

**SECOND AMENDMENT TO
DECLARATION OF PROTECTIVE COVENANTS
FOR
PILGRIM DOWNS SUBDIVISION**

THIS SECOND AMENDMENT TO DECLARATION OF PROTECTIVE COVENANTS FOR PILGRIM DOWNS SUBDIVISION (the "Amendment") is made effective as of the date of its recording in the real property records of Eagle County, Colorado.

RECITALS

A. This Amendment is to the Declaration of Protective Covenants for Pilgrim Downs Subdivision dated October 6, 1983, and recorded on October 12, 1983 under Reception No. 266536 (the "Initial Declaration"); as amended by the Amendment to the Declaration of Protective Covenants for Pilgrim Downs Subdivision, dated August 8, 1984, recorded August 8, 1984, under Reception No. 288131 (the "First Amendment"); and as further supplemented and amended by the Subjection of Additional Property to the Declaration of Protective Covenants for Pilgrim Downs Subdivision, dated as of August 31, 1988, and recorded on October 22, 1990, under Reception No. 436644 (collectively, the "Declaration"). Capitalized terms used in this Amendment without separate definition shall have the meaning ascribed to them in the Declaration.

B. The Owners in the Pilgrim Downs Subdivision (the "Pilgrim Downs") desire to amend the Declaration to provide for management of horse ownership and equestrian activities by the Association consistent with the desires and interests of the Owners in Pilgrim Downs and to provide for certain improvements that may be constructed on the Equestrian Parcel (as defined below).

C. The Pilgrim Downs community was created upon the filing of the Initial Declaration, which predated the enactment of the Colorado Common Interest Ownership Act, Article 33.3, Title 38, Colorado Revised Statutes (the "Act"). Pursuant to Section 33.3-117 of the Act, certain sections of the Act govern community matters with respect to communities created prior to enactment of the Act. In particular, Section 33.3-117(1.5)(d) of the Act provides that all events or circumstances occurring after January 1, 2006, are governed by the Act. Accordingly, an amendment to the Declaration for Pilgrim Downs proposed after January 1, 2006, is governed by the Act. Pursuant to Section 33.3-217(1)(a)(I) of the Act, the Declaration may be amended by affirmative vote of 67% of the Owners of lots in Pilgrim Downs.

D. Section 29 of the Declaration requires the approval of 60% of the holders of first deeds of trusts or mortgages (the "First Deed Holders").

E. There are twenty five (25) Owners in Pilgrim Downs, requiring an affirmative vote of not less than seventeen (17) Owners to amend the Declaration under Section 33.3-217(1)(a)(I) of the Act. There are ten (10) First Deed Holders of record, requiring the approval of not less than six (6) First Deed Holders to amend the Declaration. The certificate of the Association attached hereto certifies that the requisite percentage of Owners entitled to vote and First Lienors having the right of approval have voted or consented to amend the Declaration as described herein.

NOW, THEREFORE, the Declaration is hereby amended as follows:

1. Definitions. The "Definitions" set forth in Section 1 of the Declaration are hereby amended to delete Section 1.L in its entirety and to replace it with the following, and to add the definitions set forth below as Sections 1.M, 1.N and 1.O:

L. Equestrian Committee. There shall be an Equestrian Committee established by the Association to oversee and manage all day-to-day operations and activities at the Equestrian Center, for the collective benefit of Owners in Pilgrim Downs desiring to participate in such activities (as more fully set forth in Section 6D hereof), and to implement such policies, procedures, rules and regulations governing such equestrian activities as may be proposed by the Equestrian Committee and approved by the Board of Directors of the Association in accordance with the Declaration, as amended. The number and qualifications of the members of the Equestrian Committee, and provisions for their appointment by the Board of Directors and terms of office, shall be as provided in the Bylaws of the Association from time to time.

M. "Equestrian Center" shall have the meaning set forth in Section 4.B.4 below.

N. "Equestrian Parcel" shall have the meaning set forth in Section 4.B.4 below.

O. "Equestrian Center Members" shall have the meaning set forth in Section 6 below."

2. **Common Area.** Subsection 4.B.4 of the Initial Declaration is hereby deleted and replaced with the following:

"4. All equestrian activities on any Owner's Lot shall be managed by the Association, and all other equestrian activities (excluding activities on an Owner's Lot) shall be managed by the Association through the Equestrian Committee in accordance with the provisions of the Declaration and Bylaws, as each may be amended. The Association is authorized to utilize a portion of the Common Area of up to five acres to establish and maintain an equestrian center (the "Equestrian Center") on the parcel designated the "Equestrian Center" on the Final Plat for Pilgrim Downs, Filing No. 6, dated June 6, 1984 (the "Equestrian Parcel")." The Association shall further designate, as the Association may deem appropriate in its discretion, portions of the Common Area for access to horse trails within Pilgrim Downs and for use as non-exclusive easements over Common Area for horse trails (and other recreation) to access forest lands adjacent to Pilgrim Downs.

3. **Association.** Subsection 5.A.3 of the Initial Declaration is hereby deleted and replaced with the following:

"3. Designate, as the Association may deem appropriate in its discretion, portions of the Common Area for access to horse trails within Pilgrim Downs and for use as non-exclusive easements over Common Area for horse trails (and other recreation) to access forest lands adjacent to Pilgrim Downs."

4. **Equestrian Association.** Subsection 6 of the Declaration is hereby deleted in its entirety and replaced with the following:

"6. **Equestrian Committee.**

A. The Association shall establish the Equestrian Committee to oversee and manage all day-to-day operations

and activities at the Equestrian Center for the collective benefit of Owners in Pilgrim Downs desiring to participate in such activities, as more fully set forth in Section 1.L above and in Section 6.D below.

B. The Association shall oversee and approve the construction and maintenance of all improvements to be constructed or maintained as part of the Equestrian Center on the Equestrian Parcel or on another portion of the Common Area as may be approved by the Board of Directors, which may include the construction of a structure for equestrian activities and for the storage of all equipment used in maintaining Pilgrim Downs (the "Ranch Barn"). The initial cost of constructing the Ranch Barn, as well as the maintenance, repair and upkeep of the Ranch Barn, shall be paid for by regular assessments allocated among all Owners, which shall be set forth in the annual budget of the Association, and such annual assessments shall be sufficient to cover all repayment obligations of the Association for the Ranch Barn constructed, together with related improvements, based on terms of financing as the Board of Directors may arrange in accordance with the Bylaws (including without limitation, principal, interest and all costs and expenses incurred in obtaining financing).

C. The Equestrian Committee shall meet regularly, and shall propose rules and regulations for use of the Equestrian Center (excluding matters related to storage of maintenance equipment, which shall be managed by the Association). All proposed rules and regulations regarding equestrian activities in Pilgrim Downs shall be submitted to the Board of Directors of the Association for comment and final approval prior to becoming effective.

D. Expenses and Budget.

1. The Equestrian Committee shall propose an annual budget for the Equestrian Center (the "EC Budget"), and shall submit the proposed EC Budget to the Board of Directors of the Association by May 15 of each year for incorporation into the Association's annual budget and ratification by the Owners. The EC Budget shall provide for all costs and expenses associated with the grazing of horses at the Equestrian Center and equestrian activities, including, without limitation, costs and expenses associated with the feeding, care and watering of horses using the Equestrian Center, the use, maintenance and upkeep of the paddock areas, repair and maintenance of the fencing around the paddock areas, repair of sprinklers at the Equestrian Center, and any insurance premiums associated with equestrian and other activities taking place at the Equestrian Center. Funding for

the EC Budget shall be paid for by special assessments allocated equally among all Owners that elect to become members in the Equestrian Center (the "Equestrian Center Members"). All Equestrian Center Members shall be required to pay such initial membership fees and annual membership fees as may be proposed by the Equestrian Committee and approved by the Association, as reflected in the rules and regulations governing Equestrian Center use and membership from time to time.

2. All remaining costs for operating and maintaining the Ranch Barn, including base insurance premiums (exclusive of equestrian activities), periodic building maintenance (unrelated to equestrian activities) and capital improvements to the Ranch Barn shall be allocated among the Owners as a portion of the annual assessments set forth in the annual budget approved by the Association.

3. Use of the Equestrian Center is limited to Owners that are Equestrian Center Members, and their horses that are regularly stabled at Pilgrim Downs. Owners who are not Equestrian Center Members are not authorized to use the Equestrian Center and related equestrian facilities, unless otherwise authorized by the Association, and Owners who are not Equestrian Members shall have no obligation to fund costs contained in the EC Budget. Caretakers of Owners who are Equestrian Center Members may use the Equestrian Center. The Equestrian Committee shall establish such procedures as may be required to ensure that the Equestrian Center is used solely by Equestrian Center Members, horses, and caretakers so authorized by this section.

E. It shall be the absolute responsibility of each Owner of any horse in Pilgrim Downs to assure that such Owner's horse does not interfere with the peaceful enjoyment of any other Owner in the use of such Owner's Lot, the Equestrian Center or any portion of the Common Area, as the Association may now or in the future designate, if at all, for use of trails, grazing or other activities related to horse ownership. The responsibilities of each Owner may be enforced by the Association or by any aggrieved Owner by injunction or other legal action. In the event enforcement measures are taken against any Owner, all provisions of this Declaration relating to enforcement of same against Owners shall apply.

F. Any Owner seeking to graze horses on the Owner's Lot after the effective date of this Amendment must receive the prior approval of the Association and the Architecture Control Committee. All Owners grazing horses on the Owner's Lot shall maintain the grazing area in a neat and orderly manner.

5. Horse Ownership. Section 9.E of the First Amendment is hereby amended and revised to provide that each Owner shall be allowed up to two (2) horses per Lot; provided, however, that the Owners of the following lots shall have the right to maintain up to four (4) horses on such Lot pursuant to the terms and conditions of Section 9.E of the First Amendment, due to the fact that such Owners have recently purchased their Lots or previously made improvements to their Lots in reliance on such right: (a) Lot 4, Amended Final Plat of Lot 4, a Resubdivision of Lots 2, 3, and 4, Pilgrim Downs Filing No. 2, according to the plat recorded August 10, 1989, in Book 511 at Page 343, County of Eagle, State of Colorado; (b) Lot 7, Pilgrim Downs Filing No. 4, according to the plat recorded May 31, 1984, in Book 386 at Page 525, County of Eagle, State of Colorado; (c) Lot 15, Pilgrim Downs Filing No. 6, according to the plat recorded January 9, 1982, in Book 404 at Page 652, County of Eagle, State of Colorado; and (d) Lot 19, Pilgrim Downs Filing No. 7, according to the plat recorded December 9, 1986, in Book 453 at Page 764, County of Eagle, State of Colorado.

6. Ratification of terms. Except as herein expressly amended and modified hereby, all the terms and provisions of the Declaration remain unchanged and in full force and effect.

7. Conflict between Documents. In case of any conflict between the terms of this Amendment and the Declaration, the provisions hereof shall prevail.

IN WITNESS WHEREOF, the undersigned Association hereby certifies that the foregoing amendments have been approved by the requisite percentage of Owners and First Deed Holders, as evidenced by the attached signatures.

Pilgrim Downs Homeowners Association, Inc.

By: _____

Name: Georgia Gage

Title: President