

DECLARATION OF COVENANTS  
AND  
BUILDING RESTRICTIONS  
UNIT ONE, UNIT TWO, UNIT TWO ADDITION  
Huajatolla Valley Estates  
Huerfano County, Colorado

This declaration of Protective Covenants and Building restrictions is made this    day of                    by the Huajatolla Valley Estates, a Colorado corporation, having its principal place of business in Huerfano County, Colorado. Said corporation, its successors and/ or assigns is hereinafter referred to as HVE.

Witnesseth:

WHEREAS, "HUAJATOLLA VALLEY ESTATES", the land shown and designated on the plats entitled HUAJATOLLA VALLEY ESTATES UNIT ONE, situated in the Northeast Quarter (NE1/4) of Section 22, Township 29 South, Range 68 West of the Sixth Principal Meridian, UNIT TWO, situated in the North Half of the Southeast Quarter (N1/2SE1/4) and the South Half of the Southwest Quarter (S1/2SW1/4) of Section 22, Township 29 South, Range 68 West of the Sixth Principal Meridian, UNIT TWO ADDITION, situated in the Northwest Quarter (NW1/4) of Section 27, T29S, R68W of the 6<sup>TH</sup> PM, HUERFANO COUNTY, COLORADO" (hereinafter referred to as the "SUBDIVISION"): which in conjunction with this declaration of Protective Covenants and Building Restrictions will be filed in the office of the County Clerk of Huerfano County, Colorado; and

Whereas, it is the intent and desire of Huajatolla Valley Estates, Inc to create and establish certain Protective Covenants and Building Restrictions to help maintain the authenticity and natural beauty of the Subdivision for the mutual benefit and enjoyment of purchasers and residents of lots within the Subdivision.

NOW, THEREFORE, BE IT RESOLVED, that Huajatolla Valley Estates, Inc. does hereby declare the creation and existence of Protective Covenants and Building Restrictions for the Subdivision, and that the real property shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, limitations, conditions and agreements hereinafter set forth.

I. Definitions:

A. "HUAJATOLLA VALLEY ESTATES, INC.", hereafter known as HVE, shall mean and refer to the owners, their successors and/or assigns of that land as described above, which is covered by these Protective Covenants and Building Restrictions.

B. SUBDIVISION shall mean and refer to that land shown on the plats herein described.

C. OWNER shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of Subdivision, including contract sellers, but excluding those

having such interest merely as security for performance of an obligation. •

D. LOT shall mean and refer to any parcel of land shown and designated on the plat of the subdivision as herein described.

E. "COVENANT REVIEW COMMITTEE", hereafter called CRC, shall mean and refer to a group composed of five owners, appointed or otherwise, and who shall approve in writing any plans, specifications and modifications to any structures, improvements, and the like.

2. The reservations, easements and conditions contained herein shall be deemed covenants and restrictions running with the land shall be binding on all parties and all persons claiming under them and said covenants shall automatically extend for successive periods of ten (10) years unless by a vote of a majority of the owners of the lots of the Subdivision, it is agreed to change said covenants and restrictions in whole or in part.

3. All buildings hereafter erected, placed or allowed to remain on any lot shall be situated only within that portion of said lot not restricted from use by easement or right-of-way, and shall be not nearer than 30 feet from any roadway right-of-way line, not nearer than 15 feet from any side lot line and nearer than 30 feet from any rear lot line. Utility easements and rights-of-way are hereby reserved unto HVE, and all Public Utility Companies for construction, installation and maintenance of any and all utilities, such as underground power, gas lines, drains, sewers, roads, water supply lines, underground telephone and telegraph or the like, necessary and desirable for public health and welfare. Such easements and rights-of-way shall be confined to a ten foot width along the perimeter of every lot and along every street, road or highway abutting the premises, unless otherwise designated on the plat. Notwithstanding the foregoing, from and after such time as two or more contiguous lots fronting on the same street are used as a single building site, such contiguous lots shall be deemed to be single lot for the purpose of determining the "side lot lines". All drainage easements shall be kept free and clear of permanent structures, except as authorized by the CRC.

4. No structure with an unfinished exterior shall be permitted to remain on any lot for a period exceeding six months from the date of the commencement of construction unless by expressly written consent of the CRC. Owner may, by consent, use a mobile home or similar, as temporary residence while residence is under construction for a period not to exceed 24 months. Storage of a camping unit or boat providing that such camper or boat is owned by the resident of the zone lot, is not used as a dwelling or as accessory living quarters and is not connected to utilities other than temporarily to a source of electricity is allowed. Parking, incidental to said uses, is allowed as long as all vehicles are in operable condition, insured and have current license plates.

5. Right of access is hereby reserved to HVE for general improvements of any person's premise, but such right of access to any particular premises shall terminate upon commencement of construction on the premises by the Owner.

6. No dwelling containing less than 900 square feet of living area,

exclusive of garages, barns, carports, and accessory building shall be permitted on any lot. Use and occupancy of premises shall be subject to zoning, building, health, sewage disposal, and sanitation regulations of the State of Colorado and all government agencies having jurisdiction. No structure, mobile in appearance, will be allowed at any time on a permanent basis.

7. No structure (including fences, corrals, barns, etc.) shall be erected, altered, placed or permitted to remain nor shall construction commence on any lot until the design and location of such structure and the kind of materials to be used in such structure shall have been approved in writing by the CRC and subject to the regulations of the State of Colorado and all government agencies having jurisdiction.

8. Animals, birds, poultry, including not more than three horses per lot, and recognized household pets can be kept or maintained on any lot, in reasonable numbers as pets for the pleasure and use of the occupants but not for any commercial use or purpose and do not cause obnoxious noise, or odor, meet Huerfano County Land and Development guidelines and are approved by the CRC if numbering over 5. No kennels are allowed as in accordance with the Huerfano County Land and Development Guide.

9. All animals must be maintained and stabled within the individual lot owner's property and not nearer than 50 feet from any adjacent residence. The CRC shall grant prior approval to all barns or other such structures and the Provisions of Item 7, herein.

10. No lot shall be used in whole or in part for any commercial purpose. Nor shall any lot be used in whole or in part for the storage of any property or object that will cause such lot to appear in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any activity be carried on, or substance kept, upon any lot that will emit foul or obnoxious odors, or that will cause unreasonable noise or such may be or become a nuisance to the neighborhood. No junkyards are allowed as in accordance with all government agencies having jurisdiction. All vehicles, including trailers, RVs, cars and trucks must be licensed or enclosed in a structure.

11. No sign or advertisement of any kind, other than name plates or professional signs not to exceed five square feet in area, shall be erected or maintained on the premises.

12. Rubbish and garbage must be kept in suitable containers and moved from lots in accordance with sanitation regulations. No rubbish or garbage may be burned or dumped on lots or on any part of HVE, except in such places as may be specifically designated and approved for such purpose by the county or municipal authorities.

13. No lot may be divided, replatted or subdivided, in any manner whatsoever, except to remedy errors or omission, if any, created in the process of preparing the original plat, provided such corrections do not substantially affect the intent of said plat.

14 HVE will provide water under adequate pressure to each lot

line with a water meter. Each lot owner shall connect to this service and pay monthly water bills.

15. Each lot owner shall be solely responsible for the installation, maintenance and approval of the on-site sewage disposal system intended for use on his premises.

16. Each lot owner shall maintain at the lot owner's expense, the water and effluent collection piping to the point of connection with the Huajatolla systems. HVE shall operate and main all community systems and shall not sell, abandon or release himself from this responsibility until any successor to said systems has been approved by a majority of the then current lot owners.

17. That certain land known as Tract "B" and Green Belt Area as shown and designated on the subdivision plats shall be retained by HVE with following restrictions:

A. HVE shall be responsible for maintaining the beauty and natural state of said areas.

B. No permanent structures, building, or fences of any nature shall be erected on said Tract.

C. No grazing, penning, staking, or husbanding of horses or other animals shall be allowed except as authorized by the CRC for the purpose of maintaining the natural grasses.

D. Easements for the purposed of utilities and drainage systems may be established only with the authorization of the CRC.

In the event of death or resignation of a CRC member, the remaining members shall have full authority to designate a successor. Neither the members of the CRC, nor its designated representatives shall be entitled to any compensation for services performed pursuant to this covenant. The approval or disapproval as required by these covenants shall be in writing. In the event the CRC or its representative fails to act within 45 days of written request and submission of necessary plans and specifications, and if no suit to enjoin construction has been commenced, then covenants shall be deemed fully complied with.

18. Enforcement of the covenants contained herein shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain violation or to recover damages. Any violation of the covenants may be reported to the CRC at which time the CRC will follow certain guidelines as determined by the CRC to correct such violations

19. Invalidation of any one of the covenants contained herein by judgment, court order or for any other reason shall in no way affect any of the other covenants, all of which shall remain in full force and effect

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Accrual Basis

Huajatolla Valley Estates, Inc.  
**Balance Sheet**  
As of July 7, 2011

	<u>Jul 7, 11</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Community Bank-saving	2,071.79
Community Banks-checking	28,067.91
First National Bank	2,647.40
First National Bank/TrinidadUSD	228.00
<b>Total Checking/Savings</b>	<u>33,015.10</u>
<b>Accounts Receivable</b>	
Accounts Receivable	2,882.66
<b>Total Accounts Receivable</b>	<u>2,882.66</u>
<b>Total Current Assets</b>	35,897.76
<b>Fixed Assets</b>	
Accum Depr - Furn and Equip	-76.00
Accum Depr. - Pump House	-3,998.00
Accum. Depr. - Water Shares	-5,026.00
Amortization - Water Shares	-14,760.00
Furniture and Equipment	888.50
Pump House & Land	7,221.02
Snowy Range - Water Shares	82,000.00
<b>Total Fixed Assets</b>	<u>66,249.52</u>
<b>TOTAL ASSETS</b>	<u><u>102,147.28</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Equity</b>	
Prior Years Income	60,242.17
Snowy Range Reservoir Co. Share	34,000.00
Net Income	7,905.11
<b>Total Equity</b>	<u>102,147.28</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>102,147.28</u></u>

1:44 PM  
 07/07/11  
 Accrual Basis

**Huajatolla Valley Estates, Inc.**  
**Profit & Loss**  
 January 1 through July 7, 2011

	Jan 1 - Jul 7, 11
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Interest Earned - water	17.16
Membership Fee	875.00
<b>Water fees</b>	
Water Service Fee	31,920.00
<b>Total Water fees</b>	31,920.00
<b>Total Income</b>	32,812.16
<b>Expense</b>	
Analytical Services	1,011.00
Augmentation water	6,000.00
Business Registration Fees	10.00
Chemicals - water	1,452.69
Dues & Subscriptions - Water	125.00
Electric - Water	2,156.52
Insurance & Bonds - Water	1,650.00
Legal Fees - Water	1,240.00
<b>Misc - Water Expense</b>	
Lagoon Lease	500.00
<b>Total Misc - Water Expense</b>	500.00
Misc. - Water (Labor/Equipment)	1,415.00
<b>Office - Water</b>	
Postage, Mailing Service	299.21
Printing and Copying	19.30
<b>Total Office - Water</b>	318.51
Office Supplies & Expense	333.89
Permits & Fees	40.00
Prof. Serv. - Temporary Sys. Op	440.50
Professional Serv.-Engineering	2,679.00
Professional Serv.-Surveying	900.00
Professional Services-Sys. Oper	1,939.50
Property Taxes	97.24
R & M - water	699.00
Supplies - Water	280.26
Telephone - Water	533.94
Travel	1,085.00
<b>Total Expense</b>	24,907.05
<b>Net Ordinary Income</b>	7,905.11
<b>Net Income</b>	7,905.11

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