

**FIRST AMENDMENT TO THE DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS OF
COTTON WOODS SUBDIVISION**

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This FIRST AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF COTTON WOODS SUBDIVISION ("First Amendment") is made as of November 5, 2002, by the undersigned, being the owner of all the lots in Cotton Woods Subdivision.

A. A Declaration of Covenants, Conditions and Restrictions of Cotton Woods Subdivision (the "Declaration") was recorded August 12, 2002, at Book 3130, Page 365, Mesa County Records.

B. In Article XI, Section 5 of the Declaration, the right to amend the Declaration with the consent of 67% of the property owners is set forth.

The undersigned, therefore, being 100% of the members, amends the Declaration as follows:

1. Article IX, Section 12 is amended to read:

"No lot shall be subdivided except for the purpose of combining portions with an adjoining Lot, provided that no additional building site is created thereby or except to provide for construction of a duplex structure allowed under the terms of the Community Residential (CR) Zone in the City of Fruita."

2. Article IX, Section 25, Party Wall is added to read as follows:

" Section 25. Party Walls.

(a) General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the Lots shall constitute a party wall and, to the extent not inconsistent with the provisions of the Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall or any utilities located in the party wall shall be shared by the Owners who make use of the wall or such utilities in proportion to such use.

(c) Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if

the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

(e) Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

(f) Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators, which decision shall be binding upon the parties."

3. 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.

PARK RIDGE JOINT VENTURE

By:

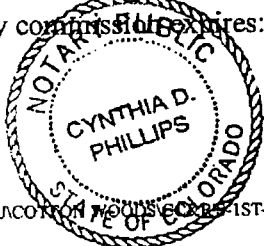
Kenneth B. Milyard, Jr.
Kenneth B. Milyard, Jr., Joint Venturer

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing instrument was acknowledged before me this 12th day of November, 2002, by Kenneth B. Milyard, Jr., Joint Venturer of Park Ridge Joint Venture.

WITNESS my hand and official seal.

My commission expires: 3-1-05



Cynthia D. Phillips
Notary Public