

FIRST AMENDMENT TO
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR SHADOW MOUNTAIN RANCH AND RESORT

WHEREAS, the Declaration of Covenants, Conditions and Restrictions for Shadow Mountain Ranch and Resort (the "Declaration of Covenants") was made effective June 30, 1992, by SMR Investments, Ltd. Liability Co., and recorded June 30, 1992 at Book 500, Page 354 of the Grand County real property records; and

WHEREAS, SMR Investments, Ltd. Liability Co. was the Declarant therein and continues to own lots encompassing an area equal to 75% or more of the total land area included in the Project; and

WHEREAS, the lots described herein are unique and different from the remainder of the Project as they contain the ranch and business known as Shadow Mountain Ranch and the reasonable requirements of such a ranch are somewhat different from the requirements of the remainder of the Project; and

WHEREAS, Declarant wishes to amend and supplement the Declaration of Covenants as is authorized by the recorded Declaration and, in particular, Section 8.2 thereof;

NOW, THEREFORE, THE DECLARATION OF COVENANTS IS HEREBY AMENDED AND SUPPLEMENTED IN THE FOLLOWING PARTICULARS:

1. This Amendment shall apply only to the following described property situate in the County of Grand and State of Colorado which is a portion of that property described in Exhibit "A" to the Declaration of Covenants:

Nonrestricted Lots 1 and 8
Shadow Mountain Ranch and Resort
as more particularly described in Exhibit "A" hereto,
which lots are referred to herein as "Lots 1 and 8."

2. Section 3.5 of the Declaration of Covenants, No Temporary Structures, is amended as to Lots 1 and 8 by adding the following sentence:

Notwithstanding the foregoing, the Owner of Lots 1 and 8 may occasionally use tents for special events and guests of the Owner may also use tents during their stay. Motor homes, trailers, and other such vehicles may be parked on Lots 1 and 8 should guests or customers use same for traveling to said Lots, and the Owner of Lots 1 and 8 may also purchase such a vehicle for his own use and park it on one of the Lots.

3. The first and second sentences contained within Section 3.10, Other Prohibited Activities, shall not apply to Lots 1 and 8 at all.

4. Section 4.5 of the Declaration of Covenants, Administration of Association Property, is amended as to Lots 1 and 8 by adding the following at the end of such Section:

Notwithstanding the foregoing, the Association shall not impose any restrictions on the number of persons per lot who may use any roads within the Project owned by the Association, or charge any usage fees for the use of such roads. Any usage fees charged for the use of other Association property shall be based on actual usage of such property and not upon the number of guests or occupants staying at or residing on Lots 1 and 8.

IN WITNESS WHEREOF, Declarant has executed this instrument, effective May 31, 1994.

DECLARANT

SMR INVESTMENTS, LTD. LIABILITY CO.,
a Colorado Limited Liability Company

BY: Frederick P. Birks
Frederick P. Birks, Manager

STATE OF Maryland)
COUNTY OF Washington) ss.

The foregoing instrument was acknowledged before me on the 25 day of May, 1994, by Frederick P. Birks, as Manager of SMR Investments, Ltd. Liability Co., a Colorado limited liability company.

Witness my hand and official seal.

My Commission expires: July 1994

Mary A. Warner
Notary Public

MARY A. (U.S. E.A.L.)

NOTARY

PRODUCE

1994