

**SECOND SUPPLEMENT TO THE
DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS OF
THE PRESERVE SUBDIVISION**

Book 2502 Page 559

This SECOND SUPPLEMENT TO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE PRESERVE SUBDIVISION (the "Second Supplement to Declaration") is made as of the 26th day of OCTOBER, 1998, by PRSV Company, LLC (the "Declarant").

A. Declarant has heretofore caused to be recorded in Book 2373 at Page 947, Mesa County, Colorado Records, a Declaration of Covenants, Conditions and Restrictions of The Preserve Subdivision (the "Declaration").

B. In Article VII, Section 6 of the Declaration, Declarant expressly reserved for itself and any Successor Declarant (all capitalized terms used herein shall have the meanings as defined in the Declaration, unless otherwise defined or modified herein) the right to expand the Property by annexing and submitting additional Lots and Common Area by one or more duly recorded supplements to the Declaration.

C. Declarant wishes to submit to the Property the following described property:

See Exhibit "A" attached hereto and by this reference incorporated herein.

AKA: The Preserve Subdivision, Filing No. Three

D. Declarant wishes to reserve the right for itself and any Successor Declarant to further expand the Property in the future and pursuant to Article VII, Section 6 amend the Declaration.

Declarant hereby declares that both the Property and the Supplemental Property shall be held, sold and conveyed subject to the Declaration, which is for the purpose of protecting the value and desirability of the Property and the Supplemental Property and which shall run with the land and be binding on all parties and heirs, successors and assigns of parties having any right, title or interest in all or any part of the Property of the Supplemental Property.

1. Article V, Section 9, Pets, fifth sentence is amended to read: "Horses may be kept on Lots 4 and 5 and Lots 7, 8, and 10, Filing Two, and Lots 11, 12, 13, 14 and 15, Filing Three, outside of the Conservation Zone and shall not exceed four horses total per Lot." The terms and provisions contained in this Second Supplement to Declaration shall be in addition and supplemental to the terms and provisions contained in the Declaration. All terms and provisions of the Declaration, including all definitions, except those terms and provisions specifically modified herein, shall be applicable to the Second Supplement to Declaration and to the Supplemental Property. The definitions used in the Declaration are hereby expanded and shall hereafter be deemed to encompass and refer to the Property as defined in the Declaration and the Supplemental Property as defined herein. For example, reference to the "Property" shall mean both the Property and the Supplemental Property, reference to the "Owner" shall mean the record

owner of fee simple title both to any Vacant Lot or Dwelling Unit as defined in the Declaration and to the Lots constituting the Supplemental Property, reference to "Member" shall mean every Owner as defined in the Declaration and as modified by this Second Supplement to Declaration, and reference to the "Declaration" shall mean the Declaration as supplemented by this Second Supplement to Declaration. All ownership and other rights, obligation and liabilities of owners of original Lots, Vacant Lots and Dwelling Units are hereby modified as described herein.

2. Effect of Expansion. Assessments levied by the Association as provided in the Declaration, after the recording of this Second Supplement to Declaration, shall be levied against all Lots including Lots which are part of the Supplemental Property. Notwithstanding any inclusion of additional Lots under the Declaration, each Owner (regardless of whether such Owner is the owner of a Vacant Lot or Dwelling Unit shown on the original plat or is the owner of a Lot Constructed in the Supplemental Property) shall remain fully liable with respect to his obligation for the payment of the Assessments of the Association, including those relating to the expenses for all Common Area and related costs and fees, if any. The recording of this Second Supplement to Declaration shall not alter the amount of the assessments assessed to a Vacant Lot or Dwelling Unit prior to such recording.

3. Reservation. Declarant hereby reserves the right for itself and any Successor Declarant to further expand the Property in the future to include additional Lots and to further expand the Common Area.

4. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

5. Conflicts between Documents. In case of conflict between the Declaration as supplemented hereby and the Articles and the Bylaws of the Association, the Declaration as supplemented shall control.

Dated as of the day and year first above written.

PRSV COMPANY, LLC

By:

David G. Behrhorst
David G. Behrhorst, Manager

STATE OF COLORADO)
) ss.
COUNTY OF)

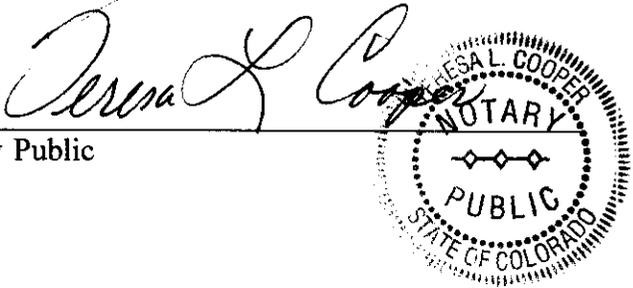
The foregoing instrument was acknowledged before me this 27th day of October, 1998 by David G. Behrhorst, Manager of PRSV Company, LLC.

WITNESS my hand and official seal.

My commission expires:

8/27/2001

Notary Public



BOUNDARY DESCRIPTION

BEGINNING at the Southwest corner of the NW1/4 NE1/4 of Section 22; thence, along the South line of the NW1/4 NE1/4 of Section 22, South 89 degrees 12 minutes 39 seconds East, a distance of 60.40 feet, to a point at the Southwesterly corner of The Preserve, Filing No. One, as recorded in Plat Book 16, Pages 42 and 43; thence along the Southwesterly line of The Preserve, Filing No. One the following two (2) courses: (1) North 16 degrees 02 minutes 24 seconds West, a distance of 314.47 feet; (2) North 30 degrees 21 minutes 21 seconds West, a distance of 148.29 feet, to a point at the Southernmost corner of OUTLOT B, The Preserve, Filing No. One; thence, along the boundary of said OUTLOT B the following five (5) course: (1) North 59 degrees 38 minutes 39 seconds East, a distance of 40.59 feet; (2) North 06 degrees 56 minutes 21 seconds East, a distance of 75.00 feet; (3) along the arc of a non-tangent curve to the right, having a delta angle of 59 degrees 55 minutes 07 seconds, with a radius of 50.00 feet, an arc length of 52.29 feet, a chord bearing of North 53 degrees 06 minutes 06 seconds West, and a chord length of 49.94 feet; (4) along the arc of a non-tangent curve to the right, having a delta angle of 09 degrees 15 minutes 34 seconds, with a radius of 125.00 feet, an arc length of 20.20 feet, a chord bearing of North 74 degrees 50 minutes 23 seconds West, and a chord length of 20.18 feet; (5) North 70 degrees 12 minutes 36 seconds West, a distance of 82.07 feet, to a point on the boundary of The Preserve, Filing No. One; thence, along the boundary of The Preserve, Filing No. One the following two (2) courses: (1) North 30 degrees 21 minutes 21 seconds West, a distance of 231.82 feet; (2) along the arc of a non-tangent curve to the right, having a delta angle of 14 degrees 45 minutes 54 seconds, with a radius of 783.00 feet, an arc length of 201.78 feet, a chord bearing of North 22 degrees 52 minutes 47 seconds West, and a chord length of 201.22 feet, to a point a the Southernmost corner of OUTLOT E, The Preserve, Filing No. Two, as recorded in Plat Book 2459, Pages 462 through 464; thence, around the boundary of said OUTLOT E, The Preserve, Filing No. Two the following five (5) courses: (1) North 31 degrees 15 minutes 01 seconds East, a distance of 144.76 feet; (2) North 55 degrees 43 minutes 34 seconds East, a distance of 229.20 feet; (3) North 74 degrees 30 minutes 59 seconds East, a distance of 145.33 feet; (4) South 89 degrees 38 minutes 47 seconds East, a distance of 105.20 feet; (5) North 64 degrees 39 minutes 02 seconds West, a distance of 531.79 feet, to a point at the Southernmost corner of OUTLOT F, The Preserve, Filing No. Two; thence, along the boundary of said OUTLOT F, The Preserve, Filing No. Two the following four (4) courses: (1) North 36 degrees 52 minutes 39 seconds East, a distance of 331.00 feet; (2) North 00 degrees 45 minutes 53 seconds East, a distance of 122.48 feet; (3) North 68 degrees 25 minutes 58 seconds West, a distance of 208.35 feet; (4) North 32 degrees 42 minutes 01 seconds East, a distance of 477.86 feet, to a point on the Southerly right-of-way line of State Highway 340, as established by Colorado State Highway Department Project No. S 0143 (4); thence along the said Southerly right-of-way line the following four (4) courses: (1) along the arc of a non-tangent curve to the left, having a delta angle of 05 degrees 30 minutes 25 seconds, with a radius of 1232.50 feet, an arc length of 118.46 feet, a chord bearing of North 70 degrees 03 minutes 54 seconds West, and a chord length of 118.42 feet; (2) North 47 degrees 40 minutes 42 seconds West, a distance of 204.90 feet; (3) along the arc of a non-tangent curve to the left, having a delta angle of 09 degrees 24 minutes 52 seconds, with a radius of 1332.50 feet, an arc length of 218.95 feet, a chord bearing of North 85 degrees 31 minutes 12 seconds West, and a chord length of 218.70 feet; (4) South 89 degrees 46 minutes 48 seconds West, a distance of 426.80 feet; thence South 00 degrees 41 minutes 29 seconds West, a distance of 196.39 feet; thence North 76 degrees 31 minutes 02 seconds West, a distance of 224.97 feet; thence North 02 degrees 33 minutes 23 seconds West, a distance of 195.27 feet, to a point on the said Southerly right-of-way line of State Highway 340; thence, along said Southerly right-of-way line the following two (2) courses: (1) North 69 degrees 09 minutes 27 seconds West, a distance of 10.74 feet; (2) along the arc of a non-tangent curve to the right, having a delta angle of 15 degrees 14 minutes 40 seconds, with a radius of 1482.50 feet, an arc length of 394.45 feet, a chord bearing of North 78 degrees 07 minutes 02 seconds West, and a chord length of 393.28 feet, to a point on the Southerly Mesa County right-of-way line of F¹/₄ Road, as described in Book 997, Page 328; thence, along said Southerly right of way line, North 89 degrees 10 minutes 42 seconds West, a distance of 525.66 feet; thence South 09 degrees 54 minutes 23 seconds East, a distance of 34.61 feet; thence South 15 degrees 32 minutes 23 seconds East, a distance of 754.53 feet; thence South 74 degrees 00 minutes 26 seconds West, a distance of 26.64 feet, to a point on the centerline of Redlands Water and Power Company First Lift Canal; thence, along said centerline to the First Lift Canal the following ten (10) courses: (1) South 12 degrees 21 minutes 14 seconds East, a distance of 61.24 feet; (2) South 22 degrees 43 minutes 21 seconds East, a distance of 50.40 feet; (3) South 29 degrees 37 minutes 58 seconds East, a distance of 72.50 feet; (4) South 38 degrees 32 minutes 15 seconds East, a distance of 62.15 feet; (5) South 52 degrees 17 minutes 21 seconds East, a distance of 106.46 feet; (6) South 60 degrees 12 minutes 07 seconds East, a distance of 30.57 feet; (7) South 71 degrees 58 minutes 19 seconds East, a distance of 32.05 feet; (8) South 78 degrees 12 minutes 12 seconds East, a distance of 333.68 feet; (9) South 71 degrees 14 minutes 45 seconds East, a distance of 36.19 feet; (10) South 55 degrees 12 minutes 40 seconds East, a distance of 52.36 feet; thence South 02 degrees 25 minutes 34 seconds East, a distance of 157.37 feet, to the Northwest corner of the NE1/4 NW1/4 of said Section 22; thence South 02 degrees 38 minutes 14 seconds East, a distance of 601.77 feet; thence South 03 degrees 13 minutes 18 seconds East, a distance of 206.80 feet; thence South 01 degrees 09 minutes 42 seconds West, a distance of 526.14 feet, to a point on the South line of the NE1/4 NW1/4 of said Section 22; thence, along the said South line of the NE1/4 NW1/4 of said Section 22, South 89 degrees 13 minutes 01 seconds East, a distance of 1283.61 feet to the POINT OF BEGINNING.

Said parcel containing an area of 81.088 Acres, as described.

DJB