

**DECLARATION OF
PROTECTIVE COVENANTS
RIVER RIDGE RANCH
PHASE NO. 2**

This Declaration of Protective Covenants is made as of the 20th day of June, 2001 by Colorado Switzer, LLC, a Limited Liability Company, organized under the laws of the State of Delaware (hereinafter called the "Declarant"). Declarant is the Owner of certain real property situated in Huerfano County, Colorado more particularly described in Exhibit A attached hereto, named and identified as River Ridge Ranch. River Ridge Ranch is a planned community development as defined in the Colorado Common Interest Ownership Act, but is intended to be, and shall be exempt from such Act, pursuant to CRS Section 38-33.3-116(2).

Declarant does hereby declare that the above-described River Ridge Ranch shall be subject to the following easements, covenants, conditions and protective restrictions, that will bind the grantees, heirs, successors, and assigns of the Owners and future Owners:

Section 1 Definitions

- A. "Lot" shall mean those individual Lots resulting from any division of the above described real property filed, or to be files, in the office of the county clerk and recorder, or any individual lots in any subsequent phases filed by Declarant in Huerfano County, Colorado.
- B. "Lot Owner" shall mean the Owner of record, including successors and assigns, of any Lot located on the above-described River Ridge ranch.
- C. "Common Easements" shall mean the roads leading into and within River Ridge Ranch.
- D. "Development" shall mean and refer to that certain real property described above, made subject by Declarant to Covenants, conditions, and protective restrictions.
- E. "Landowner's Association" shall mean and refer to the River Ridge Ranch Landowner's Association, Inc., a Colorado non-profit corporation, which is being formed for the purpose of enforcing and carrying out the purposes of these Covenants, conditions, and protective measures.
- F. "Membership" shall mean a pro-rata interest in and responsibility for the expenses of the Landowner's Association based on all lots in all phases which are subject to it. The Association shall be a Membership Corporation without certificates or shares of stock. There shall be one class of membership and there shall be one membership in the corporation for each such lot within the development. Declarant reserves the right to add additional lots to the Association as part of future development which would change the pro-rata percentage share of expenses for each member.

Section 2 Common Easements

- A. Access Roads – Declarant is reserving and granting and conveying a 60 foot wide easement for general ingress and egress to each Lot and a general easement for public utilities across the real property to each Lot. Public utilities will follow access roads, where practical. The easement shall be 30 feet on each side of the centerline of the road system to be constructed by Declarant on the real property. Declarant reserves the right to attach to this document exhibits that show the approximate location of the access roads, as they are built.
- B. Obstruction of Common Easements – No gates or obstructions will be placed upon or block any access roads. Cattle guards may be constructed upon approval of the Association and will be constructed to county road specifications.
- C. Maintenance of Common Easements – All Common Easements shall be maintained by the Landowner's Association.
- D. County Roads – County Roads 342 and 351 run through portions of River Ridge Ranch. Currently, these roads are not maintained by Huerfano County and Declarant makes no

representations or warranties as to whether or not the County will maintain these roads in the future.

- E. Utility Easement - A twenty (20)-foot wide utility easement shall be reserved along each side of all side and common rear lot lines and a forty (40)-foot wide utility easement is reserved on the interior side of all exterior lot lines for the purpose of installation and maintenance of utilities and pipelines.

Section 3 General Provisions

- A. Fences – Declarant and the Lot Owners are not required to participate in the construction of partition fences between Lots. Any Lot Owner who wishes to fence his land must bear the expense of fencing, unless he can get his neighbor to voluntarily cooperate in the fence between such Lots. The expense of maintaining such fences is the sole responsibility of the Lot Owners constructing them, or their heirs, successors, or assigns.
- B. Livestock – Any animals kept by a Lot Owner must be contained by an adequate fence, within the boundaries of the Lot. No Lot Owner shall be permitted to raise pigs or poultry of any kind or operate a feedlot on any property within the Ranch.
- C. Water and Sewer – A Lot Owner assumes the responsibility of supplying and developing water and sewage facilities for his own Lot. Wells, water systems, and septic systems must be drilled, installed, and maintained at all times, in accordance with the applicable rules and regulations of public agencies having jurisdiction.
- D. Signs – No signs, advertisements or billboards shall be placed on the property, except for a sign designating the Lot Owner or occupant's name, Lot number or address and such normal and customary "For Sale" signs associated with the sale of a Lot Owner's property. This restriction shall not preclude the Declarant from placing "For Sale" signs and/or billboards near roadways or in common areas for the sole purpose of selling remaining Lots.
- E. Refuse and Junk Prohibited – No Lot Owner will dump refuse or garbage on any Lot, nor will any Owner build, maintain, operate or construct, or in any way caused to be laced in their property and structure or condition that will cause the accumulation or existence of animal waste, junk, abandoned cars, or any condition causing an obnoxious odor. No Lot with the Ranch community shall be permitted to fall into disrepair, and all the Lots, including improvements and structures shall be kept in clean, attractive and sightly condition. Maintenance, repair and upkeep of each Lot shall be the responsibility of the Lot Owner.
- F. Noxious, Annoying or Offensive Activity – No noxious, annoying or offensive activity shall be carried out upon a Lot, nor shall anything be done or placed upon the property which is a nuisance or creates a disturbance or annoyance to others. No lights shall be emitted from any Lot which are unreasonably bright or cause unreasonable glare. Mercury lights and Vapor lights are expressly prohibited.
- G. Firearms and Hunting – The discharge of firearms and hunting shall be prohibited within River Ridge Ranch.
- H. Restriction Against Subdivision – No Lot may be further subdivided, except by Declarant, to the extent that each parcel of land from such a subdivision shall consist of 35 or more acres.
- I. Minimum Size of Dwelling Units – No more than one resident dwelling and accompanying outbuildings may be permitted on each Lot. Each residence may also have a guest house. No resident dwelling shall be built within River Ridge Ranch that contains less than 1,250 square feet of living space (excluding basements, garages, porches, decks and breezeways).
- J. Prohibited Improvements – No mobile homes, double-wide homes, modular homes shall be placed on a Lot either temporarily or permanently. Homes constructed of straw bales, tires or cinder blocks are specifically prohibited. This covenant shall not preclude the on-site construction of homes that use pre-built components such as Lincoln Log, Lindal Cedar Homes, Post and Beam Homes, and homes of like construction and quality. Construction trailers, motor homes and/or recreational vehicles may be used temporarily

- during the construction of a residential home. Such construction trailers, motor homes and/or recreational vehicles shall not be occupied as permanent living space.
- K. Camping – No camping will be allowed on the Ranch. However, upon the construction of a residential home, pick-up campers, camp trailers, or motor homes may be adequately maintained and stored on a Lot. This is not intended to prevent children's short-term camping activities.
 - L. Timber – Timber on a Lot may be used by a Lot Owner for the Lot Owner's personal firewood or fencing. No Lot Owner shall sell any timber for commercial purposes or for sale for use off the Lot, without first obtaining the written permission of the Landowner's Association. Lot Owners shall take care and be selective when cutting timber to preserve the aesthetic appeal and rural character of the Ranch.
 - M. Completion of Construction – Construction of any building on a Lot must be completed within 12 months from the start of construction and must be in accordance with applicable rules and regulations of public agencies having jurisdiction.
 - N. Commercial Use – No commercial use shall be made or commercial activity conducted within River Ridge Ranch, except that any owner may conduct a home occupation, business or professional office, provided there is no "walk-in" traffic or signs or advertising concerning such office or practice within River Ridge Ranch.
 - O. Mineral Rights and Exploration – The Lots within River Ridge Ranch are being conveyed subject to the rights of current mineral owners. The lands within River Ridge Ranch have been leased and are subject to oil and gas exploration. Currently, there is mineral exploration being undertaken on River Ridge Ranch. All Lots within River Ridge Ranch are subject to the possibility of future mineral exploration. Declarant makes no warranties or representations as extent of or impact upon each Lot as a result of any mineral exploration in the future. Each Lot being sold will include the surface estate only and will not include any part of the mineral estate. Declarant will quitclaim any mineral rights it owns underlying River Ridge Ranch to the Landowner's Association at the time of the transference of Declarant Control to the Association.
 - P. Utilities – All future power, telephone, gas, water, wastewater and any other utility lines of any nature shall be installed underground.

Section 4 Enforcement and Miscellaneous Provisions

- A. Declaration Attaches to the Land – These Protective Covenants shall run with the land and shall be binding upon the present Lot Owners and all subsequent Lot Owners of any Lot within or on a portion of River Ridge Ranch, including all subsequent phases as to which these Covenants are recorded. These Protective Covenants may be amended by the Declarant in its sole discretion to include additional property as it is developed or to withdraw any Lot or property subject to these Covenants prior to sale of such Lot or property to a third party. Additional phases of Lots may be subject to these Protective Covenants, or others which create membership in the Landowner's Association. These Protective Covenants may also be amended by an instrument executed by the persons owning in the aggregate 80% of the Lots subject to these original Covenants. Such Amendment shall be effective when duly recorded in Huerfano County, Colorado. The President, Treasurer, or Secretary of the Landowner's Association may prepare, certify and record amendments to the Declaration. No amendment of these Covenants may change or increase the obligation of the Declarant, without its express written consent. No amendment of these Covenants may diminish a Lot Owner's right of ingress or egress, as set forth herein.
- B. Powers and Enforcement – In furtherance of its purpose but not otherwise, the Landowner's Association shall have the following powers:
 - 1. All of the powers conferred upon non-profit corporations by the common law and the statutes of the State of Colorado, in effect from time to time.

2. All of the powers necessary or desirable to perform the obligations and duties and exercise the rights of the Landowner's Association under the Covenants, including, without limitation, the following:
 - a. To make and collect assessments against Lot Owners, for the purpose of defraying the costs, expenses, and any losses of the Landowner's Association, or of exercising its powers or of performing its functions, including the right to enforce such assessments through the use of liens on delinquent Lot Owner's Lots. The average annual common area and common easements assessments (exclusive of optional users fees and insurance premiums paid by the Landowner's Association) shall not exceed \$400.00 per year for each lot, or to the maximum amount allowed by law to remain exempt under the Colorado Common Interest Ownership Act.
 - b. To manage, control, maintain, repair, improve, and enlarge Common Easements.
 - c. To enforce covenants, restrictions, or conditions effecting the Development, to the extent the Landowner's Association may be authorized under these Covenants and to make and enforce rules and regulations, for the use as Common Easements.
 - d. To engage in activities, which will actively foster, promote, and advance the common ownership interest of the Lot Owners within the Development.
 - e. To buy or otherwise acquire, sell, or dispose of, mortgage or otherwise encumber, exchange, lease, hold, use, operate, and otherwise deal with and in, real, personal, and mixed property of all kinds, and any right or interest therein, for any purpose of the Landowner's Association.
 - f. To borrow money for any purpose of the Landowner's Association, limited in amount or in other respects, as may be provided in the By-Laws of the Landowner's Association.
 - g. To enter into, make, perform, or enforce contracts of every kind and description, and to do all other acts necessary, appropriate, or advisable in carrying out any purpose of the Landowner's Association, with or in association with any person, Firm, association, corporation, or other entity or agency, public or private.
 - h. To adopt, alter, and amend or repeal such By-Laws as may be necessary or desirable for the proper management of the affairs of the Landowner's Association; provided, however, that such By-Laws may not be inconsistent with, or contrary to any provisions of these Covenants.
 3. The foregoing enumeration of powers shall not limit, not restrict in any manner, the exercise of other and further rights and powers, which may now and hereafter be allowed or permitted by law. The powers specified in each of the paragraphs of this section (Section B) are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provisions of this section (Section B).
 4. The provisions of the Covenants, or any lawful amendments, may be enforced by River Ridge Ranch Landowner's Association, Inc., or any Lot Owner, by either an action for damages arising out of a violation, or by an action to abate a nuisance, or an action to restrain a threatened or prospective violation or restrain a continuing violation or any other matter permitted by law or equity. In any action, of any kind, for the enforcement of these Protective Covenants, if the relief prayed for is granted, in whole or in part, the applicant for relief shall be entitled to receive necessary court costs for the action, including reasonable attorney's fees.
- C. Notice – Notices of all annual and special meetings shall be given by the President of the Secretary of the Association, by regular mail, addressed to the registered address of the Members, at least five (5) days prior to the date set for such meeting. Any such notice

shall state the date, time and place of the meeting and if the meeting is a special meeting the purposes thereof. Waiver of notice, either in person or by proxy, and signed either before, at, or after any meeting, shall be a valid substitute for service. The certificate of the President or Secretary that notice was duly given, shall be prima facie evidence thereof.

- D. Declarant Control – Colorado Switzer, LLC control over the Landowner's Association shall terminate no later than 60 days after conveyance of 75% of the lots, including any lots added by subsequent phases or covenants, or 2 years after the last conveyance.
- E. Severability – Should any provision of these Covenants be void, invalid, or unenforceable in law or equity, by judgment or court order, the remaining provisions hereof shall be and remain in force and effect.
- F. Perpetuities Rule – In the event the provisions hereunder are declared void by a court of competent jurisdiction, by reason of the period of time herein stated, for which the same shall be effective, then, in that event, the terms shall be reduced to a maximum period of time, which shall not violate the rule against perpetuities, as set forth in the laws of the State of Colorado.
- G. Mortgagee Protection – A breach of any of the Covenants, conditions, or restrictions contained herein shall not render invalid the lien, charge, or encumbrance of any mortgage lien or security interest made in good faith, and for value, which may then exist upon any Lot.

IN WITNESS WHEREOF, Colorado Switzer, LLC has signed this Declaration of Covenants on the date set forth on the acknowledgment.

Colorado Switzer, LLC
A Delaware Limited Liability Company

By _____
Jeffrey A. Switzer, Authorized Agent

STATE OF COLORADO }
 }SS
COUNTY OF Huerfano }

Subscribed and sworn before me by Jeffrey A. Switzer on the 20th day of June, 2001.

WITNESS MY HAND AND OFFICIAL SEAL:

My commission expires: 12/18/04

Notary Public

EXHIBIT A

Lots 39 thru 74 River Ridge Ranch – Phase no. 2, as surveyed by Wachob and Wachob Surveyors and recorded on June 21, 2001 at Reception #349471, Huerfano County, Colorado.