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## DECLARATION OF PROTECTIVE COVENANTS

for

## THE RIVER RANCH

San Juan River Estates, LLC, A Colorado Limited Liability Company dba The River Ranch the owner of real property situated in the County of Archuleta, State of Colorado, hereinafter referred to as the Property and legally described on Exhibit A attached hereto, in order to protect the living environment and preserve the values in the Property, does hereby declare that the land shall be held, leased, sold and conveyed, subject to the covenants, restrictions and provisions hereinafter set forth, and that each covenant, restriction and provision shall inure to and run with the land and shall apply to and bind the successors and assigns of the present owners. The property comprising the above-mentioned land is made specifically subject to the following described covenants.

I. INTENT: It is the intent of these covenants to protect and enhance the value, desirability and attractiveness of said Property, and to prevent the construction of improper or unsuitable improvements. Restrictions are kept to a minimum while keeping in constant focus the right of property owners to enjoy their property in attractive surroundings free of nuisances, undue noise, and danger. Further, it is intended that the natural environment be disturbed as little as possible.

II. PROPERTY OWNERS ASSOCIATION: The River Ranch Property Owners Association will be operated as per the by-laws of the Association:

(a) Members: Every property owner will automatically be a member of the Property Owners Association.

(b) Purpose: The purpose of the Association is to use its authority, as given in the by-laws:

- (1) To enforce these protective covenants.
- (2) To assess property owners annual assessments. Any unpaid assessment, charge, fee or other sums assessed against an Owner or his Parcel shall be a continuing lien, in favor of the Association upon the Parcel against which each such assessment, charge, fee or other sum is made.
- (3) To provide upkeep and improvements to all non-county roads in the Property.
- (4) To represent all property owners in matters of mutual interest including but not limited to providing for and supervision of the installation of utility service.
- (5) To administer and lease grazing rights.

III. DWELLINGS: All primary dwellings shall consist of not less than 1,500 square feet of living space. Each owner shall be permitted to erect not more than two dwellings on each tract. Mobile homes and Modular homes shall not be permitted on any tract within the Property. No commercial activity shall be permitted unless approved by the Property Owners Association Board. Home office usage is permitted providing that such business does not increase traffic in or out of the subdivision. Such home office usage where clientele and/or customers would visit the home office shall be prohibited unless prior approval is given by the Property Owners Association Board. The raising of livestock in order to maintain agricultural tax status shall be permitted with the exception of poultry or swine.

IV. SETBACKS: No structure may be erected within one hundred feet of the right-of-way line of any road within the Property nor within fifty feet of any side or rear line of any parcel unless approved by the Property Owners Association Board.

V. TRASH AND RUBBISH: Rubbish, garbage or other waste shall be kept and disposed of in a sanitary manner, and all containers shall be kept in a clean, sanitary condition.

VI. UTILITY EASEMENTS: A ten (10) foot utility easement is hereby set aside on each side of all side and common rear lot lines and a twenty-five (25) foot utility easement is hereby set aside on the interior side of all exterior lot lines. A twenty-five (25) foot utility easement is hereby set aside along both sides of all road easements.

VII. NUISANCES: No owner shall cause or allow the origination of excessive odors or sounds from his tract. No owner shall cause or allow any other nuisances of any kind whatsoever to exist on his tract. In case of a dispute, at the request of an owner, the Property Owner's Association Board shall make the final determination of what constitutes a nuisance.

VIII. ANIMALS: No use of animals for commercial activity will be allowed unless approved by the Property Owners Association Board. Commercial feed lots and swine shall be prohibited from the Property.

IX. MOTOR VEHICLES: No motorized vehicle which is either non-operational or non-licensed shall be kept or stored on any parcel, unless said vehicle is kept or stored in a fully enclosed building.



X. **TEMPORARY RESIDENCES:** No structure of temporary character, recreational vehicle, camper unit, trailer, basement, tent or accessory building shall be used on any tract as a residence. Recreational vehicles, camper units and tents may be used for vacation camping for periods not to exceed ninety (90) days in any calendar year. Variances shall be allowed for specific time periods during the construction of the primary dwelling.

XI. **LAND USE:** Commercial wood harvesting, mining (including the removal of soil, gravel or rock) and oil or gas production is prohibited. Further subdivision of less than thirty-five acres is prohibited.

XII. **ENFORCEMENT:** Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant.

XIII. **TERMS OF COVENANTS:** These covenants and restrictions are to run with the land and shall remain in full force and effect for ten years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten years, unless an instrument signed by not less than two-thirds majority of the land owners of the tracts has been recorded, changing said covenants in whole or part.

XIV. **SEVERABILITY:** Invalidation of any of these covenants or any part thereof by judgment or court order shall in no way affect any of the other provisions hereof, which shall remain in full force and effect.

XV. **COUNTY REGULATIONS:** To the extent that the applicable county or other governmental regulations, rules, codes, ordinances or laws are more restrictive in their allowable land utilization than these covenants, they shall supersede these covenants and govern at all times.

XVI. **COUNTER PARTS:** This instrument may be executed in a number of counterparts, any one of which may be considered an original.

XVII. **ANNEXATION:** Developer may from time to time within ten years after the date of the recording of this Declaration of Protective Covenants for the Property annex property or allow to be annexed certain property the Developer deems appropriate to the development by recording one or more annexation statements. Upon the recording of such Annexation Statement in the public records of Archuleta County, Colorado, all of the real property described in such Annexation Statement shall be deemed to be part of the development and subject to all of the terms and provisions of these Covenants.

XVIII. **FEES AND ENFORCEMENT:** All parcels within the Property shall be subject to assessment for Property Owners Association fees in an amount to be determined by the Association. Assessments may be increased only by majority vote of members of the Association. In no event shall Assessments exceed \$295.00 per year except that this amount may be increased by the greater of 12% per annum or the percentage increase, if any, in the "Consumer Price Index-All Urban Consumers" for Denver, Colorado, between January 1 of the year in question and of the preceding year. Any increase in Association dues will also require written assurance that any such increase will not cause additional regulatory or other requirements to be imposed upon the Association, Declarant or any property owner.

Assessments for fees will commence upon conveyance at the date of closing. Whenever the obligation to pay fees arises after the start of the calendar year, the first year's fees will be prorated to the commencement date for the tract involved. Fees shall be payable in advance in January of each year. Any assessments which are not paid when due shall be delinquent. The Association may bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against such Owner's Tract, and/or may suspend the delinquent Owner's right to vote. In the event a judgment is obtained, such judgment shall include late charges and interest on the assessment and reasonable attorneys' fees, together with the expenses and costs of the action.

IN WITNESS WHEREOF, Kevin D. Meyer of San Juan River Estates, LLC, A Colorado Limited Liability Company subscribed his name this 12th day of November, 1996.

SAN JUAN RIVER ESTATES, LLC  
A COLORADO LIMITED LIABILITY COMPANY

By: [Signature]  
Kevin D. Meyer, Manager

STATE OF COLORADO

COUNTY OF EL PASO

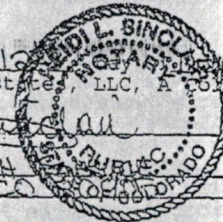
The foregoing instrument was acknowledged before me this 12th day of November, 1996 by Kevin D. Meyer, as Manager of San Juan River Estates, LLC, A Colorado Limited Liability Company.

Witness my official hand and seal.

My Commission Expires: 3-1-2000

Notary Public

Address: 216 NORTH  
CASA SPRING, CO





## ATTACHED LEGAL DESCRIPTION

TRACT 1: A tract of land being the Southeast Quarter of the Northwest Quarter (SE1/4 NW1/4) and all that portion of the Southwest Quarter of the Northeast Quarter (SW1/4 NE1/4), and the Northeast Quarter of the Southwest Quarter (NE1/4 SW1/4), and the Northwest Quarter of the Southeast Quarter (NW1/4 SE1/4), and the Southeast Quarter of the Southwest Quarter (SE1/4 SW1/4) lying West of the centerline of the San Juan River in Section 5, Township 35 North, Range 1 West, N.M.P.M., in Archuleta County, Colorado, being more particularly described as follows:

BEGINNING at the Northwest (NW) corner of the Southeast Quarter of the Northwest Quarter (SE1/4 NW1/4) of said Section 5; thence North 87 degrees 47' 31" East, 1386.00 feet along the North line of the said Southeast Quarter of the Northwest Quarter (SE1/4 NW1/4); thence North 87 degrees 50' 24" East, 1239.75 feet along the North line of the said Southwest Quarter of the Northeast Quarter (SW1/4 NE1/4) to the centerline of the San Juan River; thence South 12 degrees 26' 00" West, 11.99 feet along the centerline of the San Juan River; thence South 46 degrees 35' 00" West, 999.68 feet along the centerline of the San Juan River; thence South 32 degrees 00' 00" West, 375.85 feet along the centerline of the San Juan River; thence South 22 degrees 40' 00" West, 174.21 feet along the centerline of the San Juan River; thence South 07 degrees 45' 00" East, 803.01 feet along the centerline of the San Juan River; thence South 23 degrees 10' 00" West, 816.08 feet along the centerline of the San Juan River; thence South 45 degrees 37' 00" West, 295.85 feet along the centerline of the San Juan River; thence South 59 degrees 22' 00" West, 704.60 feet along the centerline of the San Juan River; thence South 25 degrees 12' 00" West, 513.97 feet along the centerline of the San Juan River to the South line of the said Southeast Quarter of the Southwest Quarter (SE1/4 SW1/4); thence South 82 degrees 13' 49" West, 243.95 feet along the South line of the said Southeast Quarter of the Southwest Quarter (SE1/4 SW1/4); thence North 02 degrees 06' 50" West, 2428.20 feet along the West line of the said Southeast Quarter of the Southwest Quarter (SE1/4 SW1/4) and the said Northeast Quarter of the Southwest Quarter (NE1/4 SW1/4); thence North 02 degrees 11' 20" West, 1262.47 feet along the West line of the said Southeast Quarter of the Northwest Quarter (SE1/4 NW1/4) to the Point of Beginning.

TRACT 2: A tract of land being Lots 3 and 4 and all that portion of Lots 1 and 2 lying West of the centerline of the San Juan River in Section 5, Township 35 North, Range 1 West, N.M.P.M., in Archuleta County, Colorado being more particularly described as follows:

BEGINNING at the Northwest (NW) corner of said Section 5; thence North 89 degrees 17' 27" East, 3823.91 feet along the North line of said Lots 2, 3 and 4 to the centerline of the San Juan River; thence South 01 degrees 56' 00" West, 315.24 feet along the centerline of the San Juan River; thence South 39 degrees 00' 00" East, 354.95 feet along the centerline of the San Juan River; thence South 20 degrees 47' 00" East, 185.01 feet along the centerline of the San Juan River; thence South 12 degrees 26' 00" West, 429.79 feet along the centerline of the San Juan River to the South line of said Lot 2; thence South 87 degrees 50' 24" West, 1239.75 feet along the South line of said Lot 2; thence South 87 degrees 47' 31" West, 2772.70 feet along the South line of said Lots 3 and 4 to the Southwest (SW) corner of said Lot 4; thence North 00 degrees 00' 06" East, 1289.82 feet along the West line of said Lot 4 to the Point of Beginning.



TRACT 3: A tract of land being a portion of G.L.O. Lot 1 and the Southeast Quarter of the Northeast Quarter (SE1/4 NE1/4) of Section 6, Township 35 North, Range 1 West of the N.M.P.M., Archuleta County, Colorado being more particularly described as follows:

BEGINNING at a point on the East line of said G.L.O. Lot 1, whence the Northeast (NE) corner of said Section 6 bears North 0 degrees 56' 07" East, a distance of 167.28 feet (North 0 degrees 00' 06" East, 179.99 feet, record); thence South 0 degrees 56' 07" West along the East line of said G.L.O. Lot 1 and said Southeast Quarter of the Northeast Quarter (SE1/4 NE1/4), a distance of 2403.20 feet (South 0 degrees 00' 03" West, 2390.67 feet, record) to the East Quarter (1/4) corner of said Section 6; thence North 88 degrees 52' 50" West along the South line of said Southeast Quarter of the Northeast Quarter (SE1/4 NE1/4), a distance of 1314.18 feet (North 89 degrees 48' 46" West, 1314.43 feet, record) to the Southwest corner of said Southeast Quarter of the Northeast Quarter (SE1/4 NE1/4); thence North 0 degrees 43' 53" East along the West line of said Southeast Quarter of the Northeast Quarter (SE1/4 NE1/4) and said G.L.O. Lot 1, a distance of 1650.88 feet (North 0 degrees 12' 32" West, 1650.86 feet, record); thence North 77 degrees 24' 49" East along the Northerly line of an access easement, a distance of 317.96 feet (North 76 degrees 26' 00" East, 319.27 feet, record); thence North 67 degrees 30' 00" East along said Northerly line, a distance of 290.56 feet (North 66 degrees 35' 00" East, 290.30 feet, record); thence North 81 degrees 04' 17" East along said Northerly line, a distance of 64.16 feet (North 80 degrees 00' 00" East, 64.00 feet, record); thence North 66 degrees 44' 50" East along said Northerly line, a distance of 311.69 feet (North 66 degrees 3' 00" East, 311.30 feet, record); thence North 52 degrees 58' 34" East along said Northerly line, a distance of 109.43 feet (North 51 degrees 39' 00" East, 110.50 feet, record); thence North 38 degrees 29' 37" East along said Northerly line, a distance of 183.74 feet (North 38 degrees 00' 00" East, 194.00 feet, record); thence North 60 degrees 21' 53" East along said Northerly line, a distance of 175.02 feet (North 59 degrees 14' 00" East, 174.50 feet, record) to the Westerly line of an existing irrigation ditch; thence North 23 degrees 04' 00" East along said Westerly line, a distance of 126.86 feet (North 22 degrees 25' 00" East, 105.19 feet, record) to the Point of Beginning.

TRACT 4: A sixty (60) foot access easement located in Lot 1 of Section 6, Township 35 North, Range 1 West, N.M.P.M., and in Lot 4 and Lot 3 of Section 5, Township 35 North, Range 1 West, N.M.P.M., in Archuleta County, Colorado, being thirty (30) feet each side of the following described centerline:

Beginning at a point on the West line of said Lot 1 of said Section 6 whence the Northeast (NE) corner of Section 6 bears North 54 degrees 22' 10" East, 1624.53 feet; thence North 76 degrees 26' 00" East, 329.02 feet; thence North 55 degrees 35' 00" East, 289.36 feet; thence North 80 degrees 00' 00" East, 64.10 feet; thence North 66 degrees 05' 00" East, 318.78 feet; thence North 51 degrees 39' 00" East, 117.85 feet; thence North 38 degrees 00' 00" East, 191.95 feet; thence North 59 degrees 14' 00" East, 197.73 feet to the East line of said Lot 1; thence South 87 degrees 20' 00" East, 357.55 feet; thence along the arc of a curve to the left with a delta angle of 22 degrees 25' 00" and a radius of 219.27 feet for a distance of 85.79 feet; thence along the arc of a curve to the right with a delta angle of 19 degrees 45' 00" and a radius of 249.60 feet for a distance of 86.04 feet; thence East 495.48 feet; thence along the arc of a curve to the right with a delta angle of 42 degrees 30' 00" and a radius of 128.57 feet for a distance of 95.37 feet; thence South 47 degrees 30' 00" East, 442.91 feet; thence along the arc of a curve to the left with a delta angle of 33 degrees 30' 00" and a radius of 116.29 feet for a distance of 67.99 feet; thence along the arc of a curve to the right with a delta angle of 65 degrees 00' 00" and a radius of 54.94 feet for a distance of 62.33 feet; thence South 16 degrees 00' 00" East, 170.45 feet; thence along the arc of a curve to the left with a delta angle of 30 degrees 45' 00" and a radius of 181.83 feet for a distance of 97.59 feet; thence South 46 degrees 45' 00" East, 245.89 feet; thence along the arc of a curve to the right with a delta angle of 46 degrees 45' 00" and a radius of 69.41 feet for a distance of 56.63 feet; thence South 74.95 feet to the South line of said Lot 3, Section 5, whence the Northwest (NW) corner of said Section 5 bears North 56 degrees 26' 21" West, 2204.99 feet.