions thereto shall be subject to and shall require the approval in writing before any such work is commenced of the Environmental Control Committee (herein called "Committee"), as the same is from time to time composed.

~~B. The Committee shall be composed of three (3) members to be~~ appointed by Declarant. Committee members shall be subject to removal by Declarant and any vacancies from time to time existing shall be filled by appointment of Declarant, or in the event of Declarant's failure to so appoint within two (2) months after any such vacancy, then by the Board of Directors of the Pagosa Property Owners Association, Inc. (herein called "Association"), provided, however, that at any time hereafter the Declarant may, at its sole option, relinquish to the Board of Directors of the Association the power of appointment and removal reserved herein to the Declarant. Such transfer of power must be evidenced in writing.

C. There shall be submitted to the Committee, a building application on forms approved by Declarant together with two (2) complete sets of plans and specifications for any and all proposed improvements, the erection or alteration of which is desired, and no structures or improvements of any kind shall be erected,

altered, placed or maintained upon any parcel unless and until the final plans, elevations and specifications therefor have received such written approval as herein provided. Such plans shall include plot plans showing the location on the lot of the building, wall, fence or other structure proposed to be constructed, altered, placed or maintained, together with the schemes for roofs and exteriors thereof and proposed landscape planting. A filing fee of thirty dollars (\$30.00) shall accompany the submission of such application and plans to defray Committee's expenses. No additional fee shall be required for resubmission of plans revised in accordance with Committee's recommendations.

D. The Committee shall approve or disapprove plans, specifications and details within thirty (30) days from the receipt thereof. One (1) set of said plans and specifications and details with the approval or disapproval endorsed thereon shall be returned to the person submitting them, and the other copy thereof shall be retained by the Committee for its permanent files.

E. The Committee shall have the right to disapprove any plans, specifications or details submitted to it in the event the same are not in accordance with all of the provisions of these Restrictions; if the design or color scheme of the proposed building or other structure is not in harmony with the general surroundings of the real property or with the adjacent buildings or structures; if the plans and specifications submitted are incomplete; or in the event the Committee deems the plans, specifications or details, or any part thereof, to be contrary to the interests, welfare or rights of all or any part of the real property subject hereto or the owners thereof. The decisions of the Committee shall be final.

F. Neither the Committee nor any architect or agent thereof or of Declarant shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the foregoing provisions, nor for any structural or other defects in any work done according to such plans and specifications.

G. The Committee shall have the authority to set up regulations as to the height and size requirements for all types of buildings and structures including fences, walls, copings, etc.

4. GENERAL REQUIREMENTS AND PROHIBITIONS

A. Said parcels are hereby restricted to single family residential dwellings for single family residential use; agricultural-type structures and improvements including barns for agricultural use; ranching-type structures and improvements for ranching use. All buildings or structures erected, placed or permitted upon said premises shall be of new construction, and no buildings or structures shall be moved from other locations onto said premises.

B. No pigs or swine shall be bred, raised or allowed on any parcel; not more than two (2) goats or sheep shall be bred, raised or allowed on any parcel; not more than two (2) horses and/or cows for each acre owned shall be bred, raised or allowed thereon; no chickens, other than as domestic pets, shall

be allowed to run at large. The Declarant or its designee shall have the right to inspect any and all outbuildings which house either fowl or animals to determine if such is being maintained in a sanitary condition. If such conditions are not deemed to be clean and sanitary, then the Declarant or its designee shall so inform the owner of such premises, in writing, of the conditions to which it objects and the owner shall have a period not to exceed fifteen (15) days from date of such notice in writing to remedy and correct the unclean or unsanitary condition of the premises to the full and complete satisfaction of the Declarant or its designee.

C. No business or commercial activity other than the conducting of a farm, ranch, dude ranch or horse stables shall be permitted. Nothing herein contained shall be construed to prohibit the conducting of a medical, dental or legal office on any parcel. Provided further, however, the foregoing covenants shall not apply to the business activities, signs and billboards or the construction and maintenance of buildings, if any, of the Declarant or its designee.

D. No structure of any kind for the housing of animals or fowl shall be located closer than one hundred (100) feet from any parcel boundary line; no structure of any kind for the housing of animals or fowl shall be located closer than twenty-five (25) feet to any residential dwelling, even though a residential dwelling shall be located upon the same parcel and under the same ownership as a structure for the housing of animals or fowl.

E. No residential dwelling shall be located closer than fifty-five (55) feet from any parcel boundary line, and no residential dwelling shall be located closer than twenty (20) feet to any other residential dwelling.

F. No parcel shall be divided into any subparcels by a subdivision plat thereof, or otherwise, without the prior written approval of the Committee.

G. Any permanent structure designed for human habitation must contain at least one (1) bathroom installed within the confines of the permanent structure; said bathroom is to contain at least one (1) water closet, lavatory, bathtub and/or shower stall facilities. All structures for human habitation must have a water supply which complies with the State of Colorado and County of Archuleta regulations, if any, and approved by the Committee.

H. No outside toilet shall be constructed on any parcel. With the prior written consent of the Committee, water wells and septic systems may be constructed on parcels not served by central water or sewage systems, provided, however, such water or septic facilities shall comply with all requirements of the Health Department of the State of Colorado and other governmental agencies having jurisdiction thereof. All plumbing fixtures, dishwashers or toilets shall be connected to the central sewage system or individual septic systems as permitted above. Storm water shall not be allowed to flow into the sewage system. At such time as central water or sewer facilities become available to a parcel owner who has constructed a septic system and/or water well which is used for domestic purposes, such water well and/or septic system shall be abandoned and the central system made available shall be utilized exclusively. The central water and/or

sewage system shall be deemed to be available for purposes of this paragraph when water and/or sewer lines are installed, operative and ready for connection within one hundred (100) feet of the property line of the parcel utilizing such water well and/or septic system.

I. No temporary house, trailer, tent, garage or other outbuilding shall be placed or erected on any parcel, provided, however, that the Committee may grant permission for any such temporary structure for storage of materials during construction. No such temporary structures as may be approved shall be used at any time as a dwelling place, nor shall any overnight camping be permitted on any parcel without the written approval of the Committee.

J. Once construction of improvements is started on any parcel, the improvements must be substantially completed in accordance with plans and specifications, as approved, within six (6) months from commencement.

K. No residence shall be occupied until the same has been substantially completed in accordance with its plans and specifications.

L. All structures constructed or placed on any parcel shall be constructed with a substantial quantity of new material and no used structures shall be relocated or placed on any such parcel.

M. All signs, billboards or advertising structures of any kind are prohibited, except upon application to and written permission from the Committee.

N. No stripped down, partially wrecked or junk motor vehicles, or sizable part thereof, shall be permitted to be parked on any street or on any parcel.

O. Every tank for the storage of fuel installed outside any building shall be either buried below the surface of the ground or screened to the satisfaction of the Committee by fencing or shrubbery. Every outdoor receptacle for ashes, trash, rubbish or garbage shall be installed underground, screened or so placed and kept in a manner approved by the Committee.

P. No owner of any parcel shall build or permit the building thereon of any dwelling house that is to be used as a model house or exhibit, unless prior written permission to do so shall have been obtained from the Committee.

Q. All parcels, whether occupied or unoccupied, and any improvements placed thereon, shall at all times be maintained in such manner as to prevent their becoming unsightly by reason of unattractive growth on such parcels or the accumulation of rubbish or debris thereon.

R. No noxious, offensive or illegal activities shall be carried on on any parcel, nor shall anything be done on any parcel that shall be or become an unreasonable annoyance or nuisance to the neighborhood.

S. No oil or natural gas drilling, refining, quarrying or mining operations of any kind shall be permitted upon or in any parcel, and no derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted on any parcel.

T. No commercial-type truck shall be parked for storage overnight, or longer, on any parcel in such a manner as to be visible to the occupants of other parcels, unless the prior written approval of the Committee has been obtained.

U. Any dwelling or outbuilding on any parcel which may be destroyed in whole or in part by fire, windstorm or for any other cause or act of God must be rebuilt, or all debris removed and the parcel restored to a slightly condition with reasonable promptness, provided, however, that in no event shall such debris remain longer than sixty (60) days.

V. No tree over three (3) inches in diameter shall be removed from any parcel without the written consent of the Committee.

W. No exterior television or radio antenna of any kind shall be constructed or erected on any parcel or residence after such time as a central television system has been made available at rates commensurate with those prevailing in the area.

X. No trash, ashes, garbage or other refuse shall be dumped or stored or accumulated on any parcel, or be thrown into or left on the shoreline of any waterway in the real property. No outside burning of wood, leaves, trash, garbage or household refuse shall be permitted. In order to enhance the appearance and orderliness of the real property, the Declarant hereby reserves for itself, its successors and assigns the exclusive right to operate, or from time to time to grant an exclusive license to a third party to operate a commercial scavenging service within the real property for the purpose of removing garbage, trash and other like household refuse. Such refuse collection and removal service shall be provided not less often than once each week on a day or days designated by the Declarant or its successors or assigns. The charge to be made for such refuse collection and removal service shall be at a reasonable rate commensurate with the rates charged by commercial scavengers serving other subdivisions of high standards in the area and shall be subject to change from time to time.

Y. No change in ground level may be made of any parcel in excess of one (1) foot from existing grades without the written approval of the Committee obtained prior to the commencement of work.

5. VARIANCES

The Committee may allow reasonable variances and adjustments of these Restrictions in order to overcome practical difficulties and prevent unnecessary hardships in the application of the provisions contained herein, provided, however, that such is done in conformity with the intent and purposes hereof and provided also that in every instance such variance or adjustment will not be materially detrimental or injurious to other property or improvements within the real property.

6. OWNERSHIP, USE AND ENJOYMENT OF
PARKS AND RECREATIONAL AMENITIES

A. All parks, recreational facilities and other amenities within the Subdivision are private and neither the Declarant's recording of the plat nor any other act of Declarant with respect to the plat shall be construed as a dedication to the public, but rather all such parks, recreational facilities and other amenities shall be for the use and enjoyment of members or associate members of the Pagosa Property Owners Association, Inc., to residents of rental properties, other classifications of persons as may be designated by the Declarant, and to the guests of such members of the Association or other residents of Pagosa who qualify for the use and enjoyment of the facilities.

B. The ownership of all recreational facilities within the Subdivision shall be in Declarant or its designee; however, Declarant may convey or otherwise transfer any or all of the facilities to the Pagosa Property Owners Association, Inc. and such conveyance shall be accepted by it, provided it is free and clear of all financial encumbrances.

7. PAGOSA PROPERTY OWNERS ASSOCIATION, INC.

A. Every person acquiring legal or equitable title to any lot in the Subdivision, except limited commercial lots, C-1, becomes a member of the Pagosa Property Owners Association, Inc., a Colorado non-profit corporation, herein referred to as "Association", and with such ownership in the Subdivision and membership in the Association, he then becomes subject to the requirements and limitations imposed in these Restrictions and to the regulations and assessments of the Association, with the exception, however, of such person or persons who hold an interest in any such lot merely as security for the performance of an obligation to pay money, e.g., mortgages, deeds of trust or real estate contract purchases. However, if such a person should realize upon his security and becomes the real owner of a lot within the Subdivision, he will then be subject to all the requirements and limitations imposed in these Restrictions on owners of lots within the Subdivision and on members of the Association, including those provisions with respect to alienation and the payment of an annual charge.

B. The general purpose of the Association is to further and promote the community welfare of property owners in the Subdivision and of the general development of Pagosa.

C. The Association shall be responsible for the maintenance, upkeep and repair, and the establishment and enforcement of rules and regulations concerning the operation and use of all recreational facilities and other properties within the Subdivision and the Pagosa development as it may from time to time own or agree to maintain. The Association may provide fire and police protection for the residents of the Subdivision and the Pagosa development.

In the event that the Association at any time fails to properly maintain such parks and recreational facilities, or fails to provide adequate fire and police protection, the Declarant may, in its sole discretion, enter upon and make any and all repairs, or may maintain any of the properties under the responsibility of the Association, or the Declarant may adopt measures to provide adequate fire and police protection and may charge the Association for all such repairs or protections, provided, however, that Declarant shall under no circumstances be obligated to take any such action.

D. The Association shall have all the powers that are set out in its Articles of Incorporation and all other powers that belong to it by operation of law, including (but not limited to) the power to assess and collect from every member of the Association a uniform monthly charge per single family residential lot within the Subdivision. The amount of such charge is to be determined by the Board of Directors of the Association for the purposes set forth in the Articles of Incorporation and the charge, in no event, shall be less than two dollars (\$2.00) per month, payable annually, and provided further that no such charge shall ever be made against or be payable by the Declarant, the Association itself or any entity that may be created to acquire title to and operate the water or sewer utilities serving the Subdivision, any commercial operations or any waterway, beach, access tract, marina, golf course, tennis courts, swimming pool, clubhouse, clubhouse grounds, campgrounds or other like recreational facilities within the Subdivision.

All multiple residential use lots shall pay a minimum charge of two dollars (\$2.00) per month per lot prior to construction and, thereafter, a minimum charge of two dollars (\$2.00) for each living unit constructed.

All monthly charges are payable annually by the member to the Association on or before the first day of May of each year for the ensuing year. The Board of Directors of the Association shall fix the amount of the annual charge per lot by the first day of April of each year, and written notice of the charge so fixed shall be sent to each member in the event it is changed from the previous year.

Every person who shall become the legal or equitable owner of any lot in the Subdivision by any means is, by the act of acquiring such title, or by the act of contracting to acquire such title, held to have agreed to pay the Association all charges that the Association shall make in accordance with these Restrictions. If such payment is not made when due, it shall bear interest from the due date at the rate of eight percent (8%) per annum. Until paid, such charges, together with costs and reasonable attorney's fees required to secure payment thereof, shall constitute a perpetual lien on and against the property charged. The Association may publish the name of a delinquent member and may file notice that it is the owner of a lien to secure payment of the unpaid charge, plus costs and reasonable attorney's fees, and may foreclose the lien in accordance with the laws of the State of Colorado.

The Association shall, upon demand at any time, furnish a list of members who have paid such assessment or of such members who are then delinquent in the payment of such assessments.

E. The fund accumulated, as a result of the charges levied by the Association, shall be used exclusively for the purposes of promoting the recreation, health, safety and welfare of the members of the Association and, in particular, providing police and fire protection and the maintenance of the waterways, parks and other recreational facilities.

F. The lien of a mortgage or deed of trust placed upon any lot for the purpose of permanent financing and/or constructing a residence or other improvement thereon shall be superior to any such lien as provided for in these Restrictions.

G. The Board of Directors of the Association shall have the right to suspend voting rights (if any) and the right to the use of the recreational facilities of any member or associate member if any charge owed (as assessed under paragraphs 7-D and 8 of these Restrictions) remains unpaid; or for any continuing violation of the restrictive covenants for the Subdivision, after the existence of the violation has been brought to the attention of the member in writing by the Board of Directors of the Association; or during the period that any utility bill for water or sewer service remains unpaid.

8. ASSOCIATION'S RIGHT TO
PERFORM CERTAIN MAINTENANCE

In the event an owner of any lot in the Subdivision shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors of the Association, the Association shall have the right to enter upon said lot and repair and restore the lot and the exterior of any improvements erected thereon. Such right shall not be exercised unless two-thirds (2/3) of the Board of Directors shall have voted in favor of such action. The cost of such exterior restoration and maintenance shall be added to and become a part of the annual charge to which such lot is subject. The Association shall not be liable for any damage which may result from any maintenance work performed hereunder.

9. REMEDIES

A. The Association or any party to whose benefit these Restrictions inure, including the Declarant, its successors and assigns, may proceed at law or in equity to prevent the occurrence, continuation or violation of any of these Restrictions, provided, however, that it is expressly understood that the Association or Declarant shall not be liable for damages of any kind to any party for failing to either abide by, enforce or carry out any of these Restrictions.

B. No delay or failure on the part of any aggrieved party to invoke an available remedy set forth in 9-A above in respect of a violation of any

of these Restrictions shall be held to be a waiver by that party of (or an estoppel of that party to assert) any right available to him upon the recurrence or continuation of said violation or the occurrence of a different violation.

10. GRANTEE'S ACCEPTANCE

A. The grantee of any parcel subject to the coverage of this Declaration, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from Declarant or a subsequent owner of such parcel, shall accept such deed or contract upon and subject to each and all of these Restrictions and the agreements herein contained, and also the jurisdiction, rights and powers of Declarant and by such acceptance shall for himself, his heirs, personal representatives, successors and assigns covenant, consent and agree to and with Declarant, and to and with the grantees and subsequent owners of any portion of the real property to keep, observe, comply with and perform said Restrictions and agreements.

B. Each such grantee also agrees by such acceptance to assume, as against Declarant, its successors or assigns, all the risks and hazards of ownership or occupancy attendant to such parcel.

11. SEVERABILITY

Every one of the Restrictions is hereby declared to be independent of and severable from the rest of the Restrictions, and of and from every other one of the Restrictions, and of and from every combination of the Restrictions. Therefore, if any of the Restrictions shall be held to be invalid, or to be unenforceable, or to lack the quality of running with the land, that holding shall be without effect upon the validity, enforceability or "running" quality of any other one of the Restrictions.

12. CAPTIONS

The underlined captions preceding the various paragraphs and subparagraphs of these Restrictions are for convenience of reference only and none of them shall be used as an aid to the construction of any provision of the Restrictions. Wherever and whenever applicable, the singular form of any word shall be taken to mean or apply to the plural, and the masculine form shall be taken to mean or apply to the feminine or to the neuter.

IN WITNESS THEREOF, the Declarant has executed this Declaration on the day and year first above written.

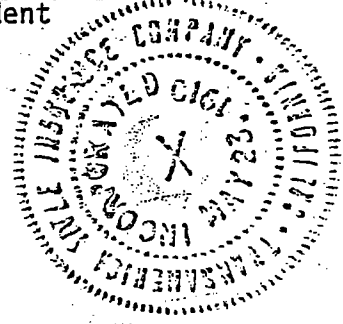
TRANSAMERICA TITLE INSURANCE COMPANY,
a California corporation, as Trustee

By:

J. M. Patterson
Vice President

ATTEST:

Robert St. John
Assistant Secretary

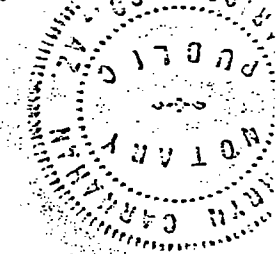


STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

This instrument was acknowledged before me this 9th day of Sept 1971, by
J. M. PATTERSON and Robert St. John as Vice Pres. and
Asst. Secretary respectively of TRANSAMERICA TITLE INSURANCE COMPANY, a
California corporation, acting as Trustee.

Kathryn Cornish
Notary Public, State of California

My commission expires 8-5-75



74887

BOOK 126 PAGE 105