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AMENDED DECLARATION

OF

PROTECTIVE COVENANTS

OF

THE HOMESTEAD

January 2, 1998

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AMENDED

DECLARATION OF PROTECTIVE COVENANTS

OF

THE HOMESTEAD

THIS AMENDED DECLARATION AND AGREEMENT is made with an effective date of January 2, 1998 by the undersigned owners, being the record owners of not less than 90% of the Lots within the Property as described in Section 1.1 hereafter, in accordance with paragraph 10 of the Protective Covenants for The Homestead, dated April 30, 1965 and recorded May 19, 1965 in Book 380 at page 288 of the records of Gunnison County, Colorado, hereafter collectively termed the Declarant.

ARTICLE 1.
STATEMENT OF PURPOSE OF DECLARATION

Section 1.1 The Property. The Property which is subject to this Amended Declaration of Protective Covenants of The Homestead is the property described as follows (the "Property"):

> THE HOMESTEAD, according to the plat thereof dated September 23, 1964 and filed September 25, 1964 bearing Reception No. 260760 of the records of Gunnison County, Colorado.
>
> All of the real property set forth in PLAT OF KERLEY PROPERTY SE ¼, SECTION 22, T50N, R1E, NMPM, GUNNISON COUNTY, COLORADO dated August 18, 1995 and filed November 27, 1995 bearing Reception No. 464202 of the records of Gunnison County, Colorado.

Section 1.2 Declaration of Covenants. Declarant hereby makes, declares and establishes the following covenants, restrictions and easements which shall affect the Property. This Amended Declaration of Protective Covenants of The Homestead shall run with the Property and shall be binding upon all persons and entities having any right, title or interest in and to the Property or any part thereof, or any lots, tracts or parcels of land therein, and their heirs, successors and assigns and their tenants, employees, guests and invitees and shall inure to and be for the benefit of each Owner of a lot, tract or parcel of land within Property.

Section 1.3 Colorado Common Interest Ownership Act. Declarant further declares the Property to be a common interest community in accordance with the Colorado Common Interest Ownership Act. The annual average common expense liability of each

Lot, exclusive of optional user fees and any insurance premiums paid by the Association, as defined below, and pursuant to Section 38-33.3-116, Colorado Revised Statutes, is therefore exempt from the provisions of the Colorado Common Interest Ownership Act, except only for Sections 38-33.3-105, 38-33.3-106 and 38-33.3-107, Colorado Revised Statutes. If the annual average common expense liability of each Lot, exclusive of optional user fees and any insurance premiums paid by the Association, should ever exceed the statutory maximum amount for exemption from full conformance with the Colorado Common Interest Ownership Act, then the Association will fully conform with the provisions of the Colorado Common Interest Ownership Act.

Section 1.4 Statement of Purpose. This Amended Declaration of Protective Covenants of The Homestead is imposed for the benefit of all Owners and future owners of lots, tracts and parcels of land located within the Property and to provide for the preservation of values of The Property, and to preserve the covenants, easements, restrictions, assessments and liens hereafter set forth, all of which are for the benefit of the Property.

Section 1.5 Amendment. This Amended Declaration of Protective Covenants of The Homestead amends and replaces in its entirety the Protective Covenants for The Homestead dated April 30, 1965 and recorded May 19, 1965 in Book 380 at page 288 of the records of Gunnison County, Colorado. Upon the recording of this Amended Declaration of Protective Covenants of The Homestead, the Protective Covenants for The Homestead recorded in Book 380 at page 288 of the records of Gunnison County, Colorado shall become automatically null and void and of no further force and effect.

ARTICLE 2.
DEFINITIONS

The following terms and words shall have the following definitions:

Section 2.1 "Amended Declaration of Protective Covenants of The Homestead" or "Declaration of Protective Covenants" or "Declaration" or "Protective Covenants" shall mean this Amended Declaration of Protective Covenants of The Homestead and as the same may be hereafter amended, modified, or extended.

Section 2.2 "Architectural Control Committee" shall mean the Architectural Control Committee as set forth in the Association Documents.

Section 2.3 "Assessments" shall mean regular monthly, quarterly or annual assessments, special assessments or default assessments levied pursuant to the Association Documents to provide the funds required to meet the obligations of the Association.

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Section 2.4 "Association" shall mean The Homestead Property Owners' Association, a Colorado non-profit corporation, or any successor thereof charged with the duties and obligations set forth herein.

Section 2.5 "Association Documents" shall mean this Declaration of Protective Covenants, the Articles of Incorporation and Bylaws of the Association, the Design Guidelines and any procedures, rules, regulations or policies adopted thereunder by the Association or the Architectural Control Committee.

Section 2.6 "Board of Directors" or "Board" shall mean the Board of Directors of the Association duly elected and acting according to the Articles of Incorporation and Bylaws of the Association. The Board of Directors is also defined as an Executive Board by Colorado Common Interest Ownership Act

Section 2.7 "Building" shall mean anything constructed or erected with a fixed location on the ground and having a roof supported by columns or walls situate and located on a Lot or parcel of land within the Property.

Section 2.8 "Colorado Common Interest Ownership Act" shall mean the "Colorado Common Interest Ownership Act of the State of Colorado and being Section 38-33.3-101 et seq., Colorado Revised Statutes".

Section 2.9 "Common Interest Community" shall have the definition set forth in the Colorado Common Interest Ownership Act.

Section 2.10 "Design Guidelines" shall mean those guidelines, rules and regulations published from time to time by the Architectural Control Committee.

Section 2.11 "Efficiency Dwelling Unit" shall mean a living unit within the Single Family Residence or attached to the Single Family Residence designed for occupancy by the owner of the lot or parcel of land and his or her family, the owners' guests or the caretaker of the Lot.

Section 2.12 "Garage" shall mean an accessory building or an accessory portion of a Single Family Residence designed for the storage of one or more motor vehicles and any incidental use associated therewith.

Section 2.13 "Improvements" shall mean all buildings, structures, parking areas, loading areas, fences, walls, driveways, signs, changes in exterior color or shape, excavation, site work, grading, road construction, utilities and any exterior construction or exterior improvement constructed or completed on a Lot or parcel of land within the Property.

Section 2.14 "Lot" shall mean a lot, tract or parcel of land as set forth on the plat of The Homestead and/or Plat of Kerley Property SE ¼, Section 22, T50N, R1E, NMPM, Gunnison County, Colorado as more fully set forth in Section 1.1.

Section 2.15 "Maintenance Fund" shall mean the fund created by assessments and fees levied pursuant to this Declaration to provide the Association with funds it requires to carry out its duties hereunder.

Section 2.16 "Member" shall mean any person holding membership in the Association.

Section 2.17 "Mortgage" shall mean any mortgage, deed of trust or other document pledging a lot or interest therein as security for the payment of any indebtedness. "First Mortgage" shall mean any mortgage which is not subject to or junior to any lien or encumbrance, except liens for taxes and other liens which are given priority by statute.

Section 2.18 "Open Space" shall mean all of a lot except for any building or structure located thereon and including, but not limited to, landscaping, lawns, gardens, walkways, sidewalks, parking areas, driveways and outdoor living or recreational space.

Section 2.19 "Owner" shall mean the record owner, whether one or more persons or entities, of fee simple title to any Lot.

Section 2.20 "Person" shall mean a person, corporation, partnership, joint venture, association, fiduciary or any other type of entity or designation by which title to any Lot is held.

Section 2.21 "Plat" or "Subdivision Plat" shall mean the plat of The Homestead as filed in the records of Gunnison County, Colorado, and the Plat of Kerley Property SE ¼, Section 22, T50N, R1E, NMPM, Gunnison County, Colorado, as filed in the records of Gunnison County, Colorado and as the same may be amended, enlarged or revised from time to time and affecting the Property.

Section 2.22 "Property" shall mean and include the Property subject to this Declaration.

Section 2.23 "Single-Family Residence" shall mean a detached building designed for or used as a dwelling exclusively by one (1) family as an independent housekeeping unit. Each Single-Family Residence may include one (1) efficiency dwelling unit and one (1) attached or detached Garage.

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ARTICLE 3.
USE OF LOTS

Section 3.1 Single-Family Residence. All Lots shall be used exclusively for residential purposes and shall be limited to one single-family residence and, at the Owner's sole option, an attached or detached Garage and one Efficiency Dwelling Unit.

Section 3.2 Occupancy. Any Single Family Residences or Efficiency Dwelling Units constructed upon a Lot shall be occupied by the Owner and members of his or her family, their guests and invitees. Provided, however, a Single Family Residence or Efficiency Dwelling Unit may be rented or leased for long term occupancy, being a lease for not less than two months in duration. The occupants of any leased or rented Single Family Residence or Efficient Dwelling Unit shall at all times be subject to the Protective Covenants, the Design Guidelines and all rules and regulations of the Association.

Section 3.3 Approvals by Architectural Control Committee. No building or improvement shall be constructed on any Lot, except only as approved by the Architectural Control Committee.

Section 3.4 Design Guidelines. All buildings and improvements constructed on any Lot, and the use thereof, shall comply with the terms, conditions, definitions and objectives as set forth in the Association Documents. Per section 2.5

Section 3.5 No Commercial Use. No commercial or business enterprise of any nature shall be allowed or permitted on any Lot; provided however, that the Owner of a Lot may be permitted to conduct an in-home executive office or an in-home occupation, artistic or literary activity on a Lot upon the prior approval of the Architectural Control Committee as to such occupation or activity. No such occupation or activity shall be approved by the Architectural Control Committee which would create a visual, sound or traffic nuisance. Any such occupation or activity shall be subject to a reasonable limitation as to the number of persons and the number and type of motor vehicles involved in such occupation or activity.

Section 3.6 Combining of Lots. In the event that the same Owner owns all or portions of two adjoining Lots and desires to combine the usage of two adjoining Lots or portions of two Lots as a single building site, the Owner may do so subject to compliance with the following conditions:

3.6.1 By appropriate land covenant or other recorded document, the Owner commits, agrees and covenants that the combined Lots or portions of the combined Lots will be treated as a single Lot for the purpose of compliance with the Declaration of Protective Covenants and must thereafter remain in common ownership by the same owner.

3.6.2 The Owner submits to and obtains recorded approval from the Architectural Control Committee for the combined usage of two Lots or portions of two Lots, which approval shall be in writing and attached to the land covenant or recorded document as provided in subsection 1 above.

3.6.3 Upon the recording of the appropriate land covenant or other recorded document, together with the approval of the Architectural Control Committee, any side lot line utility easements or other easements as shown on the Plat shall be automatically vacated upon the recording of the appropriate land covenant together with the written approval of the Architectural Control Committee and the side lot line between the combined Lots shall not exist for the purpose of any setback requirements or other requirements as to the construction of improvements upon the combined Lots.

ARTICLE 4.
ARCHITECTURAL REVIEW AND APPROVAL

Section 4.1 Architectural Control Committee. The Board of Directors of the Association shall be the Architectural Control Committee.

Section 4.2 Review and Approval. No single-family residence, building or improvement shall be commenced, constructed, erected or maintained upon any Lot, nor shall any exterior addition, change or alteration be made, until the plans and specifications therefor have been submitted to and approved in writing by the Architectural Control Committee in the manner hereafter set forth.

Section 4.3 Submittal Procedure. Prior to the commencement of any construction or items requiring the approval of the Architectural Control Committee as above set forth, the plans for any such building or improvement shall be submitted to the Architectural Control Committee for approval. The submittal for approval shall include, at a minimum, all documents required or discussed in the Design Guidelines.

Section 4.4 Purpose of Review. The Architectural Control Committee shall consider the suitability of the proposed building and in particular the harmony of the building with the environment, the effect of the building on the utilization and view of the Lot and surrounding Lots and property and the placement of the building with respect to topography, drainage, snow removal, ground elevations and existing natural and terrain features and compliance with the Design Guidelines.

Section 4.5 Hearing. The Architectural Control Committee shall, within thirty days of receipt of a submittal of a request for final approval with all accompanying data, hold a hearing on such request. The Architectural Control Committee may approve, disapprove or approve with conditions any request for final approval submitted to it. The decision of the Architectural Control Committee shall be in writing. In the event that the Architectural Control Committee fails to take action within ten days after the date of the

hearing, or fails to hold such hearing within thirty days after receipt of a submittal of a request for final approval, the application shall be deemed to have been approved.

Section 4.6 Notice of Hearing. The Applicant, and any person on his behalf, may attend the hearing on the application for approval and submit such information as the person may desire. Notice of the hearing shall be given in writing to all Members of the Association and all Members shall have the right to be present at the hearing or to submit in written form any comments they may desire.

Section 4.7 Quorum. A majority of the Architectural Control Committee shall constitute a quorum and all decisions of the Architectural Control Committee shall be by a majority vote of the committee members present.

Section 4.8 Final Decision. The decision of the Architectural Control Committee shall be final, subject only to the right of judicial review as provided by the laws of the State of Colorado. The Architectural Control Committee shall indicate to any Applicant in the event of disapproval, the reasons why the request was rejected and grant to the Applicant an opportunity to resubmit with the revisions and corrections that would bring the request for approval into conformity with the requirements of this Declaration of Protective Covenants.

Section 4.9 Expenses. The Architectural Control Committee may adopt a schedule of fees which may be charged for each application submitted to the Architectural Control Committee for review and approval. Such fees shall be limited to the actual and reasonable expenses of the Committee to process any application including, but not limited to, photocopying, postage, telephone, facsimile and related type expenses. Such fees shall be paid by the applicant on or before the date of final approval of any application.

Section 4.10 Limitation of Liability. The Architectural Control Committee shall use reasonable judgment in approving or disapproving all plans and specifications submitted to it for review and approval. Neither the Architectural Control Committee, nor any individual member thereof, shall be liable to any person for any official act of the Architectural Control Committee in connection with the submittal of any plans and specifications for approval, except only to the extent that the Architectural Control Committee, or any individual member thereof, acted with malice or wrongful intent.

Section 4.11 Building Permit. Compliance with the design review process is not a substitute for compliance with the Gunnison County Land Use Resolution or any applicable zoning, subdivision or land use resolutions of Gunnison County, Colorado. In addition to the approval requirements by the Architectural Control Committee, each Owner is responsible for obtaining all approvals, licenses and permits as may be required by Gunnison County, Colorado.

Section 4.12 Utility Services. Utility services are provided to the Lots by utility companies utilizing either easements within the private streets of the Property or

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within certain denominated utility easements within a Lot. The Association shall be responsible to provide utility easements within any private street as may be required to allow utility service to be provided to a Lot.

Section 4.13 Design Guidelines. The Architectural Control Committee may adopt Design Guidelines which shall include all design requirements for the construction of any single-family residence, building or improvement upon any Lot within the Property. Such Design Guidelines may be altered, amended, revised, and changed from time to time as determined by the Architectural Control Committee. The adoption of the initial Design Guidelines and any amendment or revision thereof shall be effective upon the approval of the Design Guidelines or any amendments or revisions thereof by a majority of the owners of all Lots within the Property.

The Design Guidelines may include the method of procedure and the plans and documentation that are required by an applicant to submit an application to the Architectural Control Committee. Such Design Guidelines are in addition to the requirements of this Declaration, are supplemental thereto and are enforceable in the same manner and shall have the same force and effect as this Declaration when approved by a majority of the owners of all Lots within the Property.

Section 4.14 Rules and Regulations. The Architectural Control Committee may adopt such rules and regulations as are appropriate to govern its proceedings.

ARTICLE 5.
DESIGN REQUIREMENTS

Section 5.1 Design Requirements. Any Single Family Residence, Efficiency Dwelling Unit, Garage, Building or Improvement situate within the Property, shall comply with the design requirements of this Article 5.

Section 5.2 Uniform Building Code. All Buildings and Improvements shall meet all of the requirements, including fire protection standards, of the Uniform Building Code and all other uniform codes of Gunnison County, Colorado then in effect.

Section 5.3 Building Density. The following minimum and maximum building densities are established for all Buildings, unless otherwise approved by the Architectural Control Committee:

Family Residence:	Not less than 1200 square feet of gross residential floor area nor more than 4000 square feet of gross residential floor area.
Efficiency Dwelling Unit:	No minimum or maximum density.
Garage:	No minimum or maximum density.