

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

THIS THIRD AMENDMENT TO DECLARATION OF PROTECTIVE COVENANTS FOR PILGRIM DOWNS SUBDIVISION (this "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 recorded October 12, 1983 at Book 370, Page 217 (the "Initial Declaration"), as amended by the Amendments to the Declaration of Protective Covenants for Pilgrim Downs Subdivision recorded August 8, 1984 at Book 391, Page 833 (the "First Amendment"), and that Subjection of Additional Property to Declaration of Protective Covenants for Pilgrim Downs Subdivision recorded October 22, 1990 at Book 540, Page 495 (the "Subjection of Property"), and that certain Second Amendment to Declaration of Protective Covenants for Pilgrim Downs Subdivision recorded December 7, 2007 at Reception Number 200732251 (the "Second Amendment"), all in the real property records of Eagle County, Colorado. The Initial Declaration, First Amendment, Subjection of Property, and Second Amendment are hereinafter collectively referred to herein as the "Declaration".

B. The Owners in the Pilgrim Downs Subdivision ("Pilgrim Downs") desire to amend the Declaration to generally prohibit all rentals and timeshares of all Lots and homes within Pilgrim Downs and to generally restrict ownership of each Lot to no more than four co-owners, who each must own at least a 25% interest in the Lot.

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 C.R.S. § 38-33.3-117, certain sections of the Act govern community matters with respect to communities created prior to enactment of the Act. In particular, C.R.S. § 38-33.3-117(1.5)(d) of the Act provides that an amendment to the Declaration for Pilgrim Downs proposed after January 1, 2006, would be governed by C.R.S. § 38-33.3-217(1)(a)(I), which provides that the Declaration may be amended by affirmative vote of 67% of the Owners of Lots in Pilgrim Downs.

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

E. There are twenty-four (24) Owners in Pilgrim Downs, requiring an affirmative vote of not less than seventeen (17) Owners to amend the Declaration under C.R.S. § 38-33.3-217(1)(a)(I). There are eight (8) First Deed Holders of record, requiring the approval of not less than five (5) First Deed Holders to amend the Declaration. The certification of the Association included herewith certifies that the requisite percentage of Owners entitled to vote and First Deed

Holders 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. A new section 34 is hereby added to the Declaration, to read as follows:

34. USE RESTRICTIONS

A. Renting Prohibited; Limit on Number of Co-Owners.

(1) No Lot, nor any home, room, apartment, lock-off, residential space, garage, barn, or any other improvement on a Lot, including any caretaker unit, shall be used or occupied by anyone other than the Owner of the Lot, and such Owner's Relatives (defined for purposes of this Section 34 as all lineal descendants of any grandparent of any Owner, and the spouses of the descendants, and including any person's stepchildren and adopted children) and non-paying guests, and there shall be no leasing or rental of any such properties whatsoever, except as follows:

(a) An Owner selling his or her Lot may rent the Lot, immediately after the closing of the sale of such Lot for a period not to exceed one (1) year, so long as such original Owner maintains exclusive possession of the Lot during the rental term and the Lot shall be used or occupied only by the original Owner of the Lot, and such Owner's Relatives and non-paying guests.

(b) A Lot may be rented by the Owner to any of the Owner's Relatives for any bona fide estate planning purpose.

(c) The caretaker unit on any Lot may be occupied by the Owner's bona fide employee or independent contractor caretaker.

(d) The Board of Managers may determine, in its sole discretion, upon application from an Owner, that a proposed rental or lease by such Owner shall be permitted because such rental or lease does not violate the intent of this section 34, which is to generally prohibit use and occupancy of Lots and homes by anyone other than Owners and their families, employees, and non-paying guests.

(2) For purposes of this Section 34(A), in the event that a Lot is owned by a trust or corporate entity, the Owner of the Lot shall be deemed to be the person or persons who are the settlors or primary beneficiaries of the trust, or the primary owners of the corporate entity. Without limiting the foregoing, unless all co-Owners are Relatives, no Lot may be owned by more than four co-Owners. Without limiting the four co-Owner limit, no co-Owner may own less than a twenty-five percent (25%) interest in a Lot unless all co-Owners are Relatives.

B. Time Shares Prohibited. No Lot, nor any home or any other improvements on a Lot,


shall be used for the creation, by any means, of any "time share estate" as defined in C.R.S. § 38-33-110 or any other time share, interval ownership, vacation club or similar estate or interest in the Lot or any part thereof, whether on an equity or non-equity basis, no matter how described or classified, by which a purchaser, investor, owner, tenant, member or licensee obtains the right to exclusive use of the Lot, home, or improvements for a period of time and subject to availability, reservation procedures, or rights of others within such program to use the Lot, home, or improvements. As used in the preceding sentence, a "vacation club" is defined as any arrangement, formal or informal, under which persons or entities share the right to use the Lot, home, or improvements if (a) such arrangement is adopted, imposed, marketed, sold, or managed by a party other than those persons or entities who share the right to use the Lot, home, or improvements; or (b) such Lot, home, or improvements are marketed for use pursuant to or subject to such arrangement.

2. Governing Law. This Amendment will be governed by and interpreted in accordance with the laws of the State of Colorado.
3. Conflicts Between Documents. This Amendment hereby supersedes and controls over any contrary provision contained in the Declaration. In case of conflict between the Declaration as amended hereby and the Articles and the Bylaws of Pilgrim Downs Homeowners Association, the Declaration, as amended hereby, shall control.
4. Declaration. Except as specifically set forth in this Amendment, the Declaration remains unchanged and in full force and effect. This Third Amendment to Declaration shall hereafter be interpreted for all purposes as part of the Declaration.

IN WITNESS WHEREOF, the undersigned Association hereby certifies that the foregoing Amendment has been approved by the requisite percentage of Owners and First Deed Holders.

**ASSOCIATION:**

PILGRIM DOWNS HOMEOWNERS  
ASSOCIATION, INC., a Colorado  
nonprofit corporation

By:   
Name: Georgia Wall Gogel  
Title: President

STATE OF NEW YORK )  
 ) SS.  
COUNTY OF NEW YORK )

The foregoing instrument was acknowledged before me this 24<sup>th</sup> day of March, 2014, by Georgia Wall Gogel as President of Pilgrim Downs Homeowners Association, Inc., a Colorado nonprofit corporation.

Witness my hand and official seal.  
My commission expires: August 19, 2017

[SEAL]

Noreen P. Denihan  
Notary Public

**NOREEN P. DENIHAN**  
Notary Public, State of New York  
No. 01DE4878570 - Nassau County  
Term Expires: August 19, 2017