

DECLARATION OF PROTECTIVE COVENANTS

for

NAVAJO RIVER RANCH

Navajo River Ranch, A Limited Liability Company, the owner of real property situated in the County of Archuleta and State of Colorado, known as Navajo River Ranch and legally described on Exhibit A attached hereto, in order to protect the living environment and preserve the values in Navajo River Ranch, 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 composing 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 Navajo 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 yearly dues. Should any property owner fail to pay assessments when due, the Property Owners Association may file a lien against the owner for collection purposes.
- (3) To provide upkeep and improvements to all non-county roads in Navajo River Ranch.
- (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 (that of underground electric, telephone and a central water system within the subdivision.)
- (5) To administer and lease grazing rights.

III. **DWELLINGS:** All primary dwellings shall consist of not less than 1,000 square feet of living space. Modular homes must have the approval of the Property Owners Association Board. No commercial activity shall be permitted unless approved by the Property Owners Association Board.

IV. **SETBACKS:** No structure may be erected within one hundred feet of the right-of-way line of any road within Navajo River Ranch 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 (20) foot utility easement is hereby set aside on the interior side of all exterior lot lines. All future electric and phone lines shall be extended underground, excepting that the Property Owners Association Board may approve overhead lines where the terrain would make the placement of underground lines difficult.

VII. **NUISANCES:** No owner shall cause or allow the origination of excessive odors or sounds from his parcel. No owner shall cause or allow any other nuisances of any kind whatsoever to exist on his parcel. In case of a dispute, at the request of an owner, the Property Owners 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.

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 parcel 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. **MOBILE HOMES:** Mobile homes shall not be permitted on any parcel within Navajo River Ranch.

XII. **LAND USE:** Commercial wood harvesting, mining and oil or gas production is prohibited. Further subdivision of less than thirty-five acres is prohibited. Any subdivided parcel will be covered by these Covenants and become an automatic member of the Navajo River Ranch Property Owners Association.

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

XIV. **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 parcels has been recorded, changing said covenants in whole or part.

XV. **SEVERABILITY:** Invalidity 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.

XVI. **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.

XVII. **COUNTER PARTS:** This instrument may be executed in a number of counter parts any one of which may be considered an original.

XVIII. **ANNEXATION:** Developer may from time to time within ten years after the date of the recording of this Declaration of Protective Covenants for Navajo River Ranch annex 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.

XIV. **FEES AND ENFORCEMENT:** All parcels within Navajo River Ranch 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 parcel involved. Fees shall be payable in advance in January of each year. Each property owner shall be responsible for payment of all fees and any costs (including attorney fees) necessary to enforce any violation of these covenants affecting his or her parcel. Failure to pay fees shall be deemed a violation of these covenants. Unpaid fees and costs shall also be a lien and may be foreclosed in the same manner as a mechanics lien.

Developer does not pay assessments but is responsible for contributing any necessary funds so that any obligation of the Association is met by the Developer until such time as the Developer transfers his interest in and control of the Association.

IN WITNESS WHEREOF, _____ subscribe their name this _____ day of _____, 199_.

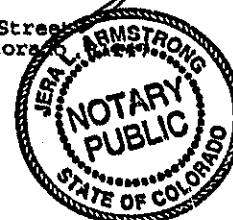
Steven W. Crow
Manager
Marguerite A. Ralston-Poma
Manager
Steven W. Crow
Manager

STATE OF COLORADO }
COUNTY OF Archuleta } ss.

The foregoing instrument was acknowledged before me this 10th day of June, 1995 by Randy Lanosga Jr, Marguerite A. Ralston-Poma and Steven W. Crow.

Witness my official hand and seal.

J. L. Armstrong
Notary
Address: 141 14th Street
Pagosa Springs, Colorado



My Commission Expires: 6/24/99
My Commission Expires: _____

TRACT I:

A certain tract of land being a portion of the historic 5760-acre Crowley Tract within the Tierra Amarilla Land Grant, Archuleta County, Colorado, Patent No. 3, as conveyed to Francisco Martinez on 21 February 1881 by U.S. Congress in compliance with the Treaty of Peace between the United States and Mexico, commonly known as the Treaty of Guadalupe Hidalgo, said treaty being ratified on 2 February 1848, and more particularly described as follows:

BEGINNING at a brass cap set as the point of beginning of the Westerly boundary of the Tierra Amarilla Land Grant;

Thence North 00° 31' 02" East, along said Westerly boundary a distance of 368.74 feet to the Northwest corner of the herein described tract, a point on the centerline of the Navajo River;

Northeasterly along the centerline of said Navajo River as follows:

North 78° 39' 11" East, a distance of 193.92 feet to a point;

South 40° 14' 49" East, a distance of 283.60 feet to a point;

South 73° 27' 01" East, a distance of 520.29 feet to a point;

North 82° 19' 26" East, a distance of 227.97 feet to a point;

South 58° 22' 13" East, a distance of 682.88 feet to a point;

South 87° 53' 50" East, a distance of 84.27 feet to a point;

South 87° 53' 50" East, a distance of 80.00 feet to a point;

North 45° 59' 58" East, a distance of 455.21 feet to a point;

South 74° 30' 21" East, a distance of 542.08 feet to a point;

South 18° 13' 14" East, a distance of 239.60 feet to a point;

South 48° 47' 11" East, a distance of 480.79 feet to a point;

North 73° 29' 37" East, a distance of 234.64 feet to a point;

South 70° 04' 41" East, a distance of 199.87 feet to a point;

North 78° 57' 43" East, a distance of 1116.02 feet to a point;

South 76° 42' 52" East, a distance of 257.84 feet to a point;

North 74° 29' 32" East, a distance of 248.99 feet to a point;

South 68° 24' 35" East, a distance of 277.20 feet to a point;

North 82° 14' 10" East, a distance of 510.90 feet to a point;

South 20° 26' 00" East, a distance of 168.85 feet to a point being the

Northeast corner of the herein described tract;

South 00° 40' 07" West, a distance of 717.54 feet to the Southeast corner 6

the herein described tract, a ½" rebar with cap set at a point on the

centerline of Archuleta County Road 382;

Southwesterly along said centerline as follows:

North 74° 07' 01" West, a distance of 854.84 feet to a set ½" rebar with cap;

North 75° 36' 16" West, a distance of 1081.76 feet to a set ½" rebar with cap;

North 84° 45' 22" West, a distance of 351.57 feet to a set ½" rebar with cap;

North 82° 53' 16" West, a distance of 1358.06 feet to a set ½" rebar with cap;

South 85° 11' 29" West, a distance of 899.49 feet to a set ½" rebar with cap;

North 72° 06' 05" West, a distance of 741.35 feet to a set ½" rebar with cap;

North 84° 12' 15" West, a distance of 785.33 feet to a set ½" rebar with cap

set for the Southwest corner of the herein described tract at a point on the

Westerly boundary of the said Tierra Amarilla Land Grant;

North 01° 31' 02" East, along said Westerly boundary a distance of 418.69

feet to the point of beginning.

TRACT II:

Lots 2, 3, 4, 5, 6, 7 and 8; the S½NW¼; the N½SW¼ of Section 1, Township 32 North, Range 1 East, N.M.P.M., Archuleta County, Colorado.

S½NE¼; N½SE¼ of Section 2, Township 32 North, Range 1 East, N.M.P.M., Archuleta County, Colorado, according to the Map of Township No. 32 North, Range No. 1 East of the New Mexico Principal Meridian as surveyed August 4-10, 1880, and as approved by the Surveyor General's Office in Denver, Colorado on November 3, 1882.

S½NW¼; The N½SW¼ of Section 4, Township 32 North, Range 2 East, N.M.P.M., Archuleta County, Colorado.

N½SW¼, Lots 2, 3, 4; S½NE¼; N½SE¼; S½NW¼ of Section 5, Township 32 North, Range 2 East, N.M.P.M., Archuleta County, Colorado.

The N½ and Lot 13 of Section 6, Township 32 North, Range 2 East, N.M.P.M., Archuleta County, Colorado.

Lots 2, 3 and 4 of Section 4, Township 32 North, Range 2 East, N.M.P.M., Archuleta County, Colorado.

Lot 1 of Section 5, Township 32 North, Range 2 East, N.M.P.M., Archuleta County, Colorado.

The SE¼; the E½SW¼ of Section 33, Township 33 North, Range 2 East, N.M.P.M., Archuleta County, Colorado.

E½SE¼ of Section 31, Township 33 North, Range 2 East, N.M.P.M., Archuleta County, Colorado.

The N½; the SW¼; W½SE¼ of Section 32, Township 33 North, Range 2 East, N.M.P.M., Archuleta County, Colorado.

LESS AND EXCEPT that portion, if any, lying and being within the Tierra Amarilla Land Grant.

SUBJECT TO ALL OIL, GAS, COAL, AND OTHER MINERAL RIGHTS, DITCH AND DITCH RIGHTS, WATER AND WATER RIGHTS, EXISTING ROADS, UTILITIES, PIPELINES, RIGHTS-OF-WAY AND EASEMENTS THEREOF, RESERVATIONS, RESTRICTIONS, AND U.S. PATENTS OF RECORD.

FIRST SUPPLEMENT OF DECLARATION OF PROTECTIVE COVENANTS

This first Supplemental Declaration of Protective Covenants ("First Supplement") is executed this 19th day of July, 1995 by Navajo River Ranch, A Limited Liability Company, ("Declarant").

Recitals:

A. Declarant executed that certain Declaration of Protective Covenants for Navajo River Ranch dated June 10, 1995 and recorded at Reception #1995004349 of the Archuleta County, Colorado, Real Estate Records ("Initial Covenants").

B. The Initial Covenants bind, inure, govern, and affect all real property located in Archuleta County as more particularly described on Exhibit A attached hereto and incorporated herein ("Property").

C. The Declarant desires to file this First Supplement to supplement and amend the Initial Covenants.

NOW THEREFORE, the Initial Covenants are amended and supplemented by this First Supplement as follows:

1. The Recitals are incorporated herein by reference.
2. The Initial Covenants are hereby amended to provide for a new paragraph as follows:

Notwithstanding anything else contained herein, each Owner shall be permitted to erect not more than two dwellings on each tract.

3. All references to the word "Covenants" in the Initial Covenants shall hereafter be deemed to refer to the Initial covenants and this First Supplement.

4. Except as otherwise provided herein, the Initial Covenants remain in full force and effect and Declarant hereby ratifies and reaffirms the same.

IN WITNESS WHEREOF, the Declarant has executed this First Supplement as of the date provided above:

DECLARANT

Marguerite A. Ralston-Poma
Steven W. Crow

State of Colorado)
)SS.

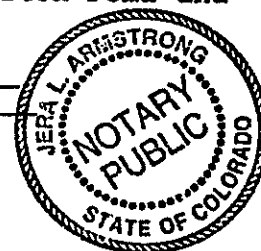
County of Archuleta)

The foregoing instrument was acknowledged before me this 19th day of July, 1995 by Randy Lanosga, Jr., Marguerite A. Ralston-Poma and Steven W. Crow.

Witness my hand and official seal

My Commission Expires

June Madrid
Notary Public



A certain tract of land being a portion of the historic 5760-acre Crowley Tract within the Tierra Amarilla Land Grant, Archuleta County, Colorado, Patent No. 3, as conveyed to Francisco Martinez on 21 February 1881 by U.S. Congress in compliance with a Treaty of Peace between the United States and Mexico, commonly known as the Treaty of Guadalupe Hidalgo, said treaty being ratified on 2 February 1848, and more particularly described as follows:

- BEGINNING at a brass cap set as the point of beginning of the Westerly boundary of the Tierra Amarilla Land Grant;
- thence North 00° 31' 02" East, along said Westerly boundary a distance of 368.74 feet to the Northwest corner of the herein described tract, a point on the centerline of the Navajo River;
- Northeastly along the centerline of said Navajo River as follows:
 - North 78° 39' 11" East, a distance of 193.92 feet to a point;
 - South 40° 14' 49" East, a distance of 283.60 feet to a point;
 - South 73° 27' 01" East, a distance of 520.29 feet to a point;
 - North 82° 19' 26" East, a distance of 227.97 feet to a point;
 - South 58° 22' 13" East, a distance of 682.38 feet to a point;
 - South 47° 53' 50" East, a distance of 84.27 feet to a point;
 - South 87° 53' 50" East, a distance of 80.00 feet to a point;
 - North 45° 59' 58" East, a distance of 455.21 feet to a point;
 - South 74° 30' 21" East, a distance of 542.08 feet to a point;
 - South 18° 13' 14" East, a distance of 239.60 feet to a point;
 - South 48° 47' 11" East, a distance of 480.79 feet to a point;
 - North 73° 29' 37" East, a distance of 234.64 feet to a point;
 - South 70° 04' 41" East, a distance of 199.87 feet to a point;
 - North 78° 57' 43" East, a distance of 1116.02 feet to a point;
 - South 76° 42' 52" East, a distance of 257.84 feet to a point;
 - North 74° 29' 32" East, a distance of 248.99 feet to a point;
 - South 68° 24' 35" East, a distance of 277.20 feet to a point;
 - North 82° 14' 10" East, a distance of 510.90 feet to a point;
 - South 20° 26' 00" East, a distance of 168.85 feet to a point being the Northeast corner of the herein described tract;
- South 00° 40' 07" West, a distance of 717.54 feet to the Southeast corner of the herein described tract, a ½" rebar with cap set at a point on the centerline of Archuleta County Road 382;
- Southwestly along said centerline as follows:
 - North 74° 07' 01" West, a distance of 854.84 feet to a set ½" rebar with cap;
 - North 75° 36' 16" West, a distance of 1081.76 feet to a set ½" rebar with cap;
 - North 84° 45' 22" West, a distance of 351.57 feet to a set ½" rebar with cap;
 - North 82° 53' 16" West, a distance of 1358.06 feet to a set ½" rebar with cap;
 - South 85° 11' 29" West, a distance of 899.49 feet to a set ½" rebar with cap;
 - North 72° 06' 05" West, a distance of 741.35 feet to a set ½" rebar with cap;
 - North 84° 12' 15" West, a distance of 785.33 feet to a set ½" rebar with cap set for the Southwest corner of the herein described tract at a point on the Westerly boundary of the said Tierra Amarilla Land Grant;
- North 01° 31' 02" East, along said Westerly boundary a distance of 418.69 feet to the point of beginning.

TRACT II:

Lots 2, 3, 4, 5, 6, 7 and 8; the SW¼; the NW¼ of Section 1, Township 32 North, Range 1 East, N.M.P.M., Archuleta County, Colorado.

SW¼; NW¼ of Section 2, Township 32 North, Range 1 East, N.M.P.M., Archuleta County, Colorado, according to the Map of Township No. 32 North, Range No. 1 East of the New Mexico Principal Meridian as surveyed August 4-10, 1880, and as approved by the Surveyor General's Office in Denver, Colorado on November 3, 1882.

SW¼NW¼; The NW¼SW¼ of Section 4, Township 32 North, Range 2 East, N.M.P.M., Archuleta County, Colorado.

NW¼SW¼, Lots 2, 3, 4; SW¼NE¼; NW¼SE¼; SE¼NW¼ of Section 5, Township 32 North, Range 2 East, N.M.P.M., Archuleta County, Colorado.

The NE¼ and Lot 13 of Section 6, Township 32 North, Range 2 East, N.M.P.M., Archuleta County, Colorado.

Lots 2, 3 and 4 of Section 4, Township 32 North, Range 2 East, N.M.P.M., Archuleta County, Colorado.

Lot 1 of Section 5, Township 32 North, Range 2 East, N.M.P.M., Archuleta County, Colorado.

The SE¼; the E½SW¼ of Section 33, Township 33 North, Range 2 East, N.M.P.M., Archuleta County, Colorado.

E½SE¼ of Section 31, Township 33 North, Range 2 East, N.M.P.M., Archuleta County, Colorado.

The NE¼; the SW¼; W½SE¼ of Section 32, Township 33 North, Range 2 East, N.M.P.M., Archuleta County, Colorado.

LESS AND EXCEPT that portion, if any, lying and being within the Tierra Amarilla Land Grant.

SUBJECT TO ALL OIL, GAS, COAL, AND OTHER MINERAL RIGHTS, DITCH AND DITCH RIGHTS, WATER AND WATER RIGHTS, EXISTING ROADS, UTILITIES, PIPELINES, RIGHTS-OF-WAY AND EASEMENTS THEREOF, RESERVATIONS, RESTRICTIONS, AND U.S. PATENTS OF RECORD.



60
7

RESTATED DECLARATION OF PROTECTIVE COVENANTS FOR NAVAJO RIVER RANCH

This Restated Declaration of Protective Covenants for Navajo River Ranch ("Restated Declaration") was approved by at least two-thirds of the Lot Owners and becomes effective upon the commencement of the next term which is July 12, 2005 as defined in Article XIV of the Declaration of Protective Covenants for Navajo River Ranch ("Declaration") recorded in the Office of the Archuleta County Recorder on July 12, 1995 under instrument number 1995004349. Owner approval of this Restated Declaration is evidenced by Exhibit "B" attached hereto containing the signatures of two-thirds of the Land Owners.

This Restated Declaration becomes effective upon the commencement of the next term which is July 12, 2005 as defined in Article XIV of the Declaration and at the effective date supercedes, in its entirety, the Declaration (and the First Supplement to Declaration of Protective Covenants, recorded on July 20, 1995 in instrument number 1995004542, Archuleta County Recorder), which Declaration and First Supplement become null and void upon the effective date of this Restated Declaration

Navajo River Ranch Property Owners Association, a Colorado Non-profit Corporation, is the owner of real property situated in the County of Archuleta and State of Colorado, known as Navajo River Ranch and the Owners executing this Restated Declaration are the Owners of the Lots within Units 1, 2, 3, 4, and 5, all of which are part of Navajo River Ranch as more fully described on Exhibit A attached hereto. This property is specifically subject to the following described covenants, conditions and restrictions.

I. INTENT:

Purpose of Covenants. These covenants are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Property. These covenants shall run with title to any Lot within the Properties, shall bind all parties having or acquiring any right, title, or interest in the Property and shall inure to the benefit of each such Owner. It is the intent of these covenants to support the free use and enjoyment of the Property by each Owner while protecting the property values of the other Owners' Lots, ensuring that the natural environment will be disturbed as little as possible.

Binding Effect. By accepting a deed or acquiring any ownership interest in any Lot, each Owner, his/her heirs, personal representatives, successors, transferees and assigns, binds him/herself, his/her heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules and regulations now or hereafter imposed by this Restated Declaration and any amendments thereto. In addition, each Owner acknowledges that this Restated Declaration sets forth a general scheme for the development of the Properties.



5-16-04
5.7.04

20405339
2 of 7

6/18/2004 2:25:00 PM June Madrid
DCC R \$36.00 D \$0.00 Archuleta County, CO

20405815
2 of 60

7/1/2004 2:27:00 PM June Madrid
DCC R \$301.00 D \$0.00 Archuleta County, CO

II. PROPERTY OWNER'S ASSOCIATION: The Navajo River Ranch Property Owner's Association (POA) will be operated in accordance with the by-laws of the Association.

a. **Members:** Every property owner, by taking title to a Lot within Navajo River Ranch is automatically a member of the Property Owner's Association. Membership is appurtenant to and may not be separated from ownership of a Lot. Only persons who own Lots under recorded instruments, including deeds and contracts for sale, shall be members of the 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 for Annual Dues and Special Assessments. Should any property owner fail to pay dues or assessments when due, the POA may record a lien against the Lot to secure the collection of such delinquent amounts.
3. To provide upkeep and improvements to all POA roads in Navajo River Ranch and any other assets either owned by the POA or for which the POA is responsible.
4. To represent all property owners in matters of mutual interest including but not limited to providing for and supervision of installation of utility service (that of underground electric, telephone and a central water system within the subdivision).
5. To administer and lease grazing rights.

III. DWELLINGS: All primary dwellings shall consist of not less than 1,000 square feet of living space. Modular homes may not be installed without the approval of the Board of the POA. No commercial activity shall be permitted unless approved by the Board. Notwithstanding anything else contained herein, no more than two dwellings may be erected on each Lot. The Board can develop reasonable architectural guidelines and rules, which shall be submitted to the Owners for approval at any annual or special meeting of the Members.

IV. SETBACKS: No structure may be erected within one hundred feet of the right-of-way line of any road within Navajo River Ranch, nor within fifty feet of any side or rear line of any tract unless approved by the POA 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 and well secured so as to prevent bears or other wildlife from accessing the containers.

WY 5.16.04
5.7.04



20405815
3 of 60

7/1/2004 2:27:00 PM June Madrid
DCC R \$301.00 D \$0.00 Archuleta County, CO

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 (20) foot utility easement is hereby set aside on the interior side of all exterior lots lines. All future electric and phone lines shall be extended underground, excepting that the POA Board may approve overhead lines where the terrain would make the placement of underground lines difficult.

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 POA 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 POA Board.

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

X. TEMPORARY RESIDENCES: No structure of a 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 may be granted by the Board for specific time periods during the construction of the primary dwelling.

XI. MOBILE HOMES: Mobile homes shall not be permitted on any tract within Navajo River Ranch.

XII. LAND USE: Commercial wood harvesting, mining (including the removal of soil, gravel or rock) and oil or gas production is prohibited. While a single lot may have two dwellings, no Lot may be subdivided.

XIII. ENFORCEMENT OF COVENANTS: Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any provision of this Restated Declaration. The Board has the right to impose reasonable fines and penalties against any Owner for any violation of this Restated Declaration, after notice of the violation and an opportunity to be heard is given to that Owner. Once imposed, fines and penalties become an assessment against that Lot. An Owner is responsible for the payment of any penalty that is imposed as a result of the actions of any resident of the Owner's Lot or by any guest or invitee of the Owner.

XIV. TERMS OF COVENANTS:

Amendment. This Restated Declaration may be amended at any time by a vote of the owners of two-thirds of the Lots (one vote per lot). Amendments shall be evidenced by a document signed by the President and Secretary of the Association attesting that



20405339
3 of 7

6/18/2004 2:25:00 PM June Madrid
DCC R \$36.00 D \$0.00 Archuleta County, CO

3 of 7

5.16.04
5.7.04

the amendment was approved by the requisite number of Owners and shall become effective when recorded in the Office of the Archuleta County Recorder.

Term. The provisions, conditions, restrictions and covenants, and each of them set forth herein shall run with the land and continue and remain in full force and effect at all times and against all persons.

XV. 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.

XVI. COUNTY REGULATIONS: To the extent that 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.

XVII. COUNTERPARTS: This instrument may be executed in a number of counterparts any one of which may be considered an original.

XVIII. ANNUAL BUDGET: Each year at an Annual Meeting of Members, the Board shall present to the Owners an annual operating budget and the Owners (by majority vote) shall vote to approve the budget.

XIX. FEES AND ENFORCEMENT: Each owner, upon recordation of a deed to any Lot, regardless of whether this is stated in the deed, agrees to pay to the Association: (1) regular annual dues (assessments); and (2) special assessments, all of which are payable on a date determined by the Board. The Owner's obligation arises at the time that the deed is recorded and shall be prorated for the balance of the year from the date the Owner takes title.

Annual Dues: The Association, through its Board, has the power to levy Annual Dues, and to determine the dates upon which payment is due. Dues shall be set at a uniform rate for each Lot. The Annual Dues payment is due thirty (30) days after the postmarked date of the invoice mailing and is delinquent sixty (60) days thereafter. The annual dues can not be increased more than 15% above the previous year's dues except upon approval of two-thirds (2/3rds) of the Owners of the Lots (one vote per Lot) who are voting in person or by proxy at a meeting called for this purpose. Delinquent dues may be collected by an action in law against the delinquent owner or in an action in equity by foreclosing the Association's lien for delinquent dues.

The Annual Dues levied by the Board shall be used exclusively to promote the recreation, health, and welfare of the Owners and their guests, for the improvement and maintenance of the roads, water system and for all purposes set forth in the Restated Declaration or determined by the Board, including expenses for insurance, legal, accounting or other services provided to the POA. Annual Dues may include amounts necessary for the maintenance of areas used in common by the Owners.

Special Assessments. In addition to the Annual Dues, the Board has the right to levy Special Assessments to be used for the purpose of replenishing Association reserves in the event of unexpected financial crisis. The dollar amount level of

W 5.16.04
5.7.04

reserves shall be recommended by the Board and shall be approved by a majority vote of the Owners.

Collection of Dues and Assessments. Any and all dues and assessments levied against a Lot, together with interest from the date of delinquency until paid (at a rate determined by the Board) and all costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorney fees, is a continuing lien on the Lot which arises at the time the dues or assessment become due. The Board shall impose a reasonable late charge and/or interest when any dues or assessment is not paid within 30 days of the due date. The Association's lien may be foreclosed by the Association in accordance with the provisions of the Colorado Common Interest Ownership Act (CCIOA).

No Waiver of Right to Foreclose. The filing of a lawsuit to obtain personal judgment against an Owner for delinquent dues or assessments does not waive the Association's lien or any action to foreclose that lien.

Enforcement. The Association has the right to file a lawsuit to enjoin any violation of this Restated Declaration to compel compliance with this Restated Declaration and to recover fines or money damages or to obtain such other relief to which the Association may be entitled.

XX. VOTING: When governing documents require a vote of the Owners, there is one vote for each Lot owned. If a Lot is owned by more than one person, whether a husband and wife, joint tenants, or by any other type of co-ownership, the co-Owners shall agree among themselves upon the disposition of the vote allocated to that Lot and, if they cannot agree, the vote shall be null and void.

XXI. CONFLICTS IN DOCUMENTS. The manner in which the Association carries out its responsibilities is controlled by the provisions of its Bylaws, its Articles of Incorporation and this Restated Declaration. (These documents are collectively referred to as "Governing Documents"). The provisions of this Restated Declaration shall control in the event of a conflict between these documents.

Approved by at least 2/3 of the Owners of the Lots as evidenced by the attached Exhibit "B" documents.



20405815

6 of 60

DCC

7/1/2004 2:27:00 PM

June Madrid

R \$301.00 D \$0.00 Archuleta County, CO

NAVAJO RIVER RANCH PROPERTY OWNERS ASSOCIATION

The undersigned President and Secretary attest that this Restated Declaration of Protective Covenants was approved pursuant to Article XIV of the Declaration of Protective Covenants for Navajo River Ranch, i.e., by at least 2/3 of the Land Owners of the Parcels.

NAVAJO RIVER RANCH PROPERTY OWNERS ASSOCIATION

By: J. Lowell Pierce, May 7, 2004
President, NRR POA

Subscribed and sworn to before me, the undersigned Notary Public, by J. Lowell Pierce, President of Navajo River Ranch Property Owners Association.

Notary Public

Kristina C. Bradshaw

KRISTINA C. BRADSHAW
Notary Public
State of Colorado

My commission expires: 10-20-2006

Attest:

Robert A. Ling
Secretary, NRR POA

Subscribed and sworn to before me, the undersigned Notary Public, by Robert A. Ling, Secretary of Navajo River Ranch Property Owners Association.

Notary Public

Catherine M. Reece

CATHERINE M. REECE
NOTARY PUBLIC
STATE OF COLORADO

My commission expires: 4.16.2008

My Commission Expires 04/16/2008



20405339

6 of 7

DCC

6/18/2004 2:25:00 PM

June Madrid

R \$36.00 D \$0.00 Archuleta County, CO

EXHIBIT "A"
LEGAL DESCRIPTION OF THE PROPERTY ENCUMBERED
BY THIS DECLARATION

Navajo River Ranch Unit #1 in Sections 1 and 2, Township 32 North, Range 1 E of the NMPM and in a portion of the Tierra Amarilla Land Grant, Archuleta County, Colorado, as recorded on July 20, 1995 in Reception Number 1995004543.

Navajo River Ranch Unit #2 in Section 1, Township 32 North, Range 1 E; Sections 5 and 6, Township 32 North, Range 2 E and Section 1 of Township 33 North, Range 2 East of the NMPM Archuleta County, Colorado, as recorded on September 12, 1995 in Reception Number 1995006367.

Navajo River Ranch Unit #3 in Sections 5 and 6, Township 32 North, Range 2 East and Sections 31 & 32 of Township 33 North, Range 2 East of the NMPM Archuleta County, Colorado, as recorded on October 5, 1995 in Reception Number 1995006970;

The re-plat of Lots 49 and 50, Navajo River Ranch Unit 3 located in Section 5, Township 32 North, Range 2 East, of the NMPM Archuleta County, Colorado, as recorded on June 22, 2000 in Reception Number 20005564; and

Navajo River Ranch Unit #4 in Sections 4 and 5, Township 32 North, Range 2 East, and Section 33, Township 33 North, Range 2 East of the NMPM Archuleta County, Colorado, as recorded on November 13, 1995 in Reception Number 1995007812

The re-plat of Lot 51A, Navajo River Ranch Unit #3 and Re-plat of Lot 52A, Navajo River Ranch Unit #4 in Section 5, Township 32 North, Range 2 East of the NMPM, Archuleta County, Colorado, as recorded on December 2, 1996 in Reception Number 1996008915

Navajo River Ranch Unit #5 in Section 5, Township 32 North, Range 2 E and Sections 32 & 33 of Township 33 North, Range 2 East of the NMPM Archuleta County, Colorado, as recorded on October 22, 1996 in Reception Number 1996007825.

8 thru 60
signature
pages
5.16.04
5.7.04