

DECLARATION OF PROTECTIVE COVENANTS

WHEREAS, Parsil, L.L.C. (hereafter referred to as Declarant") is the owner of all that real property shown on Exhibit "A" attached hereto and made a part hereof, know as River Pines Ranch - Phase I.

WHEREAS, the Declarant desires to preserve and protect the present and future value of said property by placing certain restrictions and covenants thereon so as to develop and maintain a high quality mountain development.

NOW, THEREFORE, Declarant hereby publishes and declares that the following restrictions and covenants are for the benefit of all persons who may hereafter purchase and from time to time own and hold any parcels of the subject property, which restrictions and covenants shall be deemed to run with the land and to be binding upon the owners of any of the said parcels, their heirs, personal representatives, successors and assigns, to-wit:

1. Maintenance and Control Committee:

A. A Committee is hereby established consisting of three (3) members. The initial Committee shall consist of Robert C. Sill, Bernard Parsons and James Morsberger. A majority of the Committee may designate one member to act for it. In the event of the death, resignation or inability to serve, the remaining member of members shall have the authority to designate a successor or successors. Neither the members of the Committee, nor its designated representatives, shall be entitled to any compensation for services performed pursuant to those Protective Covenants. At any time after 85% of the acreage to be sold, is sold, the then record owners of a majority of that acreage shall have the power, through duly recorded instrument, to change the membership of the Committee, to abolish the Committee and/or to re-establish the Committee.

B. The address of the Committee is as follows: 259 N. Commercial St. Trinidad, CO 81082.

C. The Committee's actions, approval, or decision as required in these Covenants, shall be in writing, and in no event constitute a waiver or abandonment of the restrictions and Covenants contained herein, nor shall approval be considered as ratification or acquiescence by the Committee of any violation or abridgement of such restrictions and Covenants. If the Committee fails to approve or disapprove any matters submitted within thirty (30) days of submission, it will be presumed that the same have been approved. Any notice of disapproval shall be by delivery in person or by Registered or Certified Mail, return receipt requested, addressed to the party submitting the same at an address which must be supplied with the submission.

D. The Committee is acting in an advisory capacity on behalf of all subject property owners and it is understood and agreed that the members of the Committee shall have no liability to any of the owners of any parcel of land herein, nor to any assignee, successor or transferee of and from such owner. Each owner, by accepting and recording their Deed, hereby ratifies and approves the provisions of the Paragraph.

2. Parcel Use:

Except for those areas designated as Common Area, if any, for the use of all property owners of the subject property, individual parcels shall be used for no more than three (3) family dwelling, Las Animas County Regulations permitting, incidental recreational uses only.

2) 3. Architectural Control:

A. All dwellings and any other improvements erected or placed on any parcel must be properly permitted by the appropriate Las Animas County building enforcement department and erected to specifications that are no less than Las Animas County or State of Colorado building codes.

B. Manufactured or factory built homes shall be allowed, provided that homes are at least 28 feet wide, have eaves that overhang no less than 16 inches and no less than a two-twelve pitch to the roof. A flat roof will be allowed on built-in-place dwellings of Southwest design and style.

C. No trailers and/or mobile homes, single or double wide's, shall be permitted on any of the lots as a temporary or permanent dwelling.

D. Construction of the exterior of any building on any lot must be completed within twenty-four (24) months from the date construction began.

4. Camping:

Owner camping on the owner's parcel is permitted, provided the camp site is kept in a neat and clean condition at all times. On breaking camp, campers shall make every effort to return the camp site to its natural conditions.

5. Easements:

There is hereby reserved a strip of land, sixty feet (60') in width, through all the subject parcels for use as an easement for ingress and egress and the administration of utilities servient to all adjacent parcels of land. In addition, there is hereby reserved an additional ten foot (10') easement around the perimeter of each and every parcel of land, to be used, if needed, to create a more direct route for the installation and maintenance of utilities.

6. Water and Sewer:

Each structure designed for human occupancy or use shall connect to an approved domestic water source and approved sewage disposal system. The respective parcel owners shall install and use a domestic well and septic system having all necessary public regulatory and governmental permits and approvals. No outside toilets or privies shall be permitted on any parcel at any time, other than for construction purposes as referred to in Paragraph 3 above. Chemical toilets will not be dumped on any parcel, or on the right-of-way of any road, unless buried properly on the owner's own parcel.

7. Signs:

No signs of any kind shall be displayed to the public view on any parcel except one sign if not more than two square feet, designating the owner, or with approval of the Committee, one sign of not more than eight square feet advertising the parcel for sale, or appropriate "Posted" or "No Hunting" signs.

3)
8. Hunting:

Hunting on the subject property is allowed and is subject to the rules and parameters set by the Committee. The Committee reserves the right to change or modify the areas open to hunting and the numbers of hunters on the open area in any given season. Hunting is limited to the recorded owners of a parcel, plus two (2) guests at any one time, with a maximum of six people in a hunting party, exclusive of spouses or children sixteen and under, unless written permission is obtained in advance from the Committee. Notwithstanding the above, individual property owners can restrict hunting on their property by fencing or properly posting same. Anyone so restricting their property, also loses all hunting rights on the remainder of subject property. The Committee reserves the right to change the areas open to hunting as development within subject to property progress.

9. Livestock and Animals:

Animals or livestock other than dogs, cats or other household pets, shall be permitted on the respective owner's parcel, as long as the property boundary is fenced with 4-strand barbed wire or other fencing material adequate to keep such livestock from straying onto the property of others. If owner wished to fence his entire property and such fence is going to cross a main access road, a Committee approved cattle guard must be installed at each fence/road crossing at the Owner's expense. Each parcel will be limited to reasonable livestock count that can be adequately maintained on each individual parcel. The Committee shall have final approval on the number of cattle, pigs, horses, etc., to be permitted on each parcel. Final approval of the Committee will not be unreasonably withheld. All livestock facilities must be kept in a neat, clean and attractive manner, so as not to be unsightly to other property owners.

10. Assessments:

There shall be due and payable by each parcel owner, an annual assessment for the maintenance and repair of the common roads and Common Areas. The initial assessments shall be One Hundred Fifty Dollars (\$150.00) for a vacant parcel, and Three Hundred Dollars (\$300.00) for a parcel which has a house thereon completed and ready for occupancy, or has been under construction in excess of 6 months. The assessments are payable to the Committee, which is charged with the responsibility of accounting for and expending the funds in accordance with this Paragraph. If any assessment is not paid within thirty (30) days of the due date, which due date shall be January 31 of each year, a lien shall bear interest at 12% annum until paid. After 85% of the subject property is sold, Declarant hereby pledges to the Committee all revenue obtained from grazing leases from the subject property, which Declarant hereby reserves the right to let.

11. Addition of Property:

Declarant, may at any time add property to River Pines Ranch - Phase I. Additional property may be smaller or larger acreage parcels and will be governed by these Protective Covenants. Association Dues will be no less than \$150.00 per tract per year on the added property, and after a structure is build, assessments shall be not less than \$300.00 per tract per year as per Paragraph 10 above.

4)

12. Common Areas:

The Declarants do hereby set aside two (2) parcels of land, the size and location will be determined and added to these Covenants.

1. Parcel #1 will be the location of an Equestrian area.

2. Parcel #2 will be a Picnic area.

These parcels shall be for the exclusive use of the owners. The up keep and periodic maintenance of the facilities shall be the responsibility of the Owners Association.

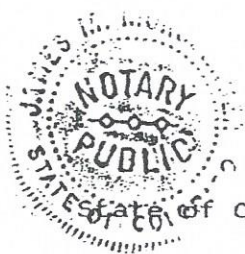
13. Terms of Covenants:

These Covenants and Restrictions are to be run with the land and shall remain in full force and effect for twenty-five (25) years from the date of recording after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument amending them, as provided herein, has been properly recorded. These Covenants and Restrictions may be amended by a properly recorded instrument executed by the majority of the owners of the parcels hereunder.

14. Enforcement and Severability:

If any person shall violate or threaten to violate any of the provisions of this instrument, enforcement shall be by proceedings at law or in equity by Declarant or any affected property owner, to restrain the person violating or threatening to violate them and to recover damages, actual and punitive, together with reasonable attorney's fees, for such violations. Invalidation of any one of the provisions of this instrument by judgement, court order or decree shall in no way affect any of the other provisions which shall remain in full force and effect.

IN WITNESS WHEREOF, The Declarant has caused these Protective Covenants to be executed this 5TH day of MARCH, 1997.



Robert C. Sill
RIVER PINES RANCH - PHASE I
ROBERT C. SILL

State of Colorado)
County of LAS ANIMAS) SS.

5TH The foregoing instrument was acknowledged before me this day of MARCH, 1997 by Robert C. Sill, River Pines Ranch - Phase I.

Witness my hand and official seal.

[Signature]
Notary Public

My commission expires 8/24/97