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**THIRD SUPPLEMENT TO THE
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR ELKSTONE,
A COLORADO COMMON INTEREST COMMUNITY**

This Third Supplement to the Declaration of Covenants, Conditions and Restrictions for Elkstone, a Colorado Common Interest Community ("Third Supplemental Declaration") is made this 20 day of July, 2007, by Elkstone 21, LLC, a Colorado limited liability company, in its capacity as successor Declarant and hereinafter referred to as the "Declarant".

WHEREAS, on May 16, 2003, Declarant executed and recorded: (1) the Declaration of Covenants, Conditions and Restrictions for Elkstone, a Colorado Common Interest Community ("Declaration") in the records of the Clerk and Recorder for San Miguel County, Colorado, at Reception Number 357307, and (2) the Elkstone Common Interest Community Map ("Map") in the records of the Clerk and Recorder for San Miguel County, Colorado, in Plat Book 1, Page 3138, at Reception Number 357310;

WHEREAS, Articles III, XII, XVI and XIX of the Declaration provide for certain development rights and Special Declarant Rights, including, but not limited to, the reserved right to (1) amend the Declaration without the approval of the Owners; (2) the right to construct additional buildings or improvements in the Expansion Area; (3) the right to create additional Units; (4) the right to amend the Declaration and Map to add new Units; and (5) the right to easements through the Common Elements as may be reasonably necessary for the exercise of any Special Development Right or to construct additional buildings; and

WHEREAS, by Assignment of Special Declarant Rights and Related Development Rights recorded in the Office of the Clerk and Recorder of San Miguel County, Colorado, at Reception Number 395383, Elkstone 21, LLC, is the successor Declarant of the Elkstone Common Interest Community pursuant to the Declaration, and as such, is the owner of the Special Declarant Rights and Related Development Rights, as the same relate to the exercise of the reserved right to develop, construct and create twenty-one (21) additional Units in the Expansion Area on a Land Unit referred to as the Elkstone 21, Tract, as more particularly described on the Third Supplemental Map to Elkstone Common Interest Community as hereinafter defined.

NOW THEREFORE, Declarant does hereby publish and declare that:

1. **Amendment of Article II – Definitions Amended to Include "Land Unit".**
Article II of the Declaration is hereby amended to include the term "Land Unit".

"Land Unit" means the portion of the Property comprising a Unit that is separately designated on the Third Supplemental Map to Elkstone Common Interest Community as a "Land Unit". Said Land Unit shall be the site for the construction of a Building or

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Buildings. As Buildings are completed on the Land Unit, a supplement to the Map and Declaration shall be recorded in the real property records of San Miguel County, Colorado, which depict the Building(s) constructed thereon and any Units constructed therein in compliance with the Act and Declaration. The Land Units are each separate Units, but no Allocated Interests are associated with said Land Units. Once a Land Unit is developed with a Building or Buildings and upon the filing of a supplemental Map and supplemental Declaration identifying the Units within the Building(s) on the Land Units, only then shall Allocated Interests be allotted to each Unit constructed and created within such Building(s) as provided herein.

2. **Creation of Land Unit.** Pursuant to those certain rights reserved to Declarant as set forth in the Declaration, Declarant hereby adds the "Elkstone 21 Tract" to the Elkstone Common Interest Community as a Land Unit, which Unit is shown, depicted and designated on the Third Supplemental Map to Elkstone Common Interest Community described below in Paragraph 3. The Land Unit to be known as "Elkstone 21 Tract" and its description are identified on the Third Supplemental Map to Elkstone Common Interest Community and incorporated herein by reference. Immediately upon the recording of the Third Supplemental Map to Elkstone Common Interest Community and this Third Supplemental Declaration, the Land Unit referred to as "Elkstone 21 Tract" shall be created, however, said Land Unit shall have no Allocated Interest under Section 3.2 of the Declaration.

3. **Third Supplemental Map to Elkstone Common Interest Community.** Pursuant to Sections 3.1(b) and 16.3 of the Declaration and simultaneously herewith, Declarant has prepared and recorded in the records of the Office of the Clerk and Recorder of San Miguel County, Colorado, the Third Supplemental Map to Elkstone Common Interest Community, which describes the additional Land Unit known as the Elkstone 21 Tract.

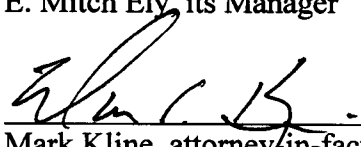
4. Unless otherwise defined herein, initially capitalized terms defined in the Declaration shall have the same meaning herein.

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

IN WITNESS WHEREOF, Declarant has caused this Third Supplemental Declaration to be executed by its duly authorized agent this 20th day of July, 2007.

ELKSTONE 21, LLC

By: E. Mitch Ely, its Manager

By: 
 Mark Kline, attorney-in-fact
 For E. Mitch Ely

