

THIRD AMENDMENT TO THE GENERAL DECLARATION FOR THE ALDASORO RANCH

THIS THIRD AMENDMENT ("Amendment") to the General Declaration for The Aldasoro Ranch, San Miguel County, Colorado is made effective as of this 21st day of October, 2003 ("Effective Date") is made by the Aldasoro Ranch Homeowners Company ("HOC") by and through its Board of Directors ("Board of Directors").

This Amendment is being re-recorded to append to this Amendment attached Exhibit "A" (which is a letter from the DOW concerning the matters addressed in Section 1.2 of this Amendment).

- R1. Aldasoro LTD, a Colorado limited partnership, as "Declarant", executed the General Declaration for the Aldasoro Ranch which was recorded in the Office of the Clerk and recorder for San Miguel County, Colorado on August 5, 1991 in Book 480 at page 817, First Supplement thereto recorded on April 9, 1992 in Book 490 at page 413, Second Supplement thereto recorded on May 15, 1992 in Book 492 at page 149, First Amendment thereto recorded on May 15, 1992 in Book 492 at page 152, Third Supplement thereto recorded on January 29, 1993 in Book 505 at page 322, Fourth Supplement thereto recorded on April 25, 1995 in Book 545 at page 70, and Second Amendment thereto recorded on August 6, 1996 in Book 565 at page 783 (collectively "General Declaration"), which General Declaration affected, covenanted and restricted all of that certain real property described in the General Declaration, including all supplements and amendments thereto and depicted on each map or plat for the Aldasoro Ranch, referenced by the General Declaration ("Aldasoro Ranch Property");
R2. Paragraph 9.13 of the General Declaration enables either the Declarant or at least 75% of the members of the Board of Directors to change, waive, terminate, modify, supplement or annul certain provisions of the General Declaration without the approval of the San Miguel County Board of Commissioners ("BOCC"); and
R3. The Board of Directors have considered certain modifications and supplementations to the General Declaration and have determined that the General Declarations shall be modified and supplemented as provided for in this Third Amendment ("General Declaration Modifications"); and
R4. The General Declaration Modifications do not require approval by the BOCC.

NOW THEREFORE, the HOC does hereby publish these modifications and supplementations the General Declarations, as follows:

1. Adoption of Modifications and Supplementations. At least 75% of the members of the Board of Directors, at a duly called and noticed meeting of the Board of Directors held on May __, 2003, and the Declarant have both considered and approved the General Declaration Modifications, as stated below, and do hereby publish, declare, modify and supplement the General Declarations as follows:

1.1. Section 3.19 does not currently exist. A new Section 3.19 which reads as follows shall be added:

"3.19 Water Function: As set forth in Article X, the Homeowners Company shall own and be responsible for operation, maintenance, repair and replacement of the central water system that serves lots within Aldasoro Ranch. The Homeowners Company shall be authorized to promulgate additional rules and regulations regarding the members' connection to or use of the water systems, including but not limited to regulations for the purpose of conserving available water resources, for restricting indoor and outdoor water use during times of shortage or drought, or to ensure compliance with the terms

and conditions approved by the District Court in and for Water Division No. 4 in Case No. 90CW069, as amended from time to time. The Homeowners Company shall also be empowered to curtail or deny water service to any member who uses water in amounts over and above any maximum limits set by the Board of the Homeowners Company, or in the event that any members should seek to irrigate more lawn and garden area than the maximum areas described below in Sections 7.14.2, 10.3 and 10.3.1.”

- 1.2. Section 7.17 of the General Declarations, entitled “Fences”, which currently states as follows:

“No fences or other similar barriers shall be permitted without the prior written approval of the Review Board and the Colorado Division of Wildlife.”

is hereby terminated in its entirety and shall be replaced with, modified and supplemented with the following provisions:

7.17. Fences

7.17.1 No Permanent Fences: *Permanent fences will only be permitted if, in the sole reasonable judgment of the Design Review Board, they are appropriate for the Aldasoro Ranch. Fence style and materials shall be consistent with those used by the Developer. Prior to the construction of a fence, the approval of the Colorado Division of Wildlife and/or San Miguel County may be required.*

7.17.2 Temporary Fences. *Temporary fences, for a period of time stated on an approved landscape plan, may be approved by the Design Review Board, for the purpose of protecting natural new growth and/or newly planted vegetation as part of an approved landscape plan. Temporary fences shall meet the following criteria:*

- A. *Fencing of individual trees or small groupings be a maximum of 8 ft in diameter with the number of groupings to be approved by Design Review Board.*
- B. *Fence maximum height to be 6 ft.*
- C. *Material to be non-galvanize metal 2 in. by 4 in. square mesh known as Yard Garden/Kennel Fencing.*
- D. *Perimeter fencing of perennial or other flower beds will not be allowed.*
- E. *Landscape plans must show fencing requirements.*
- F. *Temporary fencing will be allowed for not more than 4 years or such shorter time allowed and determined by the Design Review Board. All temporary fencing must be removed by the owner on or before the expiration date, unless the Design Review Board shall have granted a written extension of the expiration date. Should an owner fail to remove temporary fencing by the expiration date stated in the approved landscape plan, then the Association may remove the fencing and assess the cost and expense of such removal against the lot upon which the temporary fencing was installed.*
- G. *Prior to the construction of a temporary fence, the approval of the Colorado Division of Wildlife and/or San Miguel County may be required.*

- 1.3. Section 5.11 of the General Declarations, entitled "Lien for Assessments and Other Amounts", which currently states as follows:

The Homeowners Company shall have a lien against each site to secure payment of any assessment, charge, fine, penalty, liquidated damages, or other amount due and owing to the Homeowners Company by the Owner of such Site plus interest at the rate of 18% per annum from the date due and payable, plus all costs and expenses of collecting the unpaid amount, including reasonable attorneys' fees. The lien may be foreclosed in the manner for foreclosures of either (i) mechanics or materialmen liens or (ii) judicial mortgage foreclosures in the State of Colorado, and the Owner shall be required to pay the costs and expenses of such proceedings, including but not limited to, reasonable attorneys' fees.

is hereby terminated in its entirety and shall be replaced with, modified and supplemented with the following provisions:

Lien for Assessments and Other Amounts. Upon a default in the payment of any assessment, regular, special or otherwise by an Owner, the Homeowners Company and/or its manager shall send three monthly written notices advising of the delinquency in the payment of the assessment. The first notice shall be sent by registered mail to the last address on file with the Homeowners Company. If payment is not made within ten days of the date that the third notice is sent, then the Homeowners Company may at any time thereafter file a lien against the Site owned by the Owner, which lien shall secure payment of any assessment, charge, fine, penalty, liquidated damages, or other amount due and owing to the Homeowners Company by the Owner of such Site. Interest at the rate of 18% per annum shall begin to accrue should payment not be received within thirty days of the date that a notice of assessment was sent to the Owner. The Owner shall be liable to the Homeowners Company for all costs and expenses of collecting the unpaid amount, including reasonable attorneys' fees. The lien may be foreclosed in the manner for foreclosures of either (i) mechanics or materialmen liens or (ii) judicial mortgage foreclosures in the State of Colorado, and the Owner shall be required to pay the costs and expenses of such proceedings, including but not limited to, reasonable attorneys' fees.

- 1.4. Section 7.7 of the General Declarations, entitled "No Unsightliness", which currently states as follows:

"No unsightliness shall be permitted within The Aldasoro Ranch. Such things that include but are not limited to (i) all unsightly structures, facilities, equipment objects and conditions shall be enclosed within an approved structure; (ii) camper trailers, trailers, trucks, pickups, boats, bicycles, motorcycles, snowmobiles, mowers, tractors, all vehicles (including automobiles), campers and, except when in actual use, snow removal equipment, trash storage containers and garden or maintenance equipment, shall be kept in an enclosed structure at all times, provided that automobiles and trucks may be parked but not stored on parking lots or other areas specifically designated by the Review Board. Refuse, garbage and trash shall be kept in a covered container at all times and any such container shall be kept within an enclosed structure. Service areas and facilities shall be kept within an enclosed structure. Pipes for water, gas, sewer, drainage or other purposes, wires, poles, transmission or reception of audio or video signals or electricity, utility meters or other utility facilities, gas, oil, water or other tanks,

including propane gas tanks, and sewage disposal systems or devices shall be kept and maintained within an enclosed structure or below the surface of the ground. No lumber, logs, timber, "fireplace logs", grass, shrub or tree clippings or plant waste, compost, metals, bulk materials or scrap or refuse or trash or unused items of any kind shall be kept, stored or allowed to accumulate within The Aldasoro Ranch except in designated enclosed structures approved by the Review Board. All enclosed structures shall comply with the rules and regulations of the Review Board as in effect from time to time."

is hereby terminated in its entirety and shall be replaced with, modified and supplemented with the following provisions:

No Unsightliness. *No unsightliness shall be permitted within The Aldasoro Ranch.*

- 7.7.1. *All unsightly structures, facilities, equipment objects and conditions shall be kept and contained in an enclosed within an approved fully enclosed structure, which are screened from the view of the public and adjacent property owners.*
- 7.7.2. *A camper, maintenance and recreational equipment trailers, campers, trailers, trucks, pickups, boats, bicycles, motorcycles, snowmobiles, mowers, tractors, all vehicles (including automobiles) shall be kept and contained in an approved, fully enclosed structure, which are screened from the view of the public and adjacent property owners, provided that automobiles and trucks may be parked but not stored on parking lots or other areas specifically designated by the Review Board.*
- 7.7.3. *Except for when in actual use, snow removal equipment, patio furniture, trash storage containers and garden or maintenance equipment, shall be kept in an enclosed structure at all times. Trash containers shall be stored in a room that is an integral part of the garage that provides access from the outside driveway or parking area.*
- 7.7.4. *Refuse, garbage and trash shall be kept in an covered container at all times and any such container shall be kept within an enclosed structure. Trash containers shall be stored in a room that is an integral part of the garage that provides access from the outside driveway or parking area.*
- 7.7.5. *Service areas and facilities shall be kept within an enclosed structure. Pipes for water, gas, sewer, drainage or other purposes, wires, poles, transmission or reception of audio or video signals or electricity, utility meters or other utility facilities, gas, oil, water or other tanks, including propane gas tanks, and sewage disposal systems or devices shall be kept and maintained within an enclosed structure or below the surface of the ground.*
- 7.7.6. *No lumber, logs, timber, "fireplace logs", grass, shrub or tree clippings or plant waste, compost, metals, bulk materials or scrap or refuse or trash or unused items of any kind shall be kept, stored or allowed to accumulate within The Aldasoro Ranch except in designated enclosed structures approved by the Review Board.*
- 7.7.7. *All enclosed structures shall comply with the rules and regulations of the Review Board as in effect from time to time. These areas shall be screened from the view*

of the public and adjacent property owners. Walls enclosing these areas shall be compatible with the materials and integrated into the forms of the residence.

- 1.5 Section 6.6 does not currently exist. A new Section 6.6 which reads as follows shall be added:

“6.6 Declarant’s continuing ownership of various water rights associated with historical ranch operations: *Declarant and its principals own various water rights associated with historical ranch operations within what is now The Aldasoro Ranch. These water rights authorize the diversion of surface water for irrigation purposes from Remine Creek, Deep Creek and/or Sheep Creek through ditches known as the Adams Canal Enlargement, the Sheep Creek Ditch Enlargement, the Aldasoro Ditch, the Carr & Waddle Ditch and the Navike Ditch. On behalf of itself, its successors and assigns, the Declarant hereby declares, reserves and confirms permanent non-exclusive easements for the following: (1) operation, maintenance, repair and replacement of these ditches and any associated structures (such as headgates, weirs, flow regulators, culverts and pipelines); (2) continued irrigation of historically irrigated lands below each of these structures; and (3) such access as may be reasonably necessary to enjoy these easements. In addition, although water diverted through these structures is presently used to irrigate certain portions of the Open Space, Declarant further declares, reserves and confirms the right to change the points of diversion, places of use, or types of use of the water rights associated with these ditches, in which case historical practices could be partially or wholly discontinued. As such the easements described in this subparagraph are specifically intended to allow continuing access to ditches and historically irrigated areas within The Aldasoro Ranch as may be necessary to fulfill any terms and conditions that may be imposed upon any change of water rights by the water court, including potentially the permanent dry-up of irrigated acreage, the bypass of historic diversions, and/or the use of the Carr & Waddle Ditch to deliver water to Remine Creek. The Declarant or its principals may assign the various reserved rights described in this subparagraph to other owners of water rights adjudicated to these ditches and any successor(s)-in-interest.”*

2. **No Other Amendments.** Other than the General Declaration Modifications contained herein, nothing contained herein shall otherwise change, waive, terminate, modify, supplement or annul any other provisions of the General Declaration and the General Declaration and other governing documents for Aldasoro Ranch shall continue in full force and effect.
3. **Effectiveness.** This Amendment shall become effective upon recordation in the Office of the Clerk and recorder for San Miguel County, Colorado.

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IN WITNESS WHEREOF, the Association and the Declarant have each executed this Amendment as of the Effective Date.

HOC:

Aldasoro Ranch Homeowners Company,
a Colorado nonprofit corporation

By: Brenda Gilbert

Date: 11-12-03

Name: BRENDA GILBERT

Title: President HOC

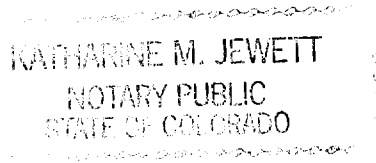
STATE OF COLORADO)
) ss.
COUNTY OF SAN MIGUEL)

Subscribed and sworn to before me this 12th day of November, 2003, by Brenda Gilbert.
the President of the Aldasoro Ranch Homeowners Company, a Colorado nonprofit corporation.

Witness my hand and official seal.

My commission expires: 8/19/07

Katharine M Jewett
Notary Public



DECLARANT:

Aldasoro LTD,
a Colorado limited partnership

By: Albert J. Aldasoro

Date: 21st of October 03

Name: Albert J. Aldasoro
Title: general partner

STATE OF COLORADO)
) ss.
COUNTY OF SAN MIGUEL)

Subscribed and sworn to before me this 21st day of October, 2003, by Albert J. Aldasoro
the General partner of the Aldasoro LTD, a Colorado limited.

Witness my hand and official seal.

MY COMMISSION EXPIRES 05/30/06

My commission expires: _____

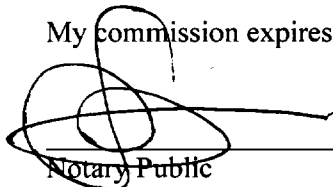

Notary Public



Exhibit "A"

STATE OF COLORADO

Bill Owens, Governor
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WILDLIFE
AN EQUAL OPPORTUNITY EMPLOYER

Bruce McCloskey, Director
6060 Broadway
Denver, Colorado 80216
Telephone: (303) 297-1192



*For Wildlife-
For People*

Don Costa
Manager, Aldasoro Ranch HOC
PO Box 1650
Telluride, CO 81435
January 27, 2005

Dear Mr. Costa,

I have reviewed the temporary fencing declaration (7.17.2) you provided me with. The provisions look fine and comply with the Colorado Division of Wildlife's "Wildlife Friendly" fencing recommendations.

One suggestion I have is for section 7.17.2(A). I would recommend that if a homeowner is fencing a small group of trees up to 8ft. in diameter that the height of this fence be 5-6ft. This will prevent deer/elk from entering the small enclosure.

If any Aldasoro homeowner is interested I would be happy to recommend plants that are more deer/elk resistant and therefore may not need temporary fencing.

Thank you for keeping us informed and for providing us the opportunity to comment.

Sincerely,

Kelly C. Crane
District Wildlife Manager