

**NOTICE OF AMENDMENT
OF
DECLARATION OF PROTECTIVE COVENANTS**

SKYLAND INITIAL FILING

December 13, 1996

*Skyland Community Association
350 Country Club Drive Suite 112A
Crested Butte, CO 81224*

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THESE AMENDMENTS to the Declaration of Protective Covenants Skyland, Initial Filing are executed the 13th day of December, 1996, by:

SKYLAND COMMUNITY ASSOCIATION, a Colorado non-profit corporation, hereafter termed "Association";

and

SKYLAND COMMUNITY ASSOCIATION, a Colorado non-profit corporation, as attorney-in-fact for not less than 75% of the record owners of the lots and tracts within Skyland, Initial Filing and Skyland, Second Filing, in accordance with Article XI, paragraph 3 of the Declaration of Protective Covenants recorded in Book 574 at page 141 of the records of Gunnison County, Colorado, as identified by the Powers of Attorney recorded herewith, hereafter termed "Association";

and

SKYLAND METROPOLITAN DISTRICT, a Colorado special district, hereafter termed "District".

and jointly termed the "Declarants".

1. RECITALS. The following recitals apply to these Amendments to Declaration of Protective Covenants Skyland, Initial Filing (the "Amendments"):

1.1 Association is the designated homeowners association charged with the responsibility for the enforcement of the Declaration of Protective Covenants and is the designated attorney-in-fact for not less than 75% of the record owners of the lots and tracts within Skyland, Initial Filing, and Skyland, Second Filing, in accordance with Article XI, paragraph 3 of the Declaration of Protective Covenants recorded in Book 574 at page 141 of the records of Gunnison County, Colorado.

1.2 District is the owner of the Open Space and the roads, streets, easements, central domestic water system, central sanitary sewer system, and drainage system within the real property described in attached Exhibit A.

1.3 The purpose of these Amendments is to amend the Declaration of Protective Covenants as to those tracts of land previously designated as the River Tract, Employee Housing Tract, Commercial Tract 1, Commercial Tract 2, Commercial Tract 3, and the Open Space situate westerly of Slate River Drive as shown on the Plat of Skyland, Initial Filing.

2. DECLARATION OF PROTECTIVE COVENANTS. The Declaration of Protective Covenants means the Declaration of Protective Covenants Skyland, Initial Filing, recorded November 17, 1981 in Book 574 at page 141 of the records of Gunnison County, Colorado and the Supplement thereto recorded in Book 607 at page 672 of the records of Gunnison County, Colorado.

3. PLATS.

3.1 The Plat of Skyland, Initial Filing means the Plat bearing Reception No. 363852 of the records of Gunnison County, Colorado.

3.2 The Plat of Skyland, Second Filing means the Plat bearing Reception No. 382370 of the records of Gunnison County, Colorado.

3.3 The Replat of Portions of Skyland, Initial Filing means the Plat bearing Reception No. 373701 of the records of Gunnison County, Colorado.

3.4 The term "Skyland" means all of the land, lots, tracts, condominium units or townhouse units within the above referenced Plats.

4. AMENDED PLAT OF PORTIONS OF SKYLAND. The Amended Plat of Portions of Skyland means the Plat filed the 3rd day of January, 1997 and bearing Reception No. 473132 of the records of Gunnison County, Colorado.

5. AMENDMENTS TO PROTECTIVE COVENANTS. The Declaration of Protective Covenants is amended in the manner hereafter set forth in these Amendments to Declaration of Protective Covenants.

6. Article II Purpose of Covenants. Article II Purpose of Covenants is amended to include by reference the Amended Plat of Portions of Skyland.

7. Article III Definitions, Paragraph 1. Article III Definitions, Paragraph 1 is amended to include all lands within the Amended Plat of Portions of Skyland.

8. Article III Definitions, Paragraph 9. Article III Definitions, Paragraph 9 is deleted in its entirety and in lieu thereof a new paragraph 9 is inserted as follows:

9. Skyland River Neighborhood. That portion of the Amended Plat of Portions of Skyland designated as "Skyland River Neighborhood" which shall be

used solely for affordable housing and shall consist of Single Family Lots, Triplex Lots, Quadraplex Lots and Quadraplex Lots - Rental in the manner set forth in this Declaration and the Special Covenants of Skyland River Neighborhood.

9. Article III Definitions, Paragraph 10. Article III Definitions, Paragraph 10 "Commercial Tract" is deleted in its entirety.

10. Article III Definitions, Paragraph 14. Article III Definitions, Paragraph 14 "River Tract" is deleted in its entirety.

11. Article III Definitions, Paragraph 17. Article III Definitions, Paragraph 17 "Design Guidelines" is amended by the addition of the following paragraph:

Skyland River Neighborhood Design Guidelines shall be adopted by the Board of Directors of the Association which contains specific requirements and restrictions for building design and location, building materials, minimum square footages and other requirements which may, from time to time be amended, modified or changed by the Board of Directors of the Association to meet the objective of providing affordable housing in such manner that the same is harmonious with all other lots and tracts within Skyland.

12. Article III Definitions, Paragraph 21. Article III Definitions, Paragraph 21 "Unit" is amended by deleting the words "Commercial Tract" and "Employee Housing Tract" and by the addition of the words "any Lot, Triplex Lot, Quadraplex Lot and Quadraplex Lot - Rental within Skyland River Neighborhood".

13. Article III Definitions, Paragraph 22. Article III Definitions, Paragraph 22 is amended by the addition of a new Paragraph 22 "Special Covenants" as follows:

22. Special Covenants. The "Special Covenants of Skyland River Neighborhood" pertaining solely to Skyland River Neighborhood.

14. Article V Skyland Community Association, Paragraph 3. Article V Skyland Community Association, Paragraph 3 Voting Rights, second paragraph, shall be amended to read as follows:

A Member shall be entitled to vote as follows:

-1 vote per each single family lot.

-1 vote per multi-family tract until such time as the same has been resubdivided, when there shall be one vote per each condominium or townhouse unit thereon for which a certificate of occupancy has been issued.

- 0.25 fractional vote per each single family lot within the Skyland River Neighborhood.

- 0.75 fractional vote per each triplex lot within the Skyland River Neighborhood, unless the same has been resubdivided, in which case there shall be 0.25 fractional vote per unit for which a certificate of occupancy has been issued.

-1 vote per each quadraplex lot and quadraplex lot - rental within the Skyland River Neighborhood, unless the same has been resubdivided, in which case there shall be 0.25 fractional vote per unit for which a certificate of occupancy has been issued.

15. Article V Skyland Community Association, Paragraph 6 Design Guidelines. Article V Skyland Community Association, Paragraph 6 Design Guidelines is amended to include the Skyland River Neighborhood Design Guidelines in addition to the Design Guidelines.

16. Article VI Design Review and Approval, Paragraph 3 Design Guidelines. Article VI Design Review and Approval, Paragraph 3 "Design Guidelines" is amended by deletion of reference of "Employee Housing Tracts" and "Commercial Tracts" and in lieu thereof substituting all lots and tracts within Skyland River Neighborhood.

17. Article VII General Use Requirements, Paragraph 1 Land Use. Article VII General Use Requirements, Paragraph 1 "Land Use" shall be amended as follows:

17.1 By the deletion of Paragraph 1.D Employee Housing Tract.

17.2 By the deletion of Paragraph 1.E Commercial Tract.

17.3 By the addition of a new Paragraph 1.G as follows:

1.G Skyland River Neighborhood. All lots and tracts within Skyland River Neighborhood shall have the uses set forth in the Special Covenants and in accordance with the Skyland River Neighborhood Design Guidelines.

18. Article VII General Use Requirements, Paragraph 2 Subdivision. Article VII General Use Requirements, Paragraph 2 Subdivision is amended as follows:

18.1 Any reference to "Employee Housing Tract" and "Commercial Tract" is deleted.

18.2 In lieu thereof "all Triplex Lots, Quadraplex Lots and Quadraplex Lots - Rental within Skyland River Neighborhood" is inserted.

19. Article VII General Use Requirements, Paragraph 5 Signs. Article VII General Use Requirements, Paragraph 5 "Signs" is amended by the deletion of "Commercial Tract".

20. Assessments. All newly created lots, tracts and parcels of land as shown on the Amended Plat of Portions of Skyland shall be liable for all assessments in the same manner as is provided for the liability and payment of assessments in the Declaration of Protective Covenants. Provided, however, the lots, tracts, parcels and units within Skyland River Neighborhood shall be liable for all assessments in proportion to their voting rights as set forth in paragraph 14 above.

21. Full Force and Effect. Except only as above amended by these Amendments to Declaration of Protective Covenants, the Declaration of Protective Covenants shall remain in full force and effect.

Executed the day and year first above written.

SKYLAND COMMUNITY ASSOCIATION, a
Colorado non-profit corporation

By: 
Title: Secretary

SKYLAND COMMUNITY ASSOCIATION, a Colorado non-profit corporation, as attorney-in-fact for not less than 75% of the record owners of the lots and tracts within Skyland, Initial Filing and Skyland, Second Filing, in accordance with Article XI, paragraph 3 of the Declaration of Protective Covenants recorded in Book 574 at page 141 of the records of Gunnison County, Colorado, as identified by the Powers of Attorney recorded herewith.

By: [Signature]
Title: Secretary

SKYLAND METROPOLITAN DISTRICT, a Colorado special district

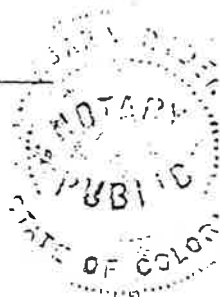
By: [Signature]
Title: President

STATE OF COLORADO)
) ss.
County of Gunnison)

The foregoing Amendment to Declaration of Protective Covenants was acknowledged before me this 13th day of December, 1996, by Jim Gebhart as Secretary of Skyland Community Association, a Colorado non-profit corporation.

Witness my hand and official seal.
My commission expires: My Commission expires 02-26-2000

[Signature]
Notary Public



STATE OF COLORADO)
) ss.
County of Gunnison)

The foregoing Amendment to Declaration of Protective Covenants was acknowledged before me this 13th day of December, 1996, by Jim Gebhart, as Secretary of Skyland Community Association, a Colorado non-profit corporation, as attorney-in-fact for not less than 75% of the record owners of the lots and tracts within Skyland, Initial Filing and Skyland, Second Filing, in accordance with Article XI, paragraph 3 of the Declaration of Protective Covenants recorded in Book 574 at page 141 of the records of Gunnison County, Colorado, as identified by the Powers of Attorney recorded herewith.

Witness my hand and official seal.

My commission expires: _____ My Commission expires 02-26-2000

Barbara Rider
Notary Public



STATE OF COLORADO)
) ss.
County of Gunnison)

The foregoing Amendment to Declaration of Protective Covenants was acknowledged before me this 13th day of December, 1996, by Greg Wiggins, as President of Skyland Metropolitan District, a Colorado special district.

Witness my hand and official seal.

My commission expires: _____ My Commission expires 02-26-2000

Barbara Rider
Notary Public



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EXHIBIT A
TO
AMENDMENTS TO
DECLARATION OF PROTECTIVE COVENANTS
SKYLAND, INITIAL FILING

The following described tracts of land as set forth in the PLAT OF SKYLAND, INITIAL FILING, bearing Reception No. 363852 of the records of Gunnison County, Colorado and also being situate in the N1/2 of Section 12, Township 14 South, Range 86 West, 6th Principal Meridian, County of Gunnison, State of Colorado:

The River Tract, Employee Housing Tract, Commercial Tract 1, Commercial Tract 2, Commercial Tract 3 and the Open Space situate westerly of Slate River Drive as shown on the Plat of SKYLAND, INITIAL FILING, said tracts containing 51.654 acres more or less.