

AMENDMENT TO THE
DECLARATION OF PROTECTIVE COVENANTS
OF
WHETSTONE MOUNTAIN RANCH

WHEREAS, the undersigned, on April 30, 2001, recorded the Declaration of Protective Covenants of Whetstone Mountain Ranch at Reception Number 510275 in the records of the Gunnison County Clerk and Recorder's Office ("Covenants"); and

WHEREAS, the undersigned desires to amend the Declaration of Protective Covenants of Whetstone Mountain Ranch (hereinafter referred to as "Amendment");

NOW, THEREFORE, the undersigned hereby amends the Declaration of Protective Covenants of Whetstone Mountain Ranch as follows:

1. Use of Ranches. The following sentences shall be added to Section 5 of Article 3:

The Deed establishing the 2.68 acre Homestead Parcel shall bear a restriction that it shall not be sold by the Homeowner's Association without further County approval. The Homeowner's Association shall have the ability to apply to the County in the future to remove this constraint.

2. Use of Ranches. Section 7 of Article 3 shall be deleted in its entirety and replaced with the following:

Use of Common Areas. The intent of the Common Areas is to provide each Ranch Owner, Whetstone Mountain Ranch and its agents or lessees with the full use of all areas within Whetstone Mountain Ranch other than each Owner's specifically designated Building Envelopes and Fenced Areas. It is the intent of each Ranch Owner and the Developer that all Common Areas shall be subject to use by the Homeowners' Association or any individual Ranch Owner and/or family members of Owners and their accompanied guests, and/or agents, lessees or permittees for any purposes related to horse grazing and riding, cattle grazing, the raising of hay or other crops and/or any other recreational or agricultural activities. It is further understood that it may become necessary for the Homeowner's Association to designate specific areas and durations of use to provide for the purposes addressed herein in a manner that is in the best interest of all Ranch Owners. Accordingly, the Homeowner's Association shall have the authority to



promulgate such rules, regulations and/or procedures as it deems necessary to more fully realize the intended uses of the Common Areas as described herein.

No Ranch Owner shall attempt to disallow or interfere in any way with any of the intended uses of the Common Areas by other Owners, family members of Owners and their accompanied guests, and/or agents, lessees or permittees of Whetstone Mountain Ranch. By these covenants each Ranch Owner acknowledges and accepts that he/she is entitled to fence and exclude others from his/her Building Envelope and/or Fenced Area only and that all other portions of his/her Ranch are Common Areas for the use and enjoyment of all those entitled to said use under these covenants. These Common Areas shall be used in accordance with all applicable sections of these covenants and in compliance with all applicable rules and regulations as established by the Board.

No Ranch Owner shall negotiate or grant any easements, license, fishing access or any other right of use or access to or across any Ranch or Common Area without prior approval of the Homeowner's Association.

- 3. Use of Ranches. The following sentence shall be added to Section 8 of Article 3:

Only the Homeowner's Association shall have the authority to negotiate or grant any easements, license, fishing access or any other right of use or access to or across any Ranch or Common Area.

- 4. Use of Ranches. The following shall be added and referred to as Section 10 of Article 3.

Section 10 Water Rights. Neither the Homeowner's Association nor any Ranch Owner shall sell, lease, exchange or otherwise allow the use of any water or water right owned or leased by Whetstone Mountain Ranch LLC or Smith Ranch LLC.

- 5. Design Requirements. The following sentence shall be added to Section 2 of Article 5:

The Developer shall have the authority to re-define the location of the Building Envelope(s) of any undeveloped Ranch prior to its initial sale.

- 6. Wood Burning Devices. In Section 12 of Article 5, the sentence "All fireplaces shall be Rumford Masonry fireplaces" shall be deleted and the following sentence shall be added:

All fireplaces shall comply with applicable Gunnison County Regulations.

- 7. Water Sprinkler Systems. Section 16 of Article 5, shall be deleted in its entirety and replaced with the following:

“All residential buildings built upon any ranch property shall have water or chemical sprinkler systems installed and maintained of a type and design, including water capacity and water pressure, sufficient for fire protection of the building.”

8. Mobile Homes and Temporary Structures. In Section 7 of Article 6, the word “motorcycle” shall be deleted in both the first and second sentence and replaced in both places with the phrase “other off-road vehicle.”
9. Animals. The following sentence shall be added to Section 2 of Article 7:

Dogs used for ranching or agricultural purposes may be controlled by voice command.
10. Road Maintenance and Dust Control. In Section 8.1 of Article 8, the phrase “including driveways to within 300 feet of any Building Envelope” shall be deleted and replaced with the phrase “to any Building Envelope(s) or fenced area.”
11. Amendment. In Section 2 of Article 12, the following sentence shall be added to the end of the Section:

Any amendment to this Declaration of Protective Covenants that concerns road maintenance or dust control shall require the prior approval of Gunnison County.
12. In the event of any conflict between this Amendment and the original Declaration of Protective Covenants of Whetstone Mountain Ranch, the terms of this Amendment shall control.
13. The definitions as set forth in the original Declaration of Protective Covenants of Whetstone Mountain Ranch shall apply to any similar terms or capitalized words that appear in this Amendment to the Declaration of Protective Covenants of Whetstone Mountain Ranch.
14. All other terms and conditions of the original Declaration of Protective Covenants of Whetstone Mountain Ranch shall be in full force and effect unless or until otherwise modified or amended as provided under the terms of that document.

IN WITNESS WHEREOF, the Declarant has executed this Amendment to the Declaration of Protective Covenants the day and year first above written.

SMITH RANCH LLC, A Colorado
Limited Liability Company

By: [Signature]
W. Gregory Geiger, Manager

STATE OF California)
)ss.
COUNTY OF Los Angeles)

The above and foregoing Declaration of Protective Covenants was acknowledged before me this 5th day of May, 2003 by W. Gregory Geiger, Manager of Smith Ranch LLC, a Colorado Limited Liability Company.

Witness my hand and official seal.

My commission expires: 11/11/04

[SEAL]



[Signature]
Notary Public

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