

LOT COVENANTS

DECLARATION OF RESTRICTIONS, COVENANTS AND CONDITIONS  
COVERING PINON TERRACE SUBDIVISION  
A SUBDIVISION OF A PORTION OF  
SECTIONS 8 AND 17, TOWNSHIP 33 SOUTH, RANGE 63 WEST  
OF THE SIXTH PRINCIPAL MERIDIAN,  
COUNTY OF LAS ANIMAS, STATE OF COLORADO

WHEREAS, Lisa M. Schrepfer and M. Peter Schrepfer hold record title to a portion of Sections 8 and 17, Township 33 South, Range 63 West of the 6th P.M., Las Animas County, Colorado. (the "Pinon Terrace Subdivision" or "Subdivision").

WHEREAS, a Colorado Limited Liability Company, Pinon Terrace, LLC, has been organized to acquire title to the above property for the purposes of sales of lots and construction of improvements thereon.

WHEREAS, Lisa M. Schrepfer and M. Peter Schrepfer (collectively the "Declarant") desire by this Declaration to establish and impose a general plan for the improvement, development, use and occupancy of the subdivision of Pinon Terrace, the actual legal description of which is appended to this Declaration and entitled "Legal Description - Pinon Terrace Subdivision". The actual plat of the Pinon Terrace Subdivision will be recorded in the Las Animas County records. This plan shall be binding on and inure to the benefit of the owners and future owners of lots in the Pinon Terrace Subdivision (the "Owners"), the purpose of the plan being to enhance the value, desirability, attractiveness, and salability of said lots.

NOW, THEREFORE, Declarant hereby declares for itself that these Lot Covenants hereby establish that Lots 1 - 89, inclusive (the "Lots"), in the Subdivision, and any part thereof, are held and shall henceforth be sold, conveyed, used, improved, occupied, resided upon, hypothecated and sold upon and subject to the provisions, conditions, restrictions, agreements and covenants set forth as follows.

1. An Architectural Control Committee (the ACC) consisting of three members appointed by the declarant shall perform the duties imposed on it.
2. Each lot shall be used for private residential purposed only. No lot can be further subdivided.
3. Prior to construction, all improvement plans must be submitted to the ACC for written approval. All permits must be obtained before any construction begins. The ACC shall not be responsible in any way for any defects in any plans or specifications submitted.
4. The residence must have at least 1300 square feet devoted to living space. If a residence is two-story, then the first floor shall be at least 800 square feet. Living space does not include decks or garage area. Garage must be part of the principal structure, or attached by arbor or breeze-way, and must conform to architecture of the principal structure. It must be at least 16' x 22' or larger.

Any extra vehicles, trailers, RV's, etc. shall have designated parking space. No vehicle shall be parked permanently on any street.

5. Each building, structure or other improvements other than a wall, fence, uncovered terrace or steps, which is erected or placed upon any Lot shall be located in accordance with the following minimum prescribed distances from lot lines:
  - (a) Front Yard Setbacks shall be not less than 35 feet from the front Lot line which faces the street. All Lots contiguous to two or more streets shall have a setback of not less than 35 feet from each Lot line which is contiguous to a street.
  - (b) Rear Yard Setbacks shall be not less than 15 feet from any rear Lot line.
  - (c) Side Yard Setbacks shall be not less than 15 feet from any side Lot line.

Roofs may overhang the setback requirement by not more than two feet.

The ACC may grant reasonable exceptions to the setback requirements hereinabove set forth were necessary to prevent an undue hardship on the owner of any Lot. Each Lot Owner, however, shall be encouraged to locate any structure on the Lot.

6. Owners of all lots through which a gas line easement exists, must submit a surveyed plot plan indicating the location of the easement, at the time of application for a building permit from the City of Trinidad.
7. No lot owner shall commence excavation without prior approval of the City of Trinidad, Colorado Interstate Gas, and the phone utility. The purpose of this restriction is to protect existing utility and service lines from disruption and damage.
8. Each Lot owner shall maintain their Lot and improvements in a manner that complies with all of the applicable ordinances of the City of Trinidad.
9. No solid fence shall be placed over any gas utility line easement. However, see through chain link fences are allowed to be placed over such easement although the Lot owner placing such fence is cautioned that the fence may be removed or destroyed in the event of a gas line maintenance and repair. All fence posts must be placed at least 5 feet from either side of the location of the actual pipeline.
10. No fence or wall, other than wood or chain link fencing, shall be constructed on any Lot that does not significantly obstruct the view from any Lot, without the prior written approval of the ACC.
11. No manufactured homes shall be permitted on any Lot. However, a temporary structure may be placed or erected on any part of a Lot for a period of no more than one year during construction of the permanent home.

12. After the permanent home has been erected, any major changes in the Property must have written approval of the ACC.
13. Each residence shall provide and maintain at least one gas or electric light post at or near the street property line, which shall be operated and lighted by a photo-electric cell or other automatic device so that it will be lighted automatically during the hours of darkness. The design of the light post and the amount of light emitted therefrom shall be approved by the ACC, and the requirement for such lights may be waived by the ACC.
14. A business or occupation is permitted inside the dwelling or accessory structure provided it is not in violation of city ordinances and does not result in noise, or vibration, lights, odor, dust, smoke or other air pollution. No signage of any nature shall be installed identifying or advertising the home occupation. Only name plate of occupant and street number shall be permitted with approval of the ACC. Real estate signs advertising sale of property, not larger than 2' x 3', shall be permitted.
15. Each lot owner shall maintain their property and improvement in a manner that complies with all of the applicable ordinances of the City of Trinidad and that keeps the fire hazard to a minimum. No Lot owner shall allow noxious or offensive activities on their Lot. Each Lot at all times shall be kept in a clean, sightly and wholesome condition. No trash, litter, junk, boxes, containers, bottles, cans, implements, machinery, lumber or other buildings, materials shall be permitted to remain exposed upon any Lot so they are visible from any neighboring Lot or street, except as necessary during the period of construction. No junk, junked cars, cars on blocks, or similar items shall be allowed on the Lots or on the street system at any time. In the event any structure is destroyed either wholly or partially by fire of any other casualty, said structure shall be promptly rebuilt or remodeled to conform to this Declaration and in the event it shall not be rebuilt, all remaining portions of the structure, including the foundations, and all debris shall be promptly removed from the Lot. Trash containers shall be concealed so as not to be visible from the street or adjoining Lots.
16. No animals other than common household pets, such as cats and dogs, shall be permitted.
17. Each owner and any subsequent owner of any lot shall accept title subject to these covenants.
18. Declarant may relinquish its right to appoint the members of the ACC. Such relinquishment may be accompanied by recording a declaration of such relinquishment in the office of the County Clerk and Recorder of the County of Las Animas. When Declarant relinquishes its right to appointment, the members of the ACC shall be appointed by the Board of Directors of any future homeowner's association, or, if the Association is not in existence, then by majority vote of the Lot Owners. A majority vote of the Lot Owners can change the membership of the ACC. As long as Declarant retains the authority to appoint the ACC, at least one member of the ACC shall be a licensed architect, licensed contractor, a registered engineer, a professional landscape architect, or a professional landscape planner. Members of the ACC shall serve at the pleasure of the Declarant and at such time as Declarant relinquishes its right of appointment, then by the

Board of Directors of the Association, or if the Association is not in existence, then by a majority vote of the then Lot Owners. The appointing authority, shall promptly furnish the names and address of the current members of the ACC to any interested person.

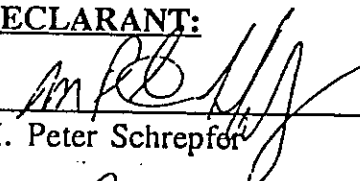
Whenever this Declaration refers to action by the Association and no Association is in existence, then the majority of the Lot Owners may take such actions if they vote to do so.

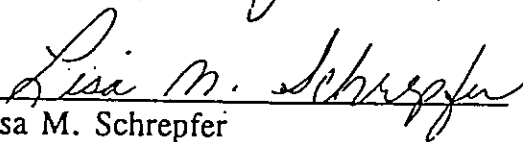
19. The ACC shall have complete discretion to approve or disapprove any major change on the Property. The ACC shall exercise such discretion with the following objectives in mind, among others:
  - (a) to carry out the general purposes expressed in this Declaration;
  - (b) to prevent violation of any specific provision of this Declaration or any Supplementary Declaration;
  - (c) to preserve visual continuity and to prevent any marked or unnecessary transition between improved any unimproved areas;
  - (d) to assure that any change will be of good and attractive design and in harmony with development on other portions of the Property; and
  - (e) to assure that materials and workmanship for all improvements are of high quality comparable to other improvements in the area.
20. Each owner agrees by accepting title, that Declarant, its employees, managers, members, attorneys or agents and each member of the ACC shall be immune from suit or liability resulting from enforcement of the covenants and conditions stated above.
21. After approval by the ACC of any proposed change on the Property, the proposed change shall be accomplished as promptly and diligently as possible and in complete conformity with the description of the proposed changes and with any plans and specifications therefor given to the ACC. Failure to accomplish the change within one year after the date of approval or to complete the proposed change strictly in accordance with the description thereof.
22. The Association shall be authorized to and shall, upon the reasonable request of any interested person, after confirming necessary facts with the ACC, furnish a certificate with respect to approval or disapproval of any plans, specifications and designs which have been submitted to the ACC for its approval. Any person, without actual notice to the contrary, shall be entitled to rely on said certificate with respect to all matters set forth therein.
23. The restrictions, conditions and covenants herein set forth are covenants which run with the land and shall be binding upon Declarant and successive Owners of the Lots or any part thereof until January 1st, 2020, and after said date they shall be extended for

successive periods of ten years each, unless there is recorded within one year before January 1st, 2020, or before the expiration of any extended ten-year period, an instrument signed by seventy-five percent (75%) or more of the Lot Owners as of the date of such recording, revoking or amending such restrictions. Further, at any time and from time to time while these restrictions, conditions, and covenants are in effect they may be amended or revoked by the recording in the Office of the County Clerk and Recorder of Las Animas County of an instrument signed by seventy-five percent (75%) or more of the Lot Owners as of the date of such recording setting forth such amendment or revocation; provided always, however, that the ACC and its functions shall not have the effect of rendering said restrictions, covenants and conditions more difficult to comply with or of imposing more severe restrictions. A certificate signed and acknowledged by the County Assessor of the County of Las Animas or by an abstractor or title company doing business in Las Animas County that any such instrument has been signed by seventy-five percent (75%) or more of the Lot Owners as of the date of recording such instrument shall be deemed prima facie evidence that such instrument has been signed by the Owners of the required number of Lots.

24. Severability Provision. In the event that any one or more of the provisions set forth in this Declaration shall be held by any court of competent jurisdiction to be null and void, all remaining provisions, conditions, restrictions and covenants herein set forth shall continue unimpaired and in full force and effect.
25. Perpetuities protection. Any conveyance required herein which has not occurred within the lifetime of M. Peter Schrepfer, plus 20 years after his death, shall not be required.

**DECLARANT:**

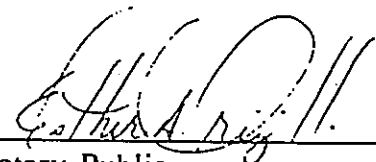
  
\_\_\_\_\_  
M. Peter Schrepfer

  
\_\_\_\_\_  
Lisa M. Schrepfer

STATE OF COLORADO        )  
  )ss.  
County of Las Animas        )

The foregoing instrument was acknowledged before me this 24<sup>th</sup> day of June, 1994, by M. Peter Schrepfer and Lisa M. Schrepfer.

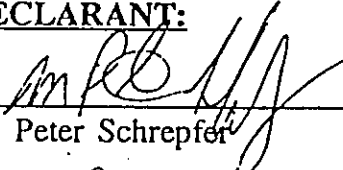
My Commission Expires: June 11 1996

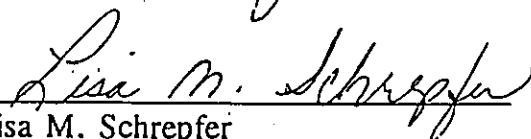
  
\_\_\_\_\_  
Notary Public

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DECLARANT:

  
\_\_\_\_\_  
M. Peter Schrepfer

  
\_\_\_\_\_  
Lisa M. Schrepfer

STATE OF COLORADO        )  
  )ss.  
County of Las Animas        )

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My Commission Expires: June 11 1996

  
\_\_\_\_\_  
Notary Public

**Governance**

Articles of Incorporation

(See the following insert)

By Laws

(See the following insert)



NONPROFIT

ARTICLES OF INCORPORATION

SANTA FE TRAIL RANCH

PROPERTY OWNERS ASSOCIATION

I, the undersigned natural person of the age of twenty-one years or more, acting as an incorporator of a non-profit corporation under the Colorado Non-profit Corporation Act, adopt the following Articles of Incorporation for such corporation.

ARTICLE I  
ASSOCIATION

1.1 Association Name. The name of the corporation shall be the SANTA FE TRAIL RANCH PROPERTY OWNERS ASSOCIATION (hereinafter referred to as the "Association").

1.2 Perpetual Existence. The Association shall have perpetual existence.

ARTICLE II  
OBJECTS, PURPOSE, AND POWERS

2.1 Objects and Purposes. The Association does not contemplate pecuniary gain or profit to the members thereof. The specific objects and purposes for which the Association to which reference is made in that certain Declaration for the SANTA FE TRAIL RANCH PROPERTY OWNERS ASSOCIATION recorded April 30, 1990 in the office of the clerk and recorded of Law Animas County, Colorado, and the same may hereafter be amended from time to time (hereinafter referred to as the "Declaration") and to perform all the obligations and duties of the Association as set forth in the Declaration, together with any act or thing reasonably to be implied therefrom or connected in any way therewith. The definitions set forth in the Declaration shall also be applicable to these Articles of Incorporation.

2.2 Power. In furtherance of its objects and purposes, the Association shall have and may exercise, either as principal or agent and either alone or in connection with other corporations, partnerships, associations or individuals, any and all of the powers, rights and privileges now or hereafter permitted, given or granted to non-profit corporations by the laws of the State of Colorado. In addition, the Association may do everything necessary, suitable or proper for the accomplishment of any of its corporate purposes, including all of the power necessary to perform the obligations and duties and to exercise the rights, privileges and powers of the Association under the Declaration. Without in any manner limiting the generality of the foregoing, the Association shall have the following specific powers:

2.2.1 exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set

forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration" applicable to the property and recorded in the office of the clerk and recorder of Law Animas County, Colorado, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as set forth at length;

2.2.2 fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or other governmental charges levied or imposed against the property of the Association;

2.2.3 acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

2.2.4 borrow money, and with the assent of 51% of each class members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

2.2.5 dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by (80%) of each class of members, agreeing to such dedication, sale or transfer;

2.2.6 participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any merger, consolidation or annexation shall have the assent of 51% of each class of members;

2.2.7 have and to exercise any and all powers, rights, and privileges which a corporation organized under the Non-profit Corporation Law of the State of Colorado by law may now or hereafter have or exercise.

ARTICLE III  
REGISTERED OFFICE AND AGENT

3.1 Registered Office. The address of the initial registered office of the Association is 2228 Straus Lane, #200, Colorado Springs, Colorado 80907.

3.2 Registered Agent. The name of the initial registered agent of the registered office of the Association is Charles R. Baldwin.

ARTICLE IV  
MEMBERSHIP

4.1 Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any lot which is subject by covenants or record to assessment by the Association, including contract sellers, shall be a member of the Association, including foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association.

ARTICLE V  
VOTING RIGHTS

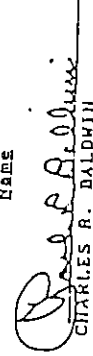
5.1 Voting Rights. The Association shall have two classes of voting membership:  
Class A. Class A members shall be all owners, with the exception of the Declarant, and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any lot.  
Class B. The class B member(s) shall be the Declarant and shall be entitled to two (2) votes for each lot owned (as defined in 3.2 (B) of the Declaration) which is neither leased, nor rented, nor otherwise occupied, leased, rented, or allowing entry for occupancy shall terminate Declarant's weighted voting advantage in relation to any individual lot so leased, rented or occupied, and will limit the Declarant to the same voting right as a Class A member with respect to such individual lot. At the time that any individual lot owned by Declarant is leased, rented or occupied, the assessments for such individual lot shall become the same as for an individual lot owned by a Class A member. The Class B membership shall cease and be converted to Class A membership on the happening of one of the following events, whichever occurs earlier:  
(a) When 80% of all lots are sold within project and Declarant for a period of two years has not added additional platted units from Exhibit B or,  
(b) three years after the date of the recording or this declaration in the county on the final platted units or,  
(c) on such date as Declarant should voluntarily relinquish his Class B membership for Class A voting privileges.  
In the event that the Declarant continues to annex additional property from Exhibit B and pursuant to the provisions of Article 1.6 with respect to stages of development, the Class B membership shall not cease and shall not be converted to Class A unless and until one of the above conditions exist and are met.

ARTICLE VI  
BOARD OF DIRECTORS

6.1 Directors. The business and affairs of the Association shall be conducted, managed and controlled by a Board of Directors which shall consist of not less than three or more than nine members. The specific number of directors, their terms of office and the manner in which they are elected shall be set forth in the By-Laws of the Association. Directors shall be owners (as defined in Declarant) which, in the case of Declarant or other corporate owners, shall include the officers, directors or employees of Declarant and the officers and directors of other corporate owners.

6.2 Initial Board of Directors. The initial or first Board of Directors of the Association shall consist of the following three members who shall serve until the first annual election of directors or until their resignation or until their successors are elected or appointed and qualify:

NAME

  
CHARLES R. BALDWIN

ADDRESS

2928 STRAUS LANE #200  
COLORADO SPRINGS, CO 80907

  
OWEN G. BALDWIN

2928 STRAUS LANE #200  
COLORADO SPRINGS, CO 80907

  
ANGELA RILEY-BALDWIN

2928 STRAUS LANE #200  
COLORADO SPRINGS, CO 80907

ARTICLE VII  
GENERAL

7.1 Dissolution. The Association may be dissolved with the assent given in writing and signed by not less than 80% of the entire membership of the Association and signed by the first mortgage owning first mortgage on not less than two-thirds (2/3) of the mortgaged individual lots. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event that such dedication is refused acceptance of such assets shall be granted, conveyed, and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

1.2 Incorporator. The name and address of the incorporator of the Association is CHARLES R. BALDWIN, 2928 Straus Lane, 1200, Colorado Springs, CO 80907.

1.3 Amendments. Amendments of these Articles of Incorporation shall require the assent of at least 51% of the votes of the entire membership of the Association.

1.4 Document Conflict. In case of conflicts between the provisions of the Declarant and these Articles of Incorporation or the By-Laws of the Association, the Declarant shall control. In case of conflicts in the provisions of these Articles of Incorporation and the By-Laws of the Association, these Articles of Incorporation shall control.

IN WITNESS WHEREOF, the above named incorporator has hereunto set his hand and seal this 27th day of June 1970.

STATE OF COLORADO )  
COUNTY OF El Paso )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 1970.

My Commission expires \_\_\_\_\_

[Signature]  
Notary Public

2028 Straus Lane  
Spring 1200  
Colorado Springs, CO 80907

BY-LAWS  
FOR THE

SANTA FE TRAIL RANCH II

PROPERTY OWNERS ASSOCIATION

hour of the meeting, and, in case of a special meeting, the purpose of the meeting.

3.1 Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

3.2 Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

3.3 Action by Owners Without a Meeting. Any action required to be taken at a meeting of the Owners or any action which may be taken at such a meeting, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Owners entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the Owners of the Association. A consent shall be sufficient for this Section if it is executed in counterparts, in which event all of such counterparts, when taken together, shall constitute one and the same consent.

ARTICLE IV

OWNERS' MEETINGS.

4.1 Number and Term of Office. Subject to Article VI of the Articles of Incorporation, the Board shall consist of at least three directors. Each director (whenever elected) shall hold office until his or her successor shall have been elected and qualified unless he or she shall resign or his or her office shall become vacant by such director's death or removal. Directors shall be members (which in the case of Declarant may include any officer, director or employee of Declarant, elected or appointed to such office, and in the case of other corporate members, may include the officer or director of any such corporate member elected or appointed to such office).

4.2 Election of Directors. The term of the initial or first Board of Directors named in Section 6.2 of the Articles of Incorporation shall be until the first annual Owners' meeting for the election of directors or until their resignation or their successors are elected or approved and qualify. Thereafter, in order to provide for persons upon the Board of Directors with experience, the directors shall have overlapping terms of offices. Subject to Section 3.3 of these By-Laws, at the first annual Owners' meeting the successors to the initial or first Board of Directors shall be elected. The director receiving the highest number of votes at the first annual Owners' meeting shall be elected for a term of three years; the person receiving the second highest number of votes shall be elected for a term of two years and the person receiving

Declaration. "Declaration shall mean and refer to the Declaration of the Santa Fe Trail Ranch recorded 4/30/90. Animals, Colorado, as the same may hereafter be amended from time to time.

Incorporated Definitions. The definitions set forth in Article I of the Declaration are hereby incorporated herein in full by this reference.

Articles of Incorporation. "Articles of Incorporation" shall mean refer to the Articles of Incorporation of the Association, as the same may hereafter be amended from time to time.

ARTICLE II  
OFFICES

Registered Office and Agent. The registered office and agent of Association in Colorado shall be designated by the Board from time to time.

Other Offices. The Association may establish and maintain such offices at such places within the State of Colorado, as the Board from time to time determine.

ARTICLE III

Annual Meetings. The first annual meeting of the members shall be within three years from the date of incorporation of the Association in San Juan County, Colorado, and each subsequent regular annual meeting thereafter, at the hour of to be determined each

Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all votes of the Class A membership.

Notice of Meetings. Written notice of each meeting of the members shall be given by or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the records of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and time of the meeting, and to be recorded for subsequent Units by unit basis in a staged development.

third highest number of votes shall be elected for a term of one year. At each annual Owners' meeting thereafter, successor directors shall be elected to replace only those directors whose term of office has expired and the successor directors shall be elected for terms of one year. Failure to annually elect successor directors of the Association shall not affect the validity of any action taken by a director who shall have been duly elected and qualified and who shall, at the time of such action, have resigned, died or been removed from his or her position as a director of the Association.

Removal of Directors. Subject to the provisions of Section 5.2 of the Declaration and Section 3.3 of these By-Laws, at a meeting called expressly for that purpose, the entire Board or any lesser number may be removed, with or without cause, by a vote of the holders of a majority of the votes then entitled to vote at an election of directors.

Vacancies and Newly Created Directorships. Any vacancy occurring in the Board may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office and until his or her successor is elected and qualified. Any directorship to be filled by reason of an increase in the number of directors shall, subject to the provisions of Section 5.2 of the Declaration and Section 3.3 of these By-Laws, be filled by the affirmative vote of a majority of the directors then in office or by an election at an annual meeting or at a special meeting of Owners called for that purpose. A director chosen to fill a position resulting from an increase in the number of directors shall hold such position until the next annual meeting of Owners and until his or her successor shall have been elected and qualified.

Resignations. A director may resign at any time by mailing or delivering or by transmitting by telegram or cable written notice of resignation to the Board at the Association's principal office or its registered office in the State of Colorado or to the principal agent, the Secretary or any Assistant Secretary of the Association. Such resignation shall take effect at the time specified therein if no time be specified, then at the time of receipt thereof.

Duties and General Powers. It shall be the duty of the Board to perform the obligations and responsibilities imposed upon the Board by the Declaration. All provisions of the Declaration or by these By-Laws incorporated herein by this reference to the Declaration are deemed to be fully set forth herein and where any question of construction arises as to the interpretation of these By-Laws the provisions of construction shall be controlled by a statement of the intent of the Board, which may exercise all such powers of the Association and do all such lawful acts and things as are not by statute prohibited or restricted by the Articles of Incorporation or by these By-Laws. The business of the Association shall be managed by the Board, which may exercise all such powers of the Association and do all such lawful acts and things as are not by statute prohibited or restricted by the Articles of Incorporation or by these By-Laws. The Board may employ the services of a manager or managing agent, or both, and may delegate any of the Board's duties as it deems necessary, provided, however, that the Board shall not be relieved of its responsibilities under the Declaration, Articles of Incorporation or these By-

By-Laws. Administration of common elements and of assessments with respect to same shall be in conformance with Article IV and V of the Declaration.

4.7 Annual Meetings. The annual meeting of the Board for electing officers and transacting other business shall be held as soon as reasonably possible after the Annual Owner's meeting. Failure to hold any annual meeting of the Board shall not work a forfeiture or dissolution of the Association.

4.8 Regular Meetings. The Board from time to time may provide by resolution for the holding of regular meetings and fix the time and place of such meetings. Notice of regular meetings of the Board need not be given, provided that notice of any change in the time or place of such meetings shall be sent promptly to each director not present at the meeting at which such change was made.

4.9 Special Meetings. Special meetings of the Board may be called by the President on three days' notice to each director specifying the time and place of the meeting, and shall be called by the President or Secretary in like manner and on like notice on the written request of two or more directors.

4.10 Notice. All notices to a director required by this Article IV shall be addressed to him or her at his or her residence or usual place of business and may be given by mail, telegram, radiogram, cable or by personal delivery. No notice need be given of any adjourned meeting.

4.11 Waiver of Notice. Whenever any notice is required to be given to any director under the provisions of any statute or under the provisions of the Articles of Incorporation or these By-Laws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before, at or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a director at a meeting of the Board shall constitute a waiver of notice of such meeting, except where a director attends such a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

4.12 Quorum. At all meetings of the Board a majority of the whole Board shall constitute a quorum for the transaction of business and, except as may be otherwise specifically provided by statute or by the Articles of Incorporation or by these By-Laws, the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board. In the absence of a quorum, the directors shall be thereat may adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum be present.

4.13 Action By Directors or Committee Without Meeting. Any action required to be taken at a meeting of the directors or any committee thereof or any action which may be taken at such a meeting, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors or members of the committee, as the case may be, entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the Board or of the committee, as the case may be. A consent shall be sufficient for this Section if it is executed

counterparts, in which event all of such counterparts, when taken together, shall constitute one and the same consent.

4. Meetings by Conference Telephone. Any director or any member of committee may participate in a meeting of the Board or a committee, in the case may be, by means of a conference telephone or similar communications equipment by means of which all persons participating in a meeting can hear each other, and such participation shall constitute the presence of such person at such meeting.

5. Reliance on Accounts and Reports, etc. A director, or a member of any committee designated by the Board, in the performance of his or her duties shall be fully protected in relying in good faith upon the reports of accountants or reports made to the Association by any of its officers, or by an independent certified public accountant, or by an auditor selected with reasonable care by the Board, or by any such officer, or in relying in good faith upon other records of the Association.

6. Compensation. No compensation shall be paid to directors for the services as directors. No remuneration shall be paid to a director for services performed by him or her for the Association in any capacity, unless resolution authorizing such remuneration shall have been unanimously adopted by the Board before the services are rendered.

ARTICLE V

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Powers. The Board of Directors shall have the power to:

5.1.1 adopt and publish rules and regulations governing the operation of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the violation thereof;

5.1.2 suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

5.1.3 exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provision of these By-Laws, the Articles of Incorporation, or the Declaration.

5.1.4 declare the office of a member of the Board of Directors vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

Duties. It shall be the duty of the Board of Directors to:

5.2.1 cause to be kept a complete record of all its acts

and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

5.2.2 supervise all officers, agents and employees of this Association and to see that their duties are properly performed;

5.2.3 as more fully provided in the Declaration, to, against each lot at least thirty (30) days in advance of each annual assessment period;

5.2.3.2 send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of the assessment payment due date;

5.2.3.3 foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

5.2.4 issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states in an assessment has been paid, such certificate shall be conclusive evidence of such payment;

5.2.5 procure and maintain adequate liability and hazard insurance on property owned by the Association;

5.2.6 cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

5.2.7 cause the Common Area to be maintained.

ARTICLE VI  
COMMITTEES

6.1 Committees. The Board may, by a resolution adopted by a majority of the directors in office, designate and appoint one or more committees, each of which shall consist of two or more directors, which committees to the extent provided in such resolution, in the Articles of Incorporation or in these By-Laws, shall have and exercise all the authority of the Board; provided, however, that no such committee shall have the authority of the Board in reference to: (a) amending, altering or repealing these By-Laws, (b) electing, appointing or removing any member of any such committee or any officer or director of the Association, (c) amending the Articles of Incorporation, (d) restating the Articles of Incorporation, (e) adopting a plan of merger or adopting a plan of consolidation with another corporation, (f) authorizing the sale, lease, exchange or mortgage of all or substantially all of the property assets of the Association, (g) authorizing the voluntary

7.7 President. The President shall be a director and shall be the principal executive officer of the Association and, subject to the control of the Board, shall direct supervise, coordinate and have general control over the affairs of the Association, and shall have powers generally attributable to the chief executive officer of an Association. The President shall preside at all meetings of the Owners. All checks issued by the Association must be signed by both the President (or Vice President) and the Treasurer.

7.8 Vice Presidents. Vice Presidents may act in place of the President in case of his or her death, absence, inability or failure to act, and shall perform such other duties and have such other authority as is from time to time delegated by the Board or by the President.

7.9 Secretary. The Secretary shall be the custodian of the records and of the seal of the Association and shall affix the seal to all documents requiring the same, shall see that all notices are duly given in accordance with the provisions of the Declaration and these By-Laws and as required by law, and that the books, reports and other documents and records of the Association are properly kept and filed; shall keep minutes of the meetings of the Owners and Board; shall keep at the registered office of the Association a record of the names and addresses of the Owners and, in general shall perform all duties incident to the office of Secretary and such other duties as may, from time to time, be assigned to him or her by the Board or by the President. The Board may appoint one or more Assistant Secretaries who may act in place of the Secretary in case of his or her death, absence, inability or failure to act.

7.10 Treasurer. The Treasurer shall have charge and custody of, and responsible for, all funds and securities of the Association; shall deposit all funds in the name of the Association in such depositories as shall be designated by the Board; shall keep correct and complete books and records of financial transactions and condition of the Association and shall submit such reports thereof as the Board may, from time to time, require and, in general, shall perform all the duties incident to the office of Treasurer, and such other duties as may, from time to time, be assigned to him or her by the Board or by the President. The Board may appoint one or more Assistant Treasurers who may act in place of the Treasurer in case of his or her death, absence, inability or failure to act. All checks issued by the Association must be signed by both the President (or a Vice President) and the Treasurer.

7.11 Compensation. Agents, factors and employees shall receive such reasonable compensation for their services as may be authorized or ratified by the Board. Appointment of an agent, factor or employee shall not of itself create contractual rights to compensation for services performed by such agent, factor or employee.

7.12 Surety Bonds. The Board may require any officer or agent of the Association to execute a bond to the Association in such sum and with such surety or sureties as the Board may determine, conditioned upon the faithful performance of his or her duties to the Association, including responsibility for negligence and for the accounting of any of the Association's property, funds or securities that may come into his or her hands.

resolution of the Association or revoking proceedings therefor, (h) adopting a plan for the distribution of the assets of the Association, (i) amending, altering or repealing any resolution of the Association, (j) designation and appointment of any such committee and the delegation of authority shall not operate to relieve the Board, or any individual director, of any responsibility imposed upon it or him or her by law.

ARTICLE VII

OFFICERS AND AGENTS

1 Officers. The officers of the Association shall consist of a President, one or more Vice Presidents, a Secretary and a Treasurer, each of whom shall be elected by the Board. The Board may elect and appoint such other officers, assistant officers and agents as may be deemed necessary. No person may hold more than one office at any one time, except that the office of Secretary and Treasurer may be held by the same person. An officer of the Association need not be resident of the State of Colorado. Except for the President and any Vice Presidents, officers of the Association need not be an Owner nor a director of the Association.

2 Term of Office. Except as provided in Sections 7.3, 7.4, 7.5 and 7.6 hereof, each officer appointed by the Board shall hold office until his or her successor shall have been appointed and qualified.

3 Election of Officers. The Officers of the Association shall be elected annually at the annual meeting of the Board. Failure to elect or re-elect officers of the Association shall not affect the validity of any action taken by an officer who shall have been duly elected and qualified and who shall not, at the time of such action, have resigned, died or been removed from his or her position as an officer of the Association.

4 Resignation. Any officer or agent of the Association may resign at any time by mailing or delivering or by transmitting by telegram or other written notice of his or her resignation to the Board at the Association's principal office or its registered office in the State of Colorado to the President, the Secretary or any Assistant Secretary of the Association. Any such resignation shall take effect at the time specified therein or if no time be specified, then at the time of receipt thereof.

5 Removal. Any officer or agent may be removed by the Board, either with or without cause, whenever in its judgment, the best interests of the Association will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. The Board may appoint an officer or agent shall not of itself terminate contract rights.

6 Vacancies and Newly Created Offices. If any vacancy shall occur in any office by reason of death, resignation, removal, disqualification or other cause, or if any new office shall be created, such vacancies and newly created offices may be filled by the Board at any regular or special meeting.

13 Officers' and Directors' Personal Liability Insurance. To the extent obtainable, appropriate officers' and directors personal liability insurance shall be obtained by the Association to protect the officers and directors from personal liability in relation to their duties and responsibilities in acting as such officers and directors in behalf of the Association.

ARTICLE VIII

INDEMNIFICATION OF DIRECTORS AND OFFICERS.

1. Exculpation. No director or officer of the Association shall be liable for the acts, defaults or neglects of any other director or officer, or for any loss sustained by the Association, unless the same resulted from his or her own willful misconduct, willful neglect or negligence.

2. Indemnification. The Association shall indemnify every director, officer, agent or employee, and any former director, officer, agent, or employee against loss, costs, and expense, including counsel fees, which such person may be made a party by reason of being, or proceeding in such director, officer, agent or employee of the Association, except as to matters as to which such person shall be finally adjudged liable for gross negligence or fraud. Any such indemnification shall be limited to any way only be paid out of the insurance proceeds provided by an insurer furnishing Officers and Directors Errors and Omissions insurance coverage and any other insurance protecting the Association from liability because of the negligent acts of its servants, including insurance covering motor vehicles or public liability, property damage, medical and other similar coverage, it being the intent and purpose of this provision to limit all payments or settlements in indemnification to the actual proceeds of insurance policies.

3. Agency. Director, agent or employee of the Declarant, its successors assigns, nor of any managing agent who is an independent contractor, nor any other independent contractor, shall be protected by these indemnification provisions nor by any insurance policies obtained by the Association in relation thereto, but any such protection is the sole separate responsibility of the Declarant, its successors and assigns; managing agent who is an independent contractor as one of their means of doing business.

4. Settlement. The settlement shall be approved by the insurance carrier, and paid for by the insurance carrier out of the insurance proceeds.

5. Agency. Contracts or other commitments made by the Board or by officers shall be made as agent for the Association, and they shall have no personal responsibility on any such contract or commitment.

ARTICLE IX

MISCELLANEOUS

1. Fiscal Year. The fiscal year of the Association shall commence

on January 1 and terminate on the following December 31. The Board shall have the right from time to time to select any other fiscal year it deems proper.

9.2 Seal. The Board may adopt a corporate seal of such design as it may deem appropriate from time to time. Any officer or director of the Association shall have the authority to affix the corporate seal of the Association to any document requiring the same.

9.3 Books and Records. The Association shall keep detailed, accurate and complete books and records of the receipts and expenditures (including receipts and expenditures affecting the Common Elements) and shall keep minutes of the proceedings of the Owners, Board and Committees having any of the authority of the Board, and shall keep at its registered office or principal office in Colorado, a record of the names and addresses of the Owners entitled to vote. All the books and records of the Association shall be available for examination by any Owner or Mortgagee, or by his or her or its agent or attorney at convenient week-day business hours. Any owner shall be entitled to obtain a certificate of status of assessments setting forth the amount of any unpaid assessments or other charges due and owing from such Owner. Upon request and payment of a reasonable fee and owing from such Owner. Upon request and shall have the right to obtain copies of the annual reports and other financial data pertaining to the Association. In addition to the foregoing, the Association shall make available to (a) all Owners, Mortgagees, and the holders, insurers, and guarantors of any First Mortgage on any individual lot, current copies of the Declaration, these By-Laws, any statements governing the Development and other books, records and financial statements of the Association, and (b) all prospective purchasers of individual lots, current copies of the Declaration, these By-Laws, any rules governing the Development and the most recent annual audited financial statement, if such is prepared. As used in the preceding sentence, "available" shall mean available for inspection, upon request, during normal business hours or under other reasonable circumstances. Upon 10 days notice to the Board and payment of a reasonable fee any lot owner shall be furnished a statement of his account showing the amount of any unpaid assessment or any other charges due and owing.

9.4 Waivers of Notice. Whenever any notice is required to be given by law, or under the provisions of the Declaration, Articles of Incorporation or these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before, at or after the time stated therein, shall be deemed equivalent of notice.

9.5 Amendments. The Owners shall have the power to make, alter, amend or repeal these By-Laws, in whole or in part, at any time and from time to time at any annual or special meeting of the Owners; provided that notice of the proposed alteration, amendment or repeal, or new By-Law is included in the notice of such meeting.

9.6 Annual Audited Financial Statements. Upon the close of each fiscal year, the Association shall obtain a review of its financial affairs for such year by a certified public accountant authorized to practice in the State of Colorado. Upon request, all Owners and First Mortgagees shall have the right to obtain copies of the annual reviewed financial statements of the Association within 90 days following the end of the fiscal year.



9.7 Document Conflict. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles of Incorporation shall control. In the case of any conflict between the Declaration and these By-Laws or between the Declaration and the Articles of Incorporation, the Declaration shall control.

9.8 Use Restrictions. There are specific use restrictions in effect, which are set forth in Article V of the Declaration and are hereby incorporated by this reference thereto.

9.9 Major Recreational Facilities and New Addition to Common Areas. There are no major recreational facilities with respect to the common area.

ARTICLE X  
ASSESSMENTS

10.1 As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 18 percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided herein by noose of the Common Area or abandonment of his lot.

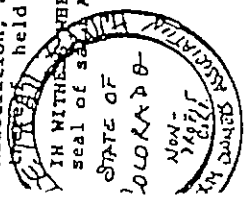
C E R T I F I C A T I O N

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of the  
SANTA FE TRAIL RANCH Property Owners Association  
a Colorado state corporation, and.

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors held on the 27th day of June 19 90.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 27th day of June 19 90.



*[Handwritten Signature]*  
Secretary Angela Riley-Baldwin

COPY

AMENDMENT TO  
DECLARATION OF RESTRICTIONS, COVENANTS, AND CONDITIONS  
COVERING PINON TERRACE SUBDIVISION

1. Paragraph 5 of the Declaration of Restrictions, Covenants, and Conditions Covering Pinon Terrace Subdivision, A Subdivision of a Portion of Sections 8 and 17, Township 33 South, Range 63 West of the Sixth Principal Meridian, County of Las Animas, State of Colorado (hereinafter "Declaration")<sup>1</sup> hereby is amended to read:

Each building, structure, or other improvement (other than a wall, fence, uncovered terrace, sidewalk, or set of steps) which is erected or placed upon any Lot shall be located in accordance with the following minimum prescribed distances from lot lines:

- (a) Front Yard Setbacks shall be not less than 35 feet from the front Lot line which faces the street. All Lots contiguous to two or more streets shall have a setback of not less than 35 feet from each Lot line which is contiguous to a street.
- (b) Rear Yard Setbacks shall be not less than 15 feet from any rear Lot line.
- (c) Side Yard Setbacks shall be not less than 15 feet from any side Lot line.

Roofs may overhang the setback requirement by not more than two feet.

The ACC may grant reasonable exceptions to the setback requirements set forth herein where necessary to prevent undue hardship to the owner of any Lot. Each Lot owner, however, shall be encouraged to locate any structure on the Lot in accordance with these setback requirements.

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<sup>1</sup> Recorded at Book 905, Page 683 of the Las Animas County title records.

2. Paragraph 10 of the Declaration hereby is amended to read:

No fence or wall, other than wood or chain link fencing, which significantly obstructs the view from any Lot shall be constructed on any other lot without the prior written approval of the ACC.

3. Paragraph 20 of the Declaration hereby is amended to read:

Each owner agrees by accepting title, that (1) Declarant, (2) Declarant's employees, managers, members, attorneys, and agents, (3) each member of the ACC, (4) any future homeowner's association, and (5) the employees, managers, members, attorneys, and agents of any future homeowner's association shall be immune from suit or liability resulting from the enforcement of the covenants and conditions set forth herein.

4. The Declaration further is amended by the addition of a new Paragraph 23, to read:

In carrying out its duties, the ACC shall be authorized to issue citations to Lot owners who are found to have violated or be violating any of the Restrictions, Covenants, and Conditions set forth herein which the ACC is charged with enforcing. If the Lot owner fails to remedy the violation within 30 days, the ACC may, in its sole discretion, file legal action on behalf of the remainder of the Lot owners seeking injunctive relief against the violation.

It hereby is recognized that specific performance of this Declaration of Restrictions, Covenants, and Conditions is necessary to achieve the purposes for which this Declaration was established. Accordingly, no award of damages or other remedy at law shall be deemed to be an adequate remedy for a violation of any provision set forth herein.

5. The Declaration further is amended by the addition of a new Paragraph 24, to read:

Each lot owner shall be responsible for maintenance of the natural drainage ways or easements through his or her lot so as not to obstruct the drainage of any adjoining lot or property.

*Marie James*

Any extra vehicles, trailers, RV's, etc. shall have designated parking space. No vehicle shall be parked permanently on any street.

5. Each building, structure or other improvements other than a wall, fence, uncovered terrace or steps, which is erected or placed upon any Lot shall be located in accordance with the following minimum prescribed distances from lot lines:

(a) Front Yard Setbacks shall be not less than 35 feet from the front Lot line which faces the street. All Lots contiguous to two or more streets shall have a setback of not less than 35 feet from each Lot line which is contiguous to a street.

(b) Rear Yard Setbacks shall be not less than 15 feet from any rear Lot line.

(c) Side Yard Setbacks shall be not less than 15 feet from any side Lot line.

Roofs may overhang the setback requirement by not more than two feet.

The ACC may grant reasonable exceptions to the setback requirements hereinabove set forth were necessary to prevent an undue hardship on the owner of any Lot. Each Lot Owner, however, shall be encouraged to locate any structure on the Lot.

6. Owners of all lots through which a gas line easement exists, must submit a surveyed plot plan indicating the location of the easement, at the time of application for a building permit from the City of Trinidad.
7. No lot owner shall commence excavation without prior approval of the City of Trinidad, Colorado Interstate Gas, and the phone utility. The purpose of this restriction is to protect existing utility and service lines from disruption and damage.
8. Each Lot owner shall maintain their Lot and improvements in a manner that complies with all of the applicable ordinances of the City of Trinidad.
9. No solid fence shall be placed over any gas utility line easement. However, see through chain link fences are allowed to be placed over such easement although the Lot owner placing such fence is cautioned that the fence may be removed or destroyed in the event of a gas line maintenance and repair. All fence posts must be placed at least 5 feet from either side of the location of the actual pipeline.
10. No fence or wall, other than wood or chain link fencing, shall be constructed on any Lot that does not significantly obstruct the view from any Lot, without the prior written approval of the ACC.
11. No manufactured homes shall be permitted on any Lot. However, a temporary structure may be placed or erected on any part of a Lot for a period of no more than one year during construction of the permanent home.

6. The Declaration further is amended by the renumbering of the existing Paragraphs 23 - 25 as Paragraphs 25-27.

7. The Declaration finally is amended by the addition of a new Paragraph 28, to read as follows:

28. Notwithstanding any other provision set forth in this Declaration, nothing in this Declaration shall apply to Lot 47 of Pinon Terrace Subdivision. Lot 47 of Pinon Terrace Subdivision shall be subject to no restriction set forth herein, and the owner of Lot 47 shall not be entitled by virtue of such ownership to enforce any provision set forth in this Declaration against any other lot or the owner thereof.

\* \* \* \* \*

A copy of the actual legal description of Pinon Terrace Subdivision is attached hereto as Exhibit "A" and is incorporated herein by this reference.

LOT COVENANTS

DECLARATION OF RESTRICTIONS, COVENANTS AND CONDITIONS  
COVERING PINON TERRACE SUBDIVISION  
A SUBDIVISION OF A PORTION OF  
SECTIONS 8 AND 17, TOWNSHIP 33 SOUTH, RANGE 63 WEST  
OF THE SIXTH PRINCIPAL MERIDIAN,  
COUNTY OF LAS ANIMAS, STATE OF COLORADO

WHEREAS, Lisa M. Schrepfer and M. Peter Schrepfer hold record title to a portion of Sections 8 and 17, Township 33 South, Range 63 West of the 6th P.M., Las Animas County, Colorado. (the "Pinon Terrace Subdivision" or "Subdivision").

WHEREAS, a Colorado Limited Liability Company, Pinon Terrace, LLC, has been organized to acquire title to the above property for the purposes of sales of lots and construction of improvements thereon.

WHEREAS, Lisa M. Schrepfer and M. Peter Schrepfer (collectively the "Declarant") desire by this Declaration to establish and impose a general plan for the improvement, development, use and occupancy of the subdivision of Pinon Terrace, the actual legal description of which is appended to this Declaration and entitled "Legal Description - Pinon Terrace Subdivision". The actual plat of the Pinon Terrace Subdivision will be recorded in the Las Animas County records. This plan shall be binding on and inure to the benefit of the owners and future owners of lots in the Pinon Terrace Subdivision (the "Owners"), the purpose of the plan being to enhance the value, desirability, attractiveness, and salability of said lots.

NOW, THEREFORE, Declarant hereby declares for itself that these Lot Covenants hereby establish that Lots 1 - 89, inclusive (the "Lots"), in the Subdivision, and any part thereof, are held and shall henceforth be sold, conveyed, used, improved, occupied, resided upon, hypothecated and sold upon and subject to the provisions, conditions, restrictions, agreements and covenants set forth as follows.

1. An Architectural Control Committee (the ACC) consisting of three members appointed by the declarant shall perform the duties imposed on it.
2. Each lot shall be used for private residential purposed only. No lot can be further subdivided.
3. Prior to construction, all improvement plans must be submitted to the ACC for written approval. All permits must be obtained before any construction begins. The ACC shall not be responsible in any way for any defects in any plans or specifications submitted.
4. The residence must have at least 1300 square feet devoted to living space. If a residence is two-story, then the first floor shall be at least 800 square feet. Living space does not include decks or garage area. Garage must be part of the principal structure, or attached by arbor or breeze-way, and must conform to architecture of the principal structure. It must be at least 16' x 22' or larger.

12. After the permanent home has been erected, any major changes in the Property must have written approval of the ACC.
13. Each residence shall provide and maintain at least one gas or electric light post at or near the street property line, which shall be operated and lighted by a photo-electric cell or other automatic device so that it will be lighted automatically during the hours of darkness. The design of the light post and the amount of light emitted therefrom shall be approved by the ACC, and the requirement for such lights may be waived by the ACC.
14. A business or occupation is permitted inside the dwelling or accessory structure provided it is not in violation of city ordinances and does not result in noise, or vibration, lights, odor, dust, smoke or other air pollution. No signage of any nature shall be installed identifying or advertising the home occupation. Only name plate of occupant and street number shall be permitted with approval of the ACC. Real estate signs advertising sale of property, not larger than 2' x 3', shall be permitted.
15. Each lot owner shall maintain their property and improvement in a manner that complies with all of the applicable ordinances of the City of Trinidad and that keeps the fire hazard to a minimum. No Lot owner shall allow noxious or offensive activities on their Lot. Each Lot at all times shall be kept in a clean, sightly and wholesome condition. No trash, litter, junk, boxes, containers, bottles, cans, implements, machinery, lumber or other buildings, materials shall be permitted to remain exposed upon any Lot so they are visible from any neighboring Lot or street, except as necessary during the period of construction. No junk, junked cars, cars on blocks, or similar items shall be allowed on the Lots or on the street system at any time. In the event any structure is destroyed either wholly or partially by fire of any other casualty, said structure shall be promptly rebuilt or remodeled to conform to this Declaration and in the event it shall not be rebuilt, all remaining portions of the structure, including the foundations, and all debris shall be promptly removed from the Lot. Trash containers shall be concealed so as not to be visible from the street or adjoining Lots.
16. No animals other than common household pets, such as cats and dogs, shall be permitted.
17. Each owner and any subsequent owner of any lot shall accept title subject to these covenants.
18. Declarant may relinquish its right to appoint the members of the ACC. Such relinquishment may be accompanied by recording a declaration of such relinquishment in the office of the County Clerk and Recorder of the County of Las Animas. When Declarant relinquishes its right to appointment, the members of the ACC shall be appointed by the Board of Directors of any future homeowner's association, or, if the Association is not in existence, then by majority vote of the Lot Owners. A majority vote of the Lot Owners can change the membership of the ACC. As long as Declarant retains the authority to appoint the ACC, at least one member of the ACC shall be a licensed architect, licensed contractor, a registered engineer, a professional landscape architect, or a professional landscape planner. Members of the ACC shall serve at the pleasure of the Declarant and at such time as Declarant relinquishes its right of appointment, then by the

Board of Directors of the Association, or if the Association is not in existence, then by a majority vote of the then Lot Owners. The appointing authority, shall promptly furnish the names and address of the current members of the ACC to any interested person.

Whenever this Declaration refers to action by the Association and no Association is in existence, then the majority of the Lot Owners may take such actions if they vote to do so.

19. The ACC shall have complete discretion to approve or disapprove any major change on the Property. The ACC shall exercise such discretion with the following objectives in mind, among others:
  - (a) to carry out the general purposes expressed in this Declaration;
  - (b) to prevent violation of any specific provision of this Declaration or any Supplementary Declaration;
  - (c) to preserve visual continuity and to prevent any marked or unnecessary transition between improved any unimproved areas;
  - (d) to assure that any change will be of good and attractive design and in harmony with development on other portions of the Property; and
  - (e) to assure that materials and workmanship for all improvements are of high quality comparable to other improvements in the area.
20. Each owner agrees by accepting title, that Declarant, its employees, managers, members, attorneys or agents and each member of the ACC shall be immune from suit or liability resulting from enforcement of the covenants and conditions stated above.
21. After approval by the ACC of any proposed change on the Property, the proposed change shall be accomplished as promptly and diligently as possible and in complete conformity with the description of the proposed changes and with any plans and specifications therefor given to the ACC. Failure to accomplish the change within one year after the date of approval or to complete the proposed change strictly in accordance with the description thereof.
22. The Association shall be authorized to and shall, upon the reasonable request of any interested person, after confirming necessary facts with the ACC, furnish a certificate with respect to approval or disapproval of any plans, specifications and designs which have been submitted to the ACC for its approval. Any person, without actual notice to the contrary, shall be entitled to rely on said certificate with respect to all matters set forth therein.
23. The restrictions, conditions and covenants herein set forth are covenants which run with the land and shall be binding upon Declarant and successive Owners of the Lots or any part thereof until January 1st, 2020, and after said date they shall be extended for



Board of Directors of the Association, or if the Association is not in existence, then by a majority vote of the then Lot Owners. The appointing authority, shall promptly furnish the names and address of the current members of the ACC to any interested person.

Whenever this Declaration refers to action by the Association and no Association is in existence, then the majority of the Lot Owners may take such actions if they vote to do so.

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(c) to preserve visual continuity and to prevent any marked or unnecessary transition between improved any unimproved areas;

(d) to assure that any change will be of good and attractive design and in harmony with development on other portions of the Property; and

(e) to assure that materials and workmanship for all improvements are of high quality comparable to other improvements in the area.

20. Each owner agrees by accepting title, that Declarant, its employees, managers, members, attorneys or agents and each member of the ACC shall be immune from suit or liability resulting from enforcement of the covenants and conditions stated above.

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DECLARATION OF RESTRICTIVE COVENANTS

OF

PINON TERRACE FILING TWO

ORIGINAL  
DO NOT  
GIVE  
OUT

THIS DECLARATION is made this \_\_\_\_\_ day of \_\_\_\_\_, 1997, by M. Peter Schrepfer and Lisa M. Schrepfer (hereinafter collectively referred to as "Declarant").

WITNESSETH

WHEREAS, Declarant owns all of that real property located in the County of Las Animas, State of Colorado and legally described as follows:

A tract of land lying in the E 1/2 of Section 8 and in the NE 1/4 of Section 17, Township 33 South, Range 63 West, 6th P.M., Las Animas County, Colorado, and more particularly described as follows:

Beginning at the Southeast corner of Pinon Terrace Subdivision-Filing One (said point also being the Northwest corner of Lot 3, Emerald Vista Estates-Filing One); thence along the West line of said Emerald Vista Estates-Filing One bearing N. 4°04'50" W., 2771.00 feet; thence along a curve to the right whose radius is 373.51 feet, an arc distance of 474.09 feet; thence N. 68°38'42" E., 256.02 feet to the Northeast corner of Lot 5, said Emerald Vista Estates; thence S. 64°33'59" E., 39.85 feet to the Easterly Right-of-Way of Corundum Road; thence along a curve to the right whose radius is 390.00 feet, an arc distance of 28.54 feet; thence S. 68°38'42" W., 254.79 feet; thence along a curve to the left whose radius is 343.51 feet, an arc distance of 436.01 feet; thence S. 4°04'50" E., 2940.15 feet; thence along a curve to the left whose radius is 720.00 feet, an arc distance of 439.10 feet; thence S. 39°01'23" E., 547.13 feet; thence along a curve to the right whose radius is 3166.64 feet, an arc distance of 264.93 feet; thence along a curve to the right whose radius is 1254.47 feet, an arc distance of 267.99 feet; thence S. 21°59'23" E., 303.17 feet; thence along a curve to the right whose radius is 452.53 feet, an arc distance of 300.84 feet; thence along a curve to the left whose radius is 22.60 feet, an arc distance of 39.94 feet; thence along the Northerly Right-of-Way line of County Road 24.6 bearing N. 88°41'47" W., 65.29 feet; thence along a curve to the right whose radius is 187.30 feet, an arc distance of 207.94 feet; thence N. 21°35'05" W., 368.19 feet; thence along a curve to the left whose radius is 339.55 feet, an arc distance of 223.75 feet; thence N. 59°20'30" W., 430.16 feet; thence N. 46°37'49" W., 270.82 feet; thence along a curve

to the left whose radius is 545.82 feet, an arc distance of 659.09 feet; thence along a non-tangential line S. 67°22'25" W., 107.37 feet; thence departing said County Road 24.6 bearing N. 48°33'18" W., 159.96 feet; thence N. 0°00'38" E., 645.17 feet to the Southwest corner of said Pinon Terrace Subdivision; thence N. 77°29'08" E., 944.74 feet to the point of beginning.

The tract contains 33.02 acres.

WHEREAS, Declarant desires to establish a general plan for the development, use, and occupancy of this Property; and

WHEREAS, Declarant desires to effectuate this plan by conveying the Property subject to certain protective covenants, conditions, restrictions, reservations, liens, and charges as set forth in this Declaration.

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, sold, and conveyed subject to the following restrictions, covenants, and conditions, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Property.

I. Architectural Control Committee

A. There hereby is created an Architectural Control Committee ("ACC"). The ACC shall consist of three members.

B. The initial members of the ACC shall be appointed by Declarant. Declarant shall be authorized to relinquish this right of appointment to any future homeowners' association established pursuant to Article IV of this Declaration. If no homeowners' association is in existence at the time of this relinquishment, the right of appointment shall be relinquished to the lot owners of Pinon Terrace Filing Two at large, who shall exercise this power through majority vote. Any relinquishment of the power of appointment may be accompanied by a recording of a declaration of such relinquishment in the office of the County Clerk and Recorder of Las Animas County.

C. Members of the ACC shall serve at the pleasure of the appointing authority. The appointing authority shall promptly furnish the names and addresses of the current members of the ACC to any interested person.

D. At least one member of the ACC shall be a licensed architect, licensed contractor, registered civil or structural engineer, professional landscape architect, or professional landscape planner.

E. The ACC shall possess authority to enforce the building restrictions and standards set forth in Article II of this Declaration.

F. No building, fence, wall, or other structure shall be constructed, nor shall any exterior change in or addition to any existing structure be effected, until plans and specifications showing the design and location of the same have been submitted to and approved by the ACC. The ACC shall issue this approval in writing and no oral authorization shall be sufficient to satisfy the requirements of this Declaration. In the event that the ACC fails to approve or disapprove the project within 30 days of receiving such plans and specifications, the project shall be deemed to be approved, and construction in accordance with the plans and specifications may proceed without further regard to architectural control.

G. The approval of the ACC of any construction or remodeling project shall be deemed to be conclusive proof that such project satisfies all requirements set forth in this Declaration. Notwithstanding any other provision in this Declaration, no judicial relief or cause of action shall be available against any person who proceeds with a construction or remodeling project in accordance with the approval of the ACC.

H. In carrying out its duties, the ACC shall be authorized to issue citations to lot owners who are found to have violated or be violating any of the restrictions and standards set forth in Article II of this Declaration. If the lot owner fails to remedy the violation within 30 days, the ACC may, in its sole discretion, file legal action on behalf of the remainder of the lot owners seeking injunctive relief against the violation.

It hereby is recognized that specific performance of this Declaration is necessary to achieve the purposes for which this Declaration was established. Accordingly, no award of damages or other remedy at law shall be deemed to be an adequate remedy in any such action.

## II. Building Restrictions and Standards

A. No more than one residence shall be constructed on any lot. No auxiliary or guest house shall be permitted.

B. Each residence shall include at least 1,300 square feet devoted to living space. Living space shall not include decks or garage area. If the residence is two-story, the first floor shall contain at least 800 square feet of living space.

C. The garage shall be part of the principal structure, or attached to the principal structure by means of arbor or breezeway. The garage must conform to the architecture of the principal

structure, and be at least 16 feet by 22 feet in size. Additional off-street parking shall be provided for all automobiles, trailers, and other vehicles not parked in the garage. No vehicle shall be parked permanently on the street.

D. Each building, structure, or other improvement (other than a wall, fence, uncovered terrace, sidewalk, or set of steps) which is erected or placed upon any lot shall be located in accordance with the following minimum prescribed distances from lot lines:

- (1) Front Yard Setbacks shall be not less than 35 feet from the front lot line which faces the street. All lots contiguous to two or more streets shall have a setback of not less than 35 feet from each lot line which is contiguous to a street.
- (2) Rear Yard Setbacks shall be not less than 15 feet from any rear lot line.
- (3) Side Yard Setbacks shall be not less than 15 feet from any side lot line.

Roofs may overhang the setback requirement by not more than two feet.

E. No fence or wall, other than wood or chain link fencing, which significantly obstructs the view from any lot shall be constructed on any other lot without the prior written approval of the ACC.

F. No solid fence shall be placed over any easements for buried utility lines. See-through chain link fences shall be permitted over such easements; however, lot owners are cautioned that such fences may be removed or destroyed in the event of utility line maintenance or repair. All fence posts shall be placed at least 5 feet from either side of the location of the actual utility line.

G. No prefabricated homes shall be permitted on the Property. However, a temporary structure may be placed or erected on a lot for a period of no more than one year during the construction of the permanent home.

H. Each residence shall include at least one gas or electric light post on or near the street property line, which shall be operated and lighted by a photoelectric cell or other automatic device so that it automatically will be lighted during hours of darkness. The design of the light post and the amount of light emitted therefrom shall be subject to the approval of the ACC.

I. All structures and improvements on the Property shall be designed and constructed in accordance with the following objectives:

- (1) To preserve visual continuity with development on other portions of the Property;
- (2) To preserve visual continuity between improved and unimproved areas on the Property;
- (3) To assure that the structure or improvement is of good and attractive design; and
- (4) To assure that materials and workmanship for the project are of high quality and comparable to other improvements in the area.

J. The ACC may grant reasonable exceptions to the setback requirements set forth herein where necessary to prevent undue hardship to the owner of any lot. The ACC further may waive the requirement that a light post be installed and maintained on each lot. No other waiver of any express requirement set forth herein may be granted by the ACC.

### III. Use of Lot by Owners

A. Each lot shall be used for private residential purposes only.

B. The owner of a lot shall be permitted to conduct a business or occupation inside his or her residence only if this activity complies with all city ordinances applicable to residential areas and does not produce noise, vibration, lights, odor, dust, smoke and other air pollution, or excessive traffic within the Property. No signage of any nature shall be installed to identify or advertise the home occupation.

C. Each lot owner shall maintain his or her lot and the improvements located thereon in a manner that complies with all applicable ordinances of the City of Trinidad and Las Animas County.

D. No lot owner shall commence excavation without prior approval from the City of Trinidad, Colorado Interstate Gas Company, and the telephone utility. The purpose of this restriction is to protect existing utility and service lines from disruption and damage.

E. Owners of all lots through which a gas line easement exists shall submit a surveyed plot plan showing the location of the easement at the time of application for a building permit from the City of Trinidad.

F. Each lot owner shall be responsible for maintenance of the natural drainage ways or easements through his or her lot so as not to obstruct the drainage of any adjoining lot or property.

G. No owner of any lot and no owner's guest shall do anything or keep anything in or on the Property which would be immoral, improper, offensive, or in violation of any statute, rule, ordinance, regulation, permit, or other validly imposed requirement of any governmental body. No noxious or offensive activity shall be carried on or upon any part of the Property nor shall anything be done or placed on or in any part of the Property which is or may become a nuisance or cause embarrassment, disturbance, or annoyance to others. No activity shall be conducted on any part of the Property and no improvements shall be made or constructed thereon which are or might be unsafe or hazardous to any person or property. No sound shall be emitted on any part of the Property which is unreasonably loud or annoying, and no odor or light shall be emitted on any part of the Property which is noxious or offensive to others.

H. Each lot and all structures located thereon shall be maintained with a neat appearance. Without limiting the generality of this requirement, no trash, litter, junk, boxes, containers, bottles, or similar items shall be deposited on any lot, except as necessary during the period of construction. No surplus lumber or equipment may be stored in open view, but rather must be separated from the street and all other lots by, at the minimum, a privacy fence. No junk, junked cars, cars on blocks, or similar items shall be permitted to remain on the Property at any time. In the event that any structure is destroyed by fire or other means, said structure promptly shall be rebuilt or remodeled in accordance with this Declaration, or, in the event that it is not rebuilt, all remaining portions of the structure, including the foundation, and all debris shall be removed from the lot.

I. No animals other than common household pets, such as dogs and cats, shall be permitted.

#### IV. Homeowners' Association

Each owner of a lot within the Property shall agree, by acceptance of a deed to his or her lot, to become part of any homeowners' association that may be formed by Declarant in the future. All purchasers recognize and acknowledge that, at such time that Declarant has sold 51 percent or more of the lots included within the Property, Declarant may cause a homeowners' association to be formed. From the date of its formation, this homeowners' association shall hold complete and sole responsibility for maintaining roadways and other common areas on the Property and for paying for such maintenance through liens and assessments on the lots by procedures to be established at the inception of the homeowners' association. Each lot owner agrees to pay such



assessments as may be established by the governing documents and board of the homeowners' association in a timely manner.

V. Miscellaneous Provisions

A. Declaration to Run with Property. This Declaration shall run with the Property and shall be binding upon all persons having or acquiring any right or interest in the described property or any part thereof, and shall inure to the benefit of each owner thereof, their heirs, successors, and assigns.

B. Severability. Each provision set forth in this Declaration shall be deemed to be independent and severable, and a determination of invalidity or partial invalidity or unenforceability of any one provision or portion thereof by a court of competent jurisdiction shall not be deemed to affect the validity or enforceability of any other provision set forth herein.

C. Assignment by Declarant. Declarant shall have the absolute right, without approval of the other owners, to assign, transfer, and convey all of its rights, title, interest, and obligation in the Property or under this Declaration to any third party or entity of Declarant's choosing.

D. Immunity from Suit. Each owner shall agree by accepting title that (1) Declarant, (2) Declarant's employees, managers, members, attorneys, and agents, (3) each member of the ACC, (4) any future homeowner's association, and (5) the employees, managers, members, attorneys, and agents of any future homeowner's association shall be immune from suit or liability resulting from the enforcement of the covenants and conditions set forth herein.

E. Enforcement of Covenants. Declarant, the owner of any lot on the property, and any homeowners' association formed pursuant to Article IV of this Declaration shall have the right to enforce, by a proceeding at law or in equity, all restrictions, covenants, and conditions set forth herein. The failure of any person to enforce any such restriction, covenant, or condition shall not be deemed a waiver of the right to do so thereafter. In the event any action is brought in a court of competent jurisdiction to enforce any provision contained herein, the successful party shall be entitled to an award of the costs and attorney's fees reasonably incurred in the action and for any legal services required after judgment to enforce the court's orders and decrees.

All remedies available at law or in equity for breach of this Declaration or any of the terms set forth herein hereby are reserved to the parties entitled to enforce this Declaration. Each such remedy shall be cumulative and not exhaustive or exclusive.

It hereby is recognized that specific performance of this Declaration is necessary to achieve the purposes for which this Declaration was established. Accordingly, no award of damages or other remedy at law shall be deemed to be an adequate remedy for a violation of any provision set forth herein. Nothing in this paragraph, however, shall be deemed to eliminate or restrict the right of a party to seek to recover damages for the violation of a restriction, covenant, or condition set forth herein.

F. Section Headings. Article and paragraph headings within this Declaration are inserted solely for convenience of reference, and are not intended to, and shall not, govern, limit, or aid in the construction of any term or provision set forth herein.

G. Gender and Number. Whenever the context so requires, the use of the male gender herein shall include the female gender and vice versa; the use of the neutral gender shall include either gender and vice versa; and the use of the singular shall include the plural and vice versa.

H. Revocation and Amendment. This Declaration shall not be revoked nor shall any of the provisions set forth herein be amended unless approved in writing by the owners of a majority of the lots included within the Property. In addition to this majority approval, the express written consent of Declarant shall be required for the following actions:

- (1) any amendment to or revocation of Article IV of this Declaration;
- (2) any amendment or revocation which occurs within 5 years of the date of execution of this Declaration; and
- (3) any amendment or revocation which materially impairs or diminishes the ability of Declarant to complete the development of the Property or to sell all lots located therein.

A certificate signed and acknowledged by the County Assessor of the County of Las Animas or by an abstractor or title company doing business in Las Animas County attesting that any instrument amending or revoking this Declaration has been signed by the owners of the required number of lots shall comprise prima facie evidence of this fact.

I. Perpetuities Savings Clause. Any conveyance required herein which has not occurred within the lifetime of M. Peter Schrepfer, plus 21 years after his death, shall not be required.

COPY

AMENDMENT TO  
DECLARATION OF RESTRICTIONS, COVENANTS, AND CONDITIONS  
COVERING PINON TERRACE SUBDIVISION

1. Paragraph 5 of the Declaration of Restrictions, Covenants, and Conditions Covering Pinon Terrace Subdivision, A Subdivision of a Portion of Sections 8 and 17, Township 33 South, Range 63 West of the Sixth Principal Meridian, County of Las Animas, State of Colorado (hereinafter "Declaration")<sup>1</sup> hereby is amended to read:

Each building, structure, or other improvement (other than a wall, fence, uncovered terrace, sidewalk, or set of steps) which is erected or placed upon any Lot shall be located in accordance with the following minimum prescribed distances from lot lines:

- (a) Front Yard Setbacks shall be not less than 35 feet from the front Lot line which faces the street. All Lots contiguous to two or more streets shall have a setback of not less than 35 feet from each Lot line which is contiguous to a street.
- (b) Rear Yard Setbacks shall be not less than 15 feet from any rear Lot line.
- (c) Side Yard Setbacks shall be not less than 15 feet from any side Lot line.

Roofs may overhang the setback requirement by not more than two feet.

The ACC may grant reasonable exceptions to the setback requirements set forth herein where necessary to prevent undue hardship to the owner of any Lot. Each Lot owner, however, shall be encouraged to locate any structure on the Lot in accordance with these setback requirements.

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<sup>1</sup> Recorded at Book 905, Page 683 of the Las Animas County title records.

2. Paragraph 10 of the Declaration hereby is amended to read:

No fence or wall, other than wood or chain link fencing, which significantly obstructs the view from any Lot shall be constructed on any other lot without the prior written approval of the ACC.

3. Paragraph 20 of the Declaration hereby is amended to read:

Each owner agrees by accepting title, that (1) Declarant, (2) Declarant's employees, managers, members, attorneys, and agents, (3) each member of the ACC, (4) any future homeowner's association, and (5) the employees, managers, members, attorneys, and agents of any future homeowner's association shall be immune from suit or liability resulting from the enforcement of the covenants and conditions set forth herein.

4. The Declaration further is amended by the addition of a new Paragraph 23, to read:

In carrying out its duties, the ACC shall be authorized to issue citations to Lot owners who are found to have violated or be violating any of the Restrictions, Covenants, and Conditions set forth herein which the ACC is charged with enforcing. If the Lot owner fails to remedy the violation within 30 days, the ACC may, in its sole discretion, file legal action on behalf of the remainder of the Lot owners seeking injunctive relief against the violation.

It hereby is recognized that specific performance of this Declaration of Restrictions, Covenants, and Conditions is necessary to achieve the purposes for which this Declaration was established. Accordingly, no award of damages or other remedy at law shall be deemed to be an adequate remedy for a violation of any provision set forth herein.

5. The Declaration further is amended by the addition of a new Paragraph 24, to read:

Each lot owner shall be responsible for maintenance of the natural drainage ways or easements through his or her lot so as not to obstruct the drainage of any adjoining lot or property.

6. The Declaration further is amended by the renumbering of the existing Paragraphs 23 - 25 as Paragraphs 25-27.

7. The Declaration finally is amended by the addition of a new Paragraph 28, to read as follows:

28. Notwithstanding any other provision set forth in this Declaration, nothing in this Declaration shall apply to Lot 47 of Pinon Terrace Subdivision. Lot 47 of Pinon Terrace Subdivision shall be subject to no restriction set forth herein, and the owner of Lot 47 shall not be entitled by virtue of such ownership to enforce any provision set forth in this Declaration against any other lot or the owner thereof.

\* \* \* \* \*

A copy of the actual legal description of Pinon Terrace Subdivision is attached hereto as Exhibit "A" and is incorporated herein by this reference.