

Moonlight Ranch

Declaration of Protective Covenants

Note: These covenants will be recorded *only* in the event the Moonlight Ranch Tracts sell in two or more parcels. In the event Tracts 5-13 sell as a whole, to one entity (individual, LLC, Corporation, etc.), these covenants will *not* apply and future use/development of the property will be at the sole discretion of the purchasing entity.

This Declaration of Protective Covenants (the "Declaration") is made as of the _____ day of _____, 2010, by McClellan Bros. Investments, LLC (herein after called the "Declarant"). The Declarant is owner of the Moonlight Ranch property as shown on the attached plat and located in Sections 2, 3 & 4 of Township 37 North, Range 16 West and Sections 34 & 35 of Township 38 North, Range 16 West, N.M.P.M., in Montezuma County, Colorado.

Whereas Declarant desires to restrict and impose certain protective covenants on Tracts 5 - 13, to ensure harmonious relationships among land users, to protect and enhance real property values, to protect the abundant wildlife in the area, to conserve the natural beauty of the environment and to protect its character for the benefit of all present and successive owners of any or all of said tracts. Declarant does hereby impose the following covenants and restrictions, to wit:

Covenants

Access Roads – Declarant is reserving a 40 - 60-foot wide easement for general ingress and egress to each Lot not served by County roads. This easement shall be used for public utilities in addition to Lot Owner ingress and egress. The easement shall be 20-30 feet on each side of centerline of the access roads *or* as shown on attached plat for Moonlight Ranch. Private access roads extending from the platted subdivision roads to individual Lots shall not be constructed adjacent to any internal Moonlight Ranch Lot lines for aesthetic reasons.

Obstructions on Common Access Roads – No gates, fences or obstructions will be placed across any Common Access Road within Moonlight Ranch other than possibly at development entrances and only by mutual agreement of the affected property owners.

Drainage – At the location where private access roads connect to the subdivision access roads as recorded on the plat of Moonlight Ranch, a drainage culvert of not less than 12 inches in diameter and 20 feet in length shall be installed at the Lot Owner's expense. Culvert shall be installed during construction of Lot Owner's private access. Private entrances shall also be constructed with a crown and ditches such that water does not drain onto common access roads.

Utilities – Declarant has reserved primary distribution easements for water, power and phone utilities within Moonlight Ranch. These primary distribution lines shall be located within the access road easements or utility easements or as otherwise shown on attached plat.

Any new utilities within the common road access easement, along Lot lines as well as across any Lot shall be underground with the exception of any pre-existing utilities bordering Highways, County roads or any pre-existing overhead utilities. The owners of each Lot shall contact a contractor and/or the various utility companies and at their own expense, arrange for the connection of utilities from the primary distribution lines to their homesite or associated outbuildings.

Easements – No gates, fences or obstructions shall be placed *across* said utility easement nor shall any structure, material, equipment or refuse be placed on said easements with the exception of boundary fences along lot lines.

Bridle Path/Pedestrian Trail – Declarant is reserving a 20-foot wide trail easement throughout Moonlight Ranch as shown on the attached plat. Along the Moonlight Canal road, this trail shall reside within the 60-foot wide access easement. It will also reside within the 60-foot wide access easement between Tracts 9 & 10. The easement shall also exist along the north boundary line of Tract 9 to provide access to the State Wildlife area and along the south boundary of Tract 6 to provide access to Narraguinnep Reservoir. This easement shall be used for pedestrian, horseback and bicycle travel only. No motorized vehicles shall be allowed on this easement unless required for utility installation/maintenance or trail maintenance. Use of this trail easement will also be granted to the Atwater, Heaps and Schwarting residences in exchange for two access easements.

Common Use Area – In addition to the trail easement, a common use area will exist along the stream which supplies water to Narraguinnep Reservoir from McPhee Reservoir as shown on the attached plat. This common use area also encompasses the small reservoir near the southeast corner of Tract 9. This area extends the full length of the stream such that all 9 Lot owners in Moonlight Ranch have pedestrian, horseback and bicycle access to Narraguinnep Reservoir as well as the entire stream as shown on the attached plat. Use of this common use area will also be provided to the Atwater, Heaps and Schwarting residences in exchange for two access easements.

Dwellings per Lot – No more than one primary residence and accompanying outbuildings may be allowed per Lot. Outbuildings are considered as barns, stables, sheds, detached garages or other similar structures. Each Tract may also have one guesthouse although tracts 80 acres or larger may have up to two guesthouses.

Setback Requirements – No residence, building, structure or privacy fencing shall be built within 150 feet of any Lot line.

Dwelling Size Requirements – Primary dwellings shall be a minimum of 1500 square-feet not including garages, decks or covered porches. Guesthouses shall not exceed 1500 square-feet. No structure, whether home or outbuilding, shall be built exceeding 35 feet in height from ground level per Montezuma County height requirements.

Residential Construction Requirements – All construction upon the property shall be new construction. No previously erected building, structure, or improvement shall be moved to or placed upon any Lot. All primary residences must be built on a permanent foundation. All conventional construction methods are permitted. Frame, log, stone, stucco, steel and adobe structures are all acceptable as well as *custom designed* modular homes (see www.timbercreekhomesinc.com for examples of custom designed modular homes). Standard modular homes, mobile homes and HUD homes will not be permitted. Vinyl siding shall not be used on residences. Galvanized paneling shall not be used on the sides or roof of residences or any other structure unless it is acidized.

Approval of Plans – To ensure Lot development proceeds in accordance with these covenants and property values are protected, Lot Owner agrees to provide a site plan (indicates location of structures and fences with respect to Lot boundary) and structure plan (house and/or outbuilding plans) to adjacent Moonlight Ranch property owners before starting construction of any of the aforementioned items.

Fencing – Barbed wire fencing shall not be allowed around the perimeter of any Lot unless already in existence or is necessary for securing livestock. Perimeter fencing shall not exceed 4 feet in height and shall not be of a solid, private nature. Lot Owners are welcome to share the expense of lot line fencing along common boundaries. When fencing properties, Lot owners are encouraged to put gates in fence line to allow for cattle grazing opportunities.

Sewer Systems – Each Lot Owner is responsible for developing sewer systems for their Lot such as septic tanks and leach fields. Per Montezuma County requirements, individual Lot Owners shall have a percolation and/or soils test performed to determine the leach field requirements. Until further notice, Montezuma County requires that all septic systems shall be engineered by a Colorado licensed Professional Engineer.

Temporary Residence – A camp trailer, motor home or pick-up camper may occupy a Lot for recreational purposes only, and shall not become a permanent dwelling nor be left on Lot when owner vacates property unless stored in a closed garage, barn or other permanent structure. Occupancy of camp trailers, motor homes or pick-up campers shall not exceed 120 days per year. Mobile homes or construction trailers may be temporarily placed on a Lot for a period not to exceed 12-months only during construction of a permanent dwelling.

Outdoor Lighting – All outdoor lighting shall be of a full cut-off design, illuminating only the direct premises on which it is located and not neighboring properties.

Parking – No parking upon common access roadways shall be allowed within Moonlight Ranch. The roadway is defined as the full width of the access easement.

Use – No commercial business or trade shall be engaged in, or upon any Lot unless it is directly related to commercial agricultural operations on that Lot. Certain home occupations permitted by Montezuma County Zoning Ordinances may be maintained within the main dwelling although no commercial signage/advertising will be allowed anywhere within Moonlight Ranch.

Restriction of Future Subdivision – No Lot may be further subdivided into less than that shown on the Moonlight Ranch plat.

Property Maintenance – Owners are responsible for the appearance and maintenance of their Lot. All Lots must be kept neat and have an acceptable appearance. No accumulation of trash, junk, waste materials or weeds is allowed. Lot Owners shall be responsible for removal of all noxious weeds from their Lot and comply with Montezuma County noxious weed control regulations. All Lot Owners will be responsible for removal of their own refuse.

Refuse and Junk Prohibited – No Lot Owner shall dump refuse or garbage on any Lot nor shall a Lot Owner build, maintain, operate or construct, or in any way cause to be placed within 150 feet of any common access road or Lot lines any structure or condition that will cause the accumulation or existence of animal waste or a condition causing an obnoxious odor. Any motorized vehicle or watercraft that is inoperable for a period of longer than 30 days shall be stored in a closed garage, barn or other permanent structure.

Domestic Animals – Domestic animals (cats and dogs) may be maintained on any Lot provided they are confined to that Lot and the pens, corrals, barns, sheds or other enclosures are maintained in a clean, orderly and sanitary condition. To protect the abundant wildlife in the area, no more than two dogs are allowed per Lot and they must be kept in a fenced area that meets 150-foot setback requirements (including fencing). In the event any animal becomes obnoxious, troublesome, dangerous, excessively noisy or destructive to wildlife, livestock or fences or if the owner is unable to or fails to confine the animal to their Lot, the animal shall be removed at the owner's expense. No restriction shall be placed upon ownership of any *indoor* household pets provided they are not kept, bred or maintained for any commercial purposes.

Livestock – The Moonlight Ranch property is wooded and agricultural (grazing) in nature. The property has been grazed for decades, which provides an agricultural income, controls weeds and results in lower agricultural tax rates. Continued agricultural uses of the properties are encouraged.

One stock animal is allowed per 5-acres. This can be any combination of horses, cows or sheep but shall not exceed one animal per 5 acres. Any animals kept by a Lot Owner must be fenced within the boundaries of the Lot.

Regarding other livestock, no Lot Owner will be permitted to operate a commercial livestock operation on any Lot except for youth projects such as 4-H or Future Farmers of America. Animals identified as youth 4-H or F.F.A. projects are allowed as long as the penned area of such animals are maintained in a clean, orderly and sanitary condition and kept within a fenced area that meets 150-foot setback requirements (including fencing).

Irrigation – Although no shares of irrigation water are attached to these properties, the Moonlight property has abundant irrigation water running through the property and the valley lots are ideally suited for irrigation. Shares of Montezuma Valley Irrigation water are frequently available for sale and once purchased, can be transferred to either the Moonlight Canal or the Lone Pine Canal, both of which run through Moonlight Ranch.

Archaeology – There are many Anasazi archaeological sites in Moonlight Ranch. Lot owners are encouraged to preserve archeological sites within the subdivision. There are numerous archeological consultants in the Four Corners area that can help with additional site location and excavation if desired. Declarant can provide consultant names and phone numbers as required. Disposition of any archaeological sites and artifacts located on any Lot shall ultimately be at the Lot owners discretion.

Homeowners Association - A Homeowners Association will be formed and known as the "Moonlight Ranch Homeowners Association." Each Lot Owner agrees to become a member of said association. The property owners shall appoint one President and one Secretary/Treasurer. Future officers shall be elected at the annual meeting of Lot Owners which will be scheduled by the President. All matters in regard to the subdivision will be covered at this meeting. Homeowner association fees will be \$400.00 per lot per year. The fee will be billed in the month of January of each year and placed in an account set up for the said association. The account will be used for common use area property taxes, snow removal, repair and maintenance of the shared access roads within the subdivision. The account will be maintained by the Secretary/Treasurer.

Should any owner fail to pay required fees within 30 days, the Homeowners Association shall within 60 days thereafter cause to be prepared a Lien statement, giving the name of the owner, their address, legal description of the Lot, amount of unpaid bill or in the alternative, the Homeowners Association may commence Court action for collection of said fees. Said Lien Statement shall be recorded in the office of the County Clerk and Recorder of Montezuma County, Colorado. A copy of the recorded Lien Statement shall be mailed or delivered to the owner of said Lot within 10 days after return of Lien Statement from said County Clerk and Recorder.

Declaration Duration and Terms - All restrictions imposed by this Declaration shall run with the land and attach to the land and to each Lot thereof, and shall be binding upon all present and successive owners, heirs or assigns thereof until _____, 2020 at which time said restrictions shall be automatically extended for successive periods of ten (10) years each, unless by a vote of a majority of the then owners of said Lots, it is agreed to change said restrictions in whole or in part.

If an owner of one or more tracts within Moonlight Ranch should violate or cause to be violated, any of the covenants herein, then any one or more of the owners of an interest in a Lot within said subdivision shall have the right to call to the attention of the violator, the alleged breach, and attempt to resolve the matter. Any party to the matter shall have the right to seek relief of *irresolvable* matters in a Court of jurisdiction within the County of Montezuma, Colorado.

The invalidation of any one or more of these covenants by any Court of competent jurisdiction shall not invalidate the remainder and they shall remain in full force and effect.

