



Amendment to
Declaration of Protective Covenants
WALDEN PRESERVE FILING NO. 1
and
ADDITION OF WALDEN PRESERVE FILING NO. 2

State of Colorado
County of El Paso

PROTECTIVE COVENANTS

WHEREAS, Custom Castles, Inc., as "Declarant," by Declaration of Protective Covenants dated August 2nd, 2005 and recorded August 9, 2005, at reception number 205122348 in the records of the Clerk and Recorder of El Paso County, Colorado, (the "Protective Covenants" which term shall also include any amendments thereto) submitted certain property described therein (Walden Preserve Filing No. 1) to such covenants and restrictions; and

STORMWATER

WHEREAS, As a condition of platting Walden Preserve Filing No. 2, El Paso County has required Declarant to enter into and have the WHA enter into a "Private Detention Basin / Stormwater Quality Best Management Practice Maintenance Agreement And Easement" (the "Filing No. 2 PDB/BMP Agreement") which is recorded at Reception No. 212137692 in the records of the Clerk and Recorder of El Paso County, Colorado; and

WHEREAS, paragraphs (I)B and C of the Protective Covenants states as follows:

Two detention basins ("Detention Basins") are included in the subdivision. A "Private Detention Basin Maintenance Agreement and Easement" ("Detention Basin Agreement") between and among the Declarant, the Walden Property Owners Association, a Colorado nonprofit corporation ("WHA") and the Board of County Commissioners of El Paso County, Colorado, is recorded at Reception No. 205122349 in the records of the Clerk and Recorder El Paso County, Colorado. The provisions of the Detention Basin Agreement are incorporated herein by this reference. The Detention Basins shall be located on the property described as Tract B I and on the "Temporary Construction and Drainage Easement" as defined on the subdivision plat for Walden Preserve Filing No.1. The Declarant has provided to the WHA a Detention Basin Maintenance Easement Grant, a copy of which is recorded at Reception No. 205122350 in the records of the Clerk and Recorder of El Paso County, Colorado, to enable the WHA to fulfill its obligations under the Detention Basin Agreement as to Tract B I and as to the "Temporary Construction and Drainage Easement."

C. One specific purpose of these Covenants and the Walden Property Owners Association ("WHA") shall be to operate, maintain and enforce, to the extent applicable, all the requirements of the plan for augmentation decreed in Consolidated Cases Nos. 02 CW 187 and 02 CW 117 by the Water Court dated July 22, 2004 (the "Augmentation Plan"), which is recorded at Reception No. 205122353 in the records of the Clerk and Recorder of El Paso County, Colorado, The responsibility to operate, maintain and enforce the Augmentation Plan cannot be abrogated by the WHA; and

WHEREAS, the two Detention Basins referred to in the Detention Basin Agreement were constructed and completed in connection with the platting of Walden Preserve Filing No.1; and

WHEREAS, the Filing No. 2 PDB/BMP Agreement re-asserts the responsibility of the Declarant, the WHA and the Lot Owners in Walden Preserve Filing No. 1 with regard to the two Detention Basins covered by the Detention Basin Agreement recorded in connection with Walden Preserve Filing No. 1; and

WHEREAS, the Filing No. 2 PDB/BMP Agreement extends the responsibilities for maintenance of the two Detention Basins to the Lot Owners in Walden Preserve Filing No. 2; and

WHEREAS, the Detention Basin Agreement already imposes the responsibility for maintenance of the two Detention Basins on the Declarant, the WHA and all the Lot Owners in Walden Preserve Filing No. 1; and

WHEREAS, the Detention Basin Agreement limits the liability of individual Lot Owners to their proportionate share of the maintenance cost for the Detention Basins, based on the number of Lots in Walden Preserve Filing No. 1; and

WHEREAS, it is the intention of this Amendment and the Filing No. 2 PDB/BMP Agreement that the liability for maintenance cost of the two Detention Basins set forth in the Detention Basin Agreement and the Filing No. 2 PDB/BMP Agreement should be spread across all Lot Owners of Lots in both Walden Preserve Filing No. 1 and Walden Preserve Filing No. 2; and

WHEREAS, the Filing No. 2 PDB/BMP Agreement limits the liability of each Lot to its proportionate share based on the total number of Lots in both Walden Preserve Filing No. 1 and Walden Preserve Filing No.2 combined, thus decreasing the potential liability of each Lot Owner in Walden Preserve Filing No. 1; and

WATER

WHEREAS, Walden Preserve Filing No. 1 has 13 Lots not served by a community water and sanitary sewer system but on individual well and individual sewage disposal systems, and Walden Preserve Filing No. 2 has 14 Lots in individual wells and individual sewage disposal systems resulting in a total of 27 Lots on individual wells and sewage disposal systems;

WHEREAS, in connection with Walden Preserve Filing No.1, the Declarant deeded to the WHA (by deeds recorded with the El Paso County Clerk and Recorder at Receptions 205122351, 205053672, and 205048457) water rights described therein and in the Water Court Decree recorded with the El Paso County Clerk and Recorder at Reception 205112353, including specifically water sufficient for the post-pumping augmentation for at least 93 homes on individual wells and individual sewage disposal systems, according to the Water Court Decree; and

WHEREAS, the Protective Covenants provide in Section 19, UTILITIES, paragraph B states, "Any water rights decreed in the Augmentation Plan and not deeded to individual Well Lot Owners as set forth above, nor required by the Augmentation Plan to be reserved for post-pumping augmentation, remain the property of the Declarant, its successors and assigns;" and

WHEREAS, the Declarant and WHA want to clarify such Section 19, Paragraph B of the Protective Covenants by amending such Section to specify a process for the WHA to deed back to the Declarant any such excess water rights; and

DECLARANT'S RIGHT TO AMEND

WHEREAS, in Section 22 of such Protective Covenants the Declarant reserved unto itself the right to amend such Protective Covenants as stated therein and specifically applying such amendment to Lots that are not yet sold by the Declarant or are consented to by a majority of the then Owners of the affected Lots; and

WHEREAS, this Amendment applies only to Lots that have not been sold by the Declarant prior to the date of this Amendment (namely Lots 1 through 14 inclusive, Walden Preserve Filing No. 2) and to Lots (namely Lots 74, 75, 76, 77, and 78, Walden Preserve Filing No. 1), currently owned by Matthew W. Dunston (who is a principal of the Declarant and took title as a temporary measure for reasons unrelated to these covenants and is deeding such Lots to the Declarant and therefore, for purposes of this Amendment to the Protective Covenants, Matthew W. Dunston shall also be considered the Declarant and such Lots shall be considered as not yet having been sold by the Declarant) who has consented in writing; nor is this amendment of such nature as to derogate property values; and

WHEREAS, in paragraph A of such Protective Covenants the Declarant specifically reserved the right to include any additions to Walden as stated in covenants later recorded in the real estate records of El Paso County, Colorado, and more specifically reserved the right to add the property described on Exhibit C thereto; and

WHEREAS, the property described in Exhibit A hereto (Walden Preserve Filing No. 2) is a portion of the property described in Exhibit C to the Protective Covenants; and

WHEREAS, the Declarant now wishes to amend the Protective Covenants as more fully set forth below;

AMENDMENT

NOW THEREFORE, the Declarant now amends the Protective Covenants as follows:

ADDITION OF WALDEN PRESERVE FILING NO. 2

1. This Amendment specifically affects the following real estate:
 - a) Lots 1 through 14 inclusive, Walden Preserve Filing No. 2, El Paso County, Colorado, as set forth on Exhibit A hereto, and
 - b) Lots 74, 75, 76, 77, and 78, Walden Preserve Filing No. 1, El Paso County, Colorado.
(Purported street address: various, including 17470, 17480, 17490, 17510 and 17520 Pond View Place, Monument, Colorado) (Purported Assessor's parcel numbers: Various including 6123001013, 6123001012, 6123001011, 6123001010, 6123001014)
2. The Declarant hereby submits to the Protective Covenants, as Amended hereby, the real estate known as Walden Preserve Filing No. 2, El Paso County, Colorado as described on Exhibit A hereto.

STORMWATER

3. The Walden Property Owners Association shall execute the Filing No. 2 PDB/BMP Agreement and any similar documents required by El Paso County in regard to accepting its obligation to maintain such stormwater detention facilities in connection with any additions to the Protective Covenants. The intended effect of such execution is (a) to revise and limit the proportionate share of each Lot in Walden Preserve Filing No. 1 and Walden Preserve Filing No. 2 for responsibility for the costs of maintenance of the two Detention Basins to that proportion as set forth in the Filing No. 2 PDB/BMP Agreement and any similar documents with respect to stormwater detention facilities in connection with any additions to the Protective Covenants and (b) to acknowledge the WHA's acceptance of its role and responsibility in maintaining the two Detention Basins according to both the Detention Basin Agreement (as recorded in connection with Walden Preserve Filing No. 1) and the Filing No. 2 PDB/BMP Agreement.

WATER

4. Section 19 Utilities Paragraph B. (5) shall be amended to read as follows:
 - (5) Any water rights decreed in the Augmentation Plan and not deeded to individual Well Lot Owners as set forth above, nor required by the Augmentation Plan to be reserved for post-pumping augmentation, remain the property of the Declarant, its successors and assigns. Therefore, at the request of the Declarant (or its successors in interest), the WHA shall, without delay

or compensation, deed any such water rights to the Declarant and the WHA shall not take any action which might hinder or delay its compliance with this requirement. Pursuant to the applicable water court decree and County approvals, Declarant has conveyed by deed to the WHA the following water rights pursuant to the Augmentation Plan: 2,380 acre-feet in the Arapahoe Aquifer and 10,730 acre-feet in the Laramie-Fox Hills Aquifer. These water rights were conveyed to provide reservation of water for replacement for post-pumping depletion for up to 93 Lots with individual wells and individual sewage disposal systems. With the addition of Walden Preserve Filing No. 2, the total Lots for which water is required to be held and reserved by WHA is 27 Lots (13 in Filing No. 1 and 14 in Filing No. 2). Until the applicable water court decree is modified to permit the WHA to hold and reserve a smaller amount of water and until the County approves the WHA holding and reserving a smaller amount of water, the full amount of water rights required by the decree to be reserved and held by the WHA (2,380 acre-feet in the Arapahoe Aquifer and 10,730 acre-feet in the Laramie-Fox Hills Aquifer) shall be retained by the WHA and shall be used exclusively for augmentation supply and cannot be separated from the subdivision. The Declarant's request (a) shall be accompanied by the proposed deed(s) consistent with (i) applicable Water Court Decrees and (ii) County reviews in connection with subdivision requirements and (b) shall specifically indicate the water rights remaining with the WHA and indicate how those rights comply with the requirements of the applicable Water Court Decrees for reservation for post-pumping augmentation.

ARCHITECTURAL AND USE AMENDMENTS

5. Section E (5) Roofing of the Protective Covenants states that tile roofs will be required in some areas. Walden Preserve Filing No. 2 shall be such an area.
6. To support property values in Walden and subject to reasonable requirements of the Architectural Control Committee for review and approval, the Declarant may permit model homes and sales offices, including temporary structures such as a sales trailer, for a limited time as determined by the Declarant on Lots not yet sold by the Declarant as of the date of this Amendment.
7. Section 12. RESUBDIVISION: is amended by adding at the end:

Lots 74, 75, 76, 77, and 78 may be re-platted and re-subdivided into no more than 12 Lots provided such Lots comply with applicable land use provisions of El Paso County and are then owned by the Declarant or by owners who consent in writing to such subdivision.

8. Section 19. UTILITIES: A. Water and Sewage: shall be amended to read as follows:

19. UTILITIES: All
A. Water and Sewage:

Any residence constructed on Lots 1-73 inclusive and on any Lots resulting from re-subdivision of Lots 74, 75, 76, 77 and 78 shall be connected with the public or community water and sewage disposal system serving the subdivision. Any residence shall be limited to two thousand (2000) square feet of lawn or garden or the combined use of both for the purpose of irrigation or sprinkling. Any residence constructed on a Lot not connected to public or community water and sewage disposal system shall be connected to its own private well and engineered individual sewage disposal system approved by the El Paso County Department of Health and Environment.

EXECUTION AND EFFECTIVENESS

9. Custom Castles, Inc. executes this Amendment as Declarant and Matthew W. Dunston executes this Amendment as owner of the affected real estate.

This Amendment shall be effective upon recording in the real estate records of El Paso County, Colorado.

In Witness Whereof, the undersigned Declarant, Custom Castles, Inc., has executed this Amendment this 16th day of November, 2012.

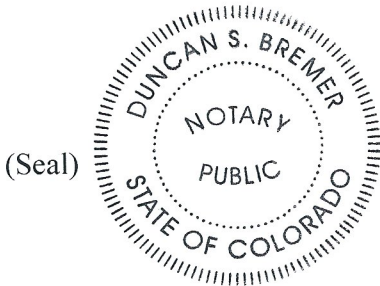
DECLARANT:
Custom Castles, Inc.
A Colorado corporation

By: Matthew W. Dunston
Matthew W. Dunston, , Vice President

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 16th day of November, 2012, by Matthew W. Dunston, as Vice President of CUSTOM CASTLES, INC., a Colorado corporation.

Witness my hand and Official Seal.
My commission expires: 7/7/2015
Duncan S. Bremer
Notary Public



LOT OWNER CONSENT:

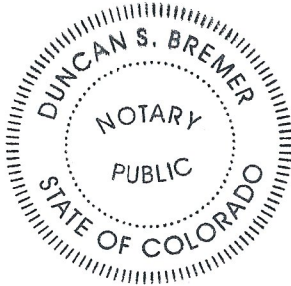
The Undersigned Owner of the affected real estate hereby consents:

Matthew W. Dunston

Matthew W. Dunston

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 16th day of November, 2012, by Matthew W. Dunston as Owner of the affected lots.



Witness my hand and Official Seal.

My commission expires: 7/2/2015

D S B
Notary Public

ACCEPTANCE AND ACKNOWLEDGMENT

BY WALDEN PROPERTY OWNERS ASSOCIATION

The Walden Property Owners Association, a Colorado nonprofit corporation, acknowledges and accepts the submission of the referenced real estate to the Protective Covenants as set forth herein.

Walden Property Owners Association,
A Colorado nonprofit corporation,

By: Jon Levison
Jon Levison, its President

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 16th day of November, 2012, by Jon Levison, as President of Walden Property Owners Association, A Colorado nonprofit corporation.

Witness my hand and Official Seal.

My commission expires: 7/07/2015

Duncan S. Bremer
Notary Public

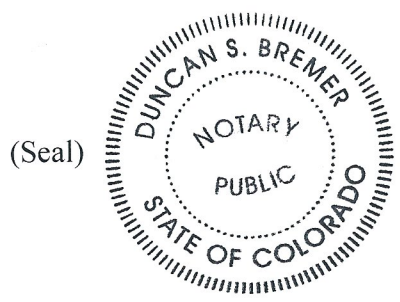


EXHIBIT A TO
Amendment to
Declaration of Protective Covenants
WALDEN PRESERVE FILING NO. 1
and
ADDITION OF WALDEN PRESERVE FILING NO. 2

Legal Description of Walden Preserve Filing No. 2 which is by this Amendment being subjected to the Protective Covenants recorded 8/9/2005 at Reception 205122348:

Lots 1 through 14 inclusive, and Tract A, Walden Preserve Filing No. 2, County of El Paso, State of Colorado.