

FIRST AMENDMENT

TO



DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS

AND EASEMENTS FOR

NORTHGATE RESIDENTIAL PROPERTIES

THIS FIRST AMENDMENT is made this 15th day of May, 1998 by PICOLAN, INC., a Colorado corporation ("Declarant"). This First Amendment amends that certain Declaration of Covenants, Conditions, Restrictions and Easements for Northgate Residential Properties (the "Declaration"), dated July 8, 1997 and recorded July 10, 1997 under Reception No. 097079216 of the records of El Paso County, Colorado.

Declarant is the owner of the real property described on Exhibit A attached hereto (the "First Additional Property"), which is part of the Expansion Property defined in the Declaration.

1. Inclusion of First Additional Property. The purpose of this First Amendment is to extend the Declaration to the First Additional Property. The Declarant has the right, power and authority to amend the Declaration as provided herein. Accordingly, pursuant to Section 10.2 of the Declaration, the Declaration is hereby amended to add the First Additional Property to the area made subject to the Declaration. All of the terms, conditions and provisions of the Declaration shall apply to and be binding upon the First Addition Property, and the First Addition Property shall be subject to all of the terms, conditions and provisions of the Declaration.

2. Release of Prior Covenants. The First Additional Property is subject to that certain Declaration of Covenants made by O.S. Properties and Northgate Development Company, dated March 17, 1987 and recorded April 3, 1987 in Book 5344 at Page 405 of the real property records of El Paso County, Colorado (the "Prior Covenants"). Declarant is the successor in interest to O.S. Properties and Northgate Development Company and all of their rights, powers and authorities under the Prior Covenants

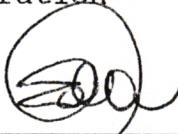
have been assigned to Declarant. Declarant owns more than 20 percent of the "NORTHGATE Development," as defined in the Prior Covenants. Therefore, pursuant to Article III, Section 3 and Article XXV of the Prior Covenants, Declarant has the right, power and authority to amend the Prior Covenants and to release real property from the Prior Covenants. Accordingly, Declarant hereby releases all of the First Additional Property from the Prior Covenants and hereby states and declares that the Prior Covenants do not apply to the First Additional Property and shall be of no further force or effect with respect to the First Additional Property.

Any capitalized phrase, term or work used in this First Amendment that is not otherwise expressly defined in this First Amendment shall have the meaning set forth in Article 1 of the Declaration, unless the context requires otherwise.

IN WITNESS WHEREOF, the undersigned has signed this First Amendment this 15th day of March, 1998.

**DECLARANT:**

PICOLAN, INC., a Colorado corporation



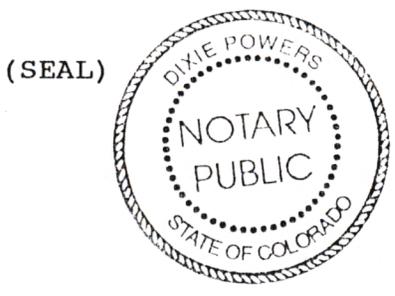
By \_\_\_\_\_  
Filippo Polo, President

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

The foregoing instrument was acknowledged before me this 15 day of May, 1998 by Filippo Pols as President of Picolan, Inc., a Colorado corporation.

Witness my hand and official seal.

My commission expires: 7-11-98



Dixie Powers  
Notary Public

**Exhibit A**

A tract of land being portions of the Southwest Quarter of Section 8 and the Northwest Quarter of Section 17, Township 12 South, Range 66 West of the Sixth Principal Meridian, El Paso County, Colorado, and a portion of a tract of land described in Book 5487 at Page 182, records of El Paso County, Colorado, being described as follows:

Basis of bearings: The basis of bearings is the line between monuments 35 and 33, shown on the survey of the United States Air Force Academy, recorded in Plat Book O-2 at Page 84, records of El Paso County, Colorado, being monumented at the Northerly end by a 3½" brass monument in concrete stamped "U.S. Air Force Traverse Station No. 35" and at the Southerly end by a 3½" brass monument in concrete stamped "U.S. Air Force Traverse Station No. 33" is assumed to bear S 25°23'09" E, a distance of 2873.43 feet, grid bearing of the Colorado Coordinate System of 1983, Central Zone, per Global Positioning System Survey.

Commencing at the North Quarter corner of said Section 17; thence N 01°23'27" W, on the North-South centerline of said Section 8, a distance of 173.74 feet to the point of beginning; thence S 85°28'59" W, a distance of 673.68 feet; thence S 14°04'30" E, a distance of 217.66 feet; thence S 51°42'57" W, a distance of 185.23 feet; thence S 82°38'34" W, a distance of 137.30 feet; thence N 69°50'02" W, a distance of 155.01 feet; thence S 19°44'59" W, a distance of 156.61 feet; thence N 70°06'58" W, a distance of 125.69 feet; thence S 69°53'00" W, a distance of 430.00 feet to a point on curve; thence on the arc of a curve to the right, whose center bears N 70°32'09" E, having a delta of 24°57'50", a radius of 928.00 feet, a distance of 404.33 feet to a point of tangent; thence N 05°29'59" E, a distance of 1033.77 feet to a point of curve; thence on the arc of a curve to the left, having a delta of 02°08'17", a radius of 1072.00 feet, a distance of 40.00 feet to a point on curve; thence on the arc of a curve to the left, whose center bears N 04°22'55" W, having a delta of 50°52'58", a radius of 600.00 feet, a distance of 532.84 feet to a point of tangent; thence N 34°44'07" E, a distance of 374.18 feet; thence S 74°01'43" E, a distance of 913.27 feet to a point on the said North-South centerline; thence S 01°23'27" E, on the said North-South centerline, a distance of 1184.36 feet to the point of beginning.