



ADDENDUM TO THE DECLARATION OF PROTECTIVE COVENANTS OF HORSE RIVER RANCH

Whereas the Declaration of Protective Covenants of Horse River Ranch (the "Declaration") dated December 9, 2004, was executed and was recorded with the office of the Gunnison County Clerk and Recorder on December 13, 2004, bearing Reception No. 549252, and was amended by an amendment dated May 30, 2006, and recorded with the office of the Gunnison County Clerk and Recorder on June 2, 2006, bearing Reception No. 565709;

Whereas Section 1.3 and Exhibit C of the Declaration permits the admittance to the Association of the Potential Member Parcel as a full Member-owned Parcel upon the approval and signature upon an addendum of current Members of the Association representing at least sixty-six and two-thirds percent (66.67%) of the Shares;

Whereas Section 12.5 of the Declaration conditions admission of a new parcel into the Association upon a transfer from the Developer to the Association of all water rights pertaining to Tract A;

Whereas Section 17.2 of the Declaration permits amendment of the Declaration; and

Whereas the Developer desires to have Tract A encumbered by the Declaration;

Now, therefore, this Addendum hereby amends the Declaration. The following terms of this Addendum shall run with the Property:

ARTICLE 19: ADDITIONAL MEMBER PARCEL.

19.1 Terms. All capitalized terms not specifically defined herein shall have the same meaning as in the Declaration.

19.1.1 Addendum. The term "Addendum" as used herein shall mean this Addendum to the Declaration of Protective Covenants of Horse River Ranch.

19.1.2 Developer. The term "Developer" as used in this Addendum shall mean Horse River Limited Liability Company, a Maryland limited liability company, and its successors and assigns.

19.1.3 Tract A. The term "Tract A" as used in this Addendum shall mean that real property described on ^{LAND SURVEY PLAT OF} ~~TRACT A, HORSE RIVER RANCH~~ recorded with the office of the Gunnison County Clerk and Recorder on 10-8-2010, 2009, bearing Reception No. 601267, and is intended generally to include that real property described as the Potential Member Parcel. In the event of a conflict between the definition of Potential Member Parcel and Tract A, the definition of Potential Member Parcel shall be reformed to conform with the definition of Tract A herein. Tract A shall be comprised of not more than six (6) Homesteads.

19.2 Admission to Association. Tract A is hereby admitted into the Association. The parties to this Addendum hereby declare that Tract A shall be owned, held, conveyed, transferred, sold, leased, rented, hypothecated, encumbered, used, occupied, maintained, altered, and improved subject to the covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes, and other provisions set forth in the Declaration, for the duration thereof.

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19.3 Developer Responsibilities. Within one (1) year of the first of the Homesteads of Tract A to transfer ownership from the Developer to owners not under Developer's control, the Developer shall do the following:

(a) Construct a gravel road that meets or exceeds any and all GUC Regs and that is consistent in kind and quality with other roads within the Property. Upon completion of construction, the Developer shall apply magnesium chloride to the road.

(b) Construct appropriate telephone and electric utilities.

The road and the utilities shall service each of the Homesteads of Tract A. The Developer shall maintain the road in a reasonable condition, keeping it reasonably free of snow, ice, and other obstructions, until three (3) of the Homesteads of Tract A have transferred ownership from the Developer to owners not under Developer's control. Subsequent to such transfer, the Developer's obligations with respect to such maintenance shall terminate, and the Association shall subsequently be responsible to maintain the road consistent with the Declaration.

19.4 Water Rights. Concurrent with the execution of this Addendum, the Developer shall execute and deliver to the Association a general warranty deed transferring all water rights pertaining to Tract A, including those rights described in the document that was recorded with the office of the Gunnison County Clerk and Recorder on April 14, 2006, bearing Reception No. 564413.

19.5 Developer Default. In the event of default by the Developer with respect to its obligations herein, the Association shall have all remedies available at law and equity. In the event there is any litigation or arbitration arising out of this Addendum, the court or arbitrator shall award to the substantially prevailing party its reasonable costs and expenses, including attorney fees.

19.6 Miscellaneous. Headings contained in this Addendum are not to be considered in construing this Addendum. The words "herein," "hereof," and "hereunder" refer to this Addendum in its entirety. The word "include" and its derivatives are not intended to exclude or limit. Words in the singular include the plural, words in the plural include the singular, and words importing a gender include all genders, as the context requires. Each party hereto shall take such further action to execute and deliver such additional instruments as the other parties may, from time to time, reasonably request in order to effectuate this Addendum, or to otherwise accomplish the purposes of this Addendum. This Addendum may be executed in any number of counterparts or duplicates, each of which shall be deemed an original and all of which shall constitute the same instrument. Physical and electronic copies of this document shall be effective and enforceable as originals, and third parties shall be entitled to rely on such copies of this document for the full force and effect of all stated terms. The persons executing this Addendum warrant that they have the requisite authority to do so.

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CERTIFICATE OF BOARD AND OFFICERS

The Board of Directors of the Association has certified that this Addendum has been duly approved by the required vote of the Members. The President and Secretary hereby certify that this Addendum has been duly approved by the required vote of the Members.

Therefore, the Declaration is hereby amended.

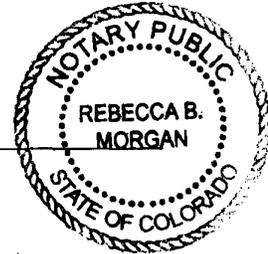
By: [Signature] Date 10/7/2009
Mark Parsons, President of Horse River Ranch
Homeowners Association, Inc.

STATE OF Colorado)
County of Gunnison)ss.

The foregoing instrument was acknowledged before me this 7th day of October, 2009, by Mark Parsons, President of Horse River Ranch Homeowners Association, Inc. Witness my hand and official seal.

My commission expires: April 21, 2010

Rebecca B. Morgan
Notary Public



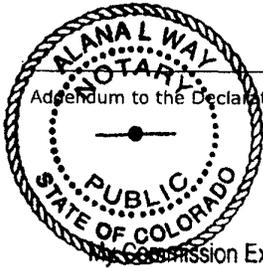
By: [Signature] Date 9/16/09
Jerry Danni, Secretary of Horse River Ranch
Homeowners Association, Inc.

STATE OF Colorado)
County of Jefferson)

The foregoing instrument was acknowledged before me this 16 day of September, 2009, by Jerry Danni, Secretary of Horse River Ranch Homeowners Association, Inc. Witness my hand and official seal.

My commission expires: Aug 5, 2013

[Signature]
Notary Public



Addendum to the Declaration of Protective Covenants of Horse River Ranch

Drafted by Korkowski Law, LLC | www.korkowskilaw.com

My Commission Expires
Aug. 05, 2013

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