

**RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:**

STEPHANIE L. FANOS
ATTORNEY AT LAW
P.O. BOX 3727
TELLURIDE, COLORADO 81435

SPACE ABOVE THIS LINE RESERVED FOR USE BY RECORDER

**FIRST SUPPLEMENT TO THE
DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR GRAY HEAD AT TELLURIDE**

This First Supplement to the **DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR GRAY HEAD AT TELLURIDE** ("First Supplemental Declaration") is made this 31st day of January, 2000, by Gray Head Development Corp., a Colorado corporation, hereinafter referred to as Declarant.

WHEREAS, on May 11, 1999, Declarant executed and recorded: (1) the Declaration of Covenants, Conditions, Restrictions and Easements For Gray Head at Telluride ("Declaration") in the records of the Clerk and Recorder for San Miguel County, Colorado at Reception Number 326339, and (2) the Common Interest Community Map for Gray Head at Telluride ("Map") in the records of the Clerk and Recorder for San Miguel County, Colorado, in Plat Book 1, Page 2562;

WHEREAS, on January 7, 2000, the First Amendment to the Declaration of Covenants, Conditions, Restrictions and Easements For Gray Head at Telluride was recorded in the records of the Clerk and Recorder for San Miguel County, Colorado at Reception Number 331682;

WHEREAS, on January 28, 2000, the Second Amendment to the Declaration of Covenants, Conditions, Restrictions and Easements For Gray Head at Telluride was recorded in the records of the Clerk and Recorder for San Miguel County, Colorado at Reception Number 332449 and

WHEREAS, Article 10 of the Declaration provides for certain development rights and special Declarant Rights including the right to add and create additional Lots and Common Elements.

NOW THEREFORE Declarant does hereby publish and declare that:

1. Creation of Additional Lot and Common Elements. Pursuant to certain rights reserved to Declarant as set forth in Article 10, Declarant hereby subjects that portion of the Expansion Property more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference, to the provisions of the Declaration thereby adding one (1) additional Lot and certain additional Common Elements to Gray Head at Telluride, which additional Lot and Common Elements are designated on the First Supplemental Common Interest Community Map for Gray Head at Telluride recorded simultaneously herewith. The additional Lot shall be designated as Lot 14.

2. First Supplemental Map. Pursuant to Article 10, Declarant has simultaneously herewith executed and recorded in the records of the office of the Clerk and Recorder of San Miguel County, Colorado, the First Supplemental Common Interest Community Map for Gray Head at Telluride ("First Supplemental Map"), designating the additional Lot and Common Elements.

3. The additional Lot and Common Elements shall, immediately upon the recording of this First Supplemental Declaration and the First Supplemental Map, be subject to all of the conditions, covenants, restrictions, and easements set forth in the Declaration and shall be governed in all respects by the provisions of the Declaration.

4. Allocated Interests. Immediately upon the recording of this First Supplemental Declaration and the First Supplemental Map, the total number of Lots in Gray Head at Telluride, their numeric designation, allocated interests and voting percentages shall be as set forth on the Second Amended and Restated Exhibit "C", attached hereto and incorporated herein by this reference.

3. Unless otherwise defined herein, initially capitalized terms defined in the Declaration shall have the same meaning herein.

4. Except as specifically amended by this First Supplemental Declaration or other amendments or supplements, all other terms and conditions of the Declaration shall remain in full force and effect.

IN WITNESS WHEREOF, Declarant has caused this First Supplemental Declaration to be executed by its duly authorized agents this 31st day of January, 2000.

DECLARANT:

Gray Head Development Corp., a Colorado corporation

By: SL Catsman
Steven L. Catsman, President

Dated: 1/31/00

STATE OF COLORADO }
 } ss.
COUNTY OF SAN MIGUEL }

The foregoing Declaration was acknowledged before me by Steven L. Catsman, President, Gray Head Development Corp., a Colorado corporation on the 31ST day of JANUARY, 2000.

Witness my hand and official seal.
My commission expires: 9-7-01

[Signature]
Notary Public

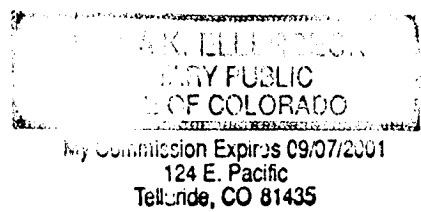


EXHIBIT A

**LEGAL DESCRIPTION OF PORTION OF EXPANSION PROPERTY
TO BE ADDED TO GRAY HEAD AT TELLURIDE**

**FOLEY ASSOCIATES, INC.
CIVIL ENGINEERING AND LAND SURVEYING
P. O. BOX 1385
TELLURIDE, CO 81435
970-728-6153**

LEGAL DESCRIPTION

A portion of Parcel C, Gray Head at Telluride according to the Parcel Map for Gray Head at Telluride recorded in the office of the Clerk and Recorder in Plat Book 1 at pages 2456-2457, located within Section 23, Township 43 North, Range 10 West of the New Mexico Principal Meridian, further described as follows:

Beginning at the East 1/4 corner of said Section 23; Thence along the East line of said Section 23, N 00°09'02" E, 1529.63 feet to the southeast corner of Lot 5, Gray Head at Telluride according to the Common Interest Community Map for Gray Head at Telluride recorded in the office of the Clerk and Recorder in Plat Book 1 at pages 2562-2563;

Thence N 89°41'04" W, 1179.66 feet to the northeast corner of Lot 4 of said Common Interest Community Map for Gray Head at Telluride;

Thence S 00°03'23" E, 782.42 feet to an angle point on the east boundary of Lot 7 of said Common Interest Community Map for Gray Head at Telluride;

Thence S 48°04'58" W, 950.00 feet along the east boundary of said Lot 7;

Thence S 23°13'50" E, 85.39 feet along the east boundary of said Lot 7;

Thence along a tangential curve concave to the west having a radius of 500.00 feet, a delta angle of 8°03'23", and an arc length of 70.31 feet along the east boundary of said Lot 7;

Thence S 15°10'26" E, 150.42 feet along the east boundary of said Lot 7;

Thence along a tangential curve concave to the east having a radius of 200.00 feet, a delta angle of 5°41'43", and an arc length of 19.88 feet along the east boundary of said Lot 7;

Thence S 20°52'09" E, 47.46 feet along the east boundary of said Lot 7;

Thence along a tangential curve concave to the west having a radius of 200.00 feet, a delta angle of 7°57'27", and an arc length of 27.78 feet along the east boundary of said Lot 7;

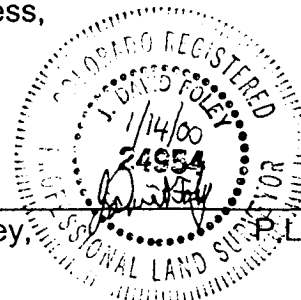
Thence S 12°54'42" E, 132.56 feet along the east boundary of said Lot 7;

Thence along a tangential curve concave to the east having a radius of 500.00 feet, a delta angle of 4°56'24", and an arc length of 43.11 feet along the east boundary of said Lot 7;

Thence S 17°51'06" E, 218.97 feet along the east boundary of said Lot 7;

Thence along a tangential curve concave to the east having a radius of 700.00 feet, a delta angle of 5°04'28", and an arc length of 62.00 feet along the east boundary of said Lot 7;

Thence S 22°55'34" E 47.52 feet along the east boundary of said Lot 7;
Thence along a tangential curve concave to the west having a radius of 300.00 feet, a delta angle of 10°29'26", and an arc length of 54.93 feet along the east boundary of said Lot 7;
Thence S 12°26'09" E, 46.38 feet along the east boundary of said Lot 7;
Thence along a tangential curve concave to the west having a radius of 100.00 feet, a delta angle of 16°47'40", and an arc length of 29.31 feet along the east boundary of said Lot 7;
Thence S 04°21'32" W, 36.14 feet along the east boundary of said Lot 7;
Thence along a tangential curve concave to the east having a radius of 100.00 feet, a delta angle of 14°04'53", and an arc length of 24.58 feet along the east boundary of said Lot 7;
Thence S 09°43'21" E, 69.99 feet along the east boundary of said Lot 7;
Thence along a tangential curve concave to the west having a radius of 200.00 feet, a delta of 14°16'27", and an arc length of 49.83 feet along the east boundary of said Lot 7;
Thence S 04°33'06" W, 74.75 feet along the east boundary of said Lot 7;
Thence along a tangential curve concave to the east having a radius of 500.00 feet, a delta angle of 18°20'50", and an arc length of 160.11 feet along the east boundary of said Lot 7;
Thence S 13°47'44" E, 150.43 feet to the southeast corner of said Lot 7;
Thence continuing S 13°47'44" E, 65.00 feet; Thence along a tangential curve concave to the west having a radius of 700.00, a delta angle of 03°28'59", and an arc length of 42.55 feet;
Thence S 10°18'45" E, 75.36 feet;
Thence along a tangential curve concave to the east having a radius of 300.00 feet, a delta angle of 10°10'16", and an arc length of 53.26 feet;
Thence S 20°29'01" E, 56.85 feet;
Thence along a tangential curve concave to the northeast having a radius of 150.00 feet, a delta angle of 39°29'39", and an arc length of 103.40 feet;
Thence S 59°58'40" E, 95.50 feet;
Thence along a tangential curve concave to the southwest having a radius of 200.00 feet, a delta angle of 29°21'38", and an arc length of 102.49 feet;
Thence S 30°37'02" E, 85.29 feet to an angle point on the west boundary of Parcel D of said Parcel Map for Gray Head at Telluride;
Thence N 43°18'57" E, 913.17 feet along the northwest boundary of said Parcel D;
Thence S 88°35'38" E, 557.14 feet to the northeast corner of said Parcel D, located on the East line of said Section 23;
Thence along the East line of said Section 23, N 00°08'32" E, 1329.68 feet to the Point of Beginning, containing 106.99 acres more or less,
County of San Miguel, State of Colorado.



J. David Foley, P.L.S. #24954

ROAD CENTERLINE INFORMATION

Line	Bearing	Length
L29	S23°13'50"E	85.39
L30	S15°10'26"E	150.42
L31	S20°52'09"E	47.46
L32	S12°54'42"E	132.56
L33	S17°51'06"E	218.97
L34	S22°55'34"E	47.52
L35	S12°26'09"E	46.38
L36	S04°21'32"W	36.14
L37	S09°43'21"E	69.99
L38	S04°33'06"W	74.75
L39	S13°47'44"E	150.43
L40	S13°47'44"E	65.00
L41	S10°18'45"E	75.36
L42	S20°29'01"E	56.85
L43	S59°58'40"E	95.50
L44	S30°37'02"E	85.29
L52	S25°28'50"E	43.12
L53	S33°11'25"E	146.68
L54	S41°37'20"E	43.05
L55	S55°09'18"E	66.77
L56	S05°42'54"E	95.80
L57	S13°37'11"E	28.89
L58	S02°54'03"E	26.86
L59	S46°35'03"E	83.60
L60	S42°45'42"E	58.79

Curve	Radius	Delta	Length	Chord Bearing	Chord
C28	500.00	04°00'26"	34.97	N21°13'36"W	34.96
C29	500.00	04°02'57"	35.34	N17°11'55"W	35.33
C30	200.00	05°41'43"	19.88	S18°01'18"E	19.87
C31	200.00	07°57'27"	27.78	N16°53'25"W	27.75
C32	500.00	04°56'24"	43.11	S15°22'54"E	43.10
C33	700.00	05°04'28"	62.00	S20°23'20"E	61.98
C34	300.00	10°29'26"	54.93	N17°40'52"W	54.85
C35	100.00	16°47'40"	29.31	N04°02'19"W	29.21
C36	100.00	14°04'53"	24.58	S02°40'55"E	24.51
C37	200.00	14°16'27"	49.83	N02°35'08"W	49.70
C38	500.00	18°20'50"	160.11	S04°37'19"E	159.43
C39	700.00	03°28'59"	42.55	N12°03'15"W	42.55
C40	300.00	10°10'16"	53.26	S15°23'53"E	53.19
C41	150.00	39°29'39"	103.40	S40°13'51"E	101.36
C42	200.00	29°21'38"	102.49	N45°17'51"W	101.37
C49	300.00	07°42'35"	40.37	S29°20'07"E	40.34
C50	200.00	08°25'56"	29.43	S37°24'22"E	29.41
C51	300.00	13°31'58"	70.86	S48°23'19"E	70.69
C52	75.00	49°26'24"	64.72	N30°26'06"W	62.73
C53	200.00	07°54'18"	27.59	S09°40'03"E	27.57
C54	100.00	10°43'09"	18.71	N08°15'37"W	18.68
C55	180.00	43°41'01"	137.24	S24°44'33"E	133.94
C56	200.00	03°49'22"	13.34	N44°40'23"W	13.34
C57	160.00	01°48'03"	5.03	S43°39'43"E	5.03

LOT 14 EXHIBIT
 DEVELOPMENT ENVELOPE EXHIBIT



Client:

Contact:

**SECOND AMENDED AND RESTATED
 EXHIBIT C
 ALLOCATED INTERESTS AND FORMULA**

There are currently twelve (12) Lots within Gray Head at Telluride.

ALLOCATED INTERESTS. The Allocated Interest applicable to a Lot shall be equal to a fraction, the numerator of which shall be the number of acres within each Lot and the denominator of which shall be equal to the total number of acres within all Lots currently within Gray Head at Telluride and shall be expressed as a percentage.

VOTES PER LOT. Each Lot shall be entitled to one (1) vote per each thirty-five (35) acres contained within such Lot. No fraction of 35 acres may be counted in determining the number of votes. For example, a Lot containing 37 acres shall only be entitled to one vote and a Lot containing 73 acres shall be entitled to two votes.

<u>LOT #</u>	<u>ACRES IN LOT</u>	<u>ALLOCATED INTEREST</u>	<u>VOTES</u>
Lot 1	35.51	6.3%	1
Lot 2	35.71	6.3%	1
Lot 3	35.69	6.3%	1
Lot 4	35.32	6.2%	1
Lot 5	35.10	6.2%	1
Lot 6	35.48	6.3%	1
Lot 7	35.41	6.2%	1
Lot 8	35.14	6.2%	1
Lot 9	35.50	6.3%	1
Lot 10	35.11	6.2%	1
Lot 11	105.91	18.7%	3
<u>Lot 14</u>	<u>106.99</u>	<u>18.8%</u>	<u>3</u>
TOTALS 12	566.93	100%	16