

**AMENDMENT NO. 2 and ANNEXATION AGREEMENT to
DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS**

GRAY HORSE RANCH

WOODLAND PARK, TELLER COUNTY, COLORADO

This Amendment No. 2 to Declaration of Protective Covenants and Restrictions of Gray Horse Ranch is entered into as of the ____ day of October, 1998 by The Littlestar Corporation, a Colorado corporation, ("Declarant").

WHEREAS, on July 24, 1995, the Declaration of Protective Covenants and Restrictions of The Meadows Filing No. 1 was filed for record by Declarant under Reception No. 435618 in the Office of the Clerk and Recorder of Teller County, Colorado, which Declaration was amended by Amendment No. 1 of Declaration of Protective Covenants and Restrictions which was filed for record by Declarant under Reception No. ~~447244~~ in the Office of the Clerk and Recorder of Teller County, Colorado and which changed the name of the Declaration to "Declaration of Protective Covenants and Restrictions of Gray Horse Ranch; and

WHEREAS, Section 11.1 (B) of the Declaration provides that the Declarant may amend the Declaration to correct technical, clerical, grammatical or typographical errors without the consent of the Owners; and

WHEREAS, Exhibit B to the Declaration was not attached to the original Declaration due to a clerical error, and Exhibit B is then to be included with this Amendment No. 2; and

WHEREAS, Section 11.1 (A) of the Declaration permits the Declarant to annex additional property to the Declaration without the consent of the Owners; and

WHEREAS, Declarant desires to annex such additional property and to add and clarify certain provisions of the Declaration with respect to such annexed property;

NOW, THEREFORE, Declarant hereby amends the Declaration and annexes additional property as follows:

1. Inclusion of Exhibit B to Declaration. "Exhibit B" to the Declaration was erroneously omitted from the original Declaration and is attached hereto and the same shall be deemed "Exhibit B" to the Declaration.

2. Annexation of Additional Property. The real property described on "Exhibit B" attached hereto ("Annexed Property") is hereby annexed to the Declaration and all rights,

duties and covenants of the Declaration shall be binding upon said Annexed Property from the time of recordation of this Amendment No. 2 and Annexation Agreement. Wherever used in the Declaration, the term "Property" shall mean and include the real property described in the original Declaration and the additional property annexed to the Declaration pursuant to this Section 2.

3. Section 1.14. Section 1.14 of the Declaration is hereby deleted and replaced with the following:

"1.14 Lot. Each platted lot within the Property which is designated for separate ownership, the boundaries of which are described on the Plat for either Gray Horse Ranch Filing No. 1, Gray Horse Ranch Filing No. 2, or Gray Horse Ranch Filing No. 3.

4. Modifications to Declaration Applicable Only to the Annexed Property. The following modifications to specific sections of the Declaration shall be applicable only to the Annexed Property (Gray Horse Ranch Filings No. 2 and 3) and shall not modify the terms of the Declaration with respect to the property covered by the initial Declaration (Lots 1 through 17 of Gray Horse Ranch Filing No. 1):

a. **Section 2.10.** Section 2.10 of the Declaration shall be modified by the deletion of the word "masonite" from the first sentence of such Section.

b. **Section 2.11 Minimum Dwelling Unit, Size.** This Section 2.11 shall be deleted and replaced with the following:

"No Dwelling Unit shall be erected which, exclusive of porches, patios, covered but unenclosed areas, garages and attached Accessory Buildings, has less than 1,450 square feet of floor space above the basement level."

c. **Section 2.12.** Section 2.12 shall be amended by the addition of the following:

"Notwithstanding the foregoing, detached garages may be permitted on Lots 3, 4, and 5 of Gray Horse Ranch Filing No. 2 and Lots 1 and 2 of Gray Horse Ranch Filing No. 3, provided that such detached garages are built in strict compliance with the requirements of the Architectural Review Committee."

d. **Section 2.14.** Section 2.14 of the Declaration shall be amended by the addition of the following:

"Simultaneously with the construction of a home on each Lot in The Meadows Filing Nos. 2 and 3, each Owner shall construct a concrete sidewalk across the entire length of such Owner's front property line abutting the street, which sidewalk shall be built in compliance with the requirements of the City of Woodland Park."

e. **Section 7.3.** Section 7.3 of the Declaration shall be amended by the addition of the following:

"Each Owner shall be responsible for weed control and lawn mowing on his/her Lot as needed to maintain an attractive landscaped appearance. Trampolines shall not be permitted within the Annexed Property."

f. **Section 7.5.** Section 7.5 of the Declaration shall be amended by the addition of the following:

"Cedar three rail split rail fencing with approved wire shall be permitted within Gray Horse Ranch Filing Nos. 2 and 3 in accordance with guidelines established by the Architectural Review Committee. The cedar must be treated regularly so the fencing maintains an attractive appearance at all times."

5. Capitalized Terms. Whenever in this Amendment No. 2 and Annexation Agreement capitalized terms or defined terms are used, such terms shall have the same meaning as the same terms have in the Declaration.

6. Full Force and Effect. The Declaration, as amended by Amendment No. 1 and this Amendment No. 2 and Annexation Agreement, shall remain in full force and effect, shall be deemed to run with the land, and shall be a benefit and a burden to any person or entity acquiring an interest in the Property, their grantees, successors, heirs, legal representatives and assigns.

IN WITNESS WHEREOF, the Declarant has caused this Amendment No. 2 and Annexation Agreement to be executed this 23rd day of October, 1998.

Attest:

By: Deborah J. Littlestar
Secretary

The Littlestar Corporation,
a Colorado Corporation
By: Mark L. Littlestar
President

STATE OF COLORADO)
) SS.
COUNTY OF TELLER)

The foregoing instrument was signed and acknowledged before me this 23rd day of October, 1998 by Mark L. Littlestar as President and Deborah J. Littlestar as Secretary of The Littlestar Corporation, a Colorado Corporation.

Witness my hand and official seal.

My Commission Expires: 6/1/00

[Signature]
Notary Public

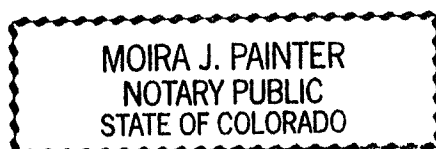


EXHIBIT B

Lots 1 through and including 27
Gray Horse Ranch Filing No. 2

and

Lots 1 and 2
Gray Horse Ranch Filing No. 3