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DECLARATION OF PROTECTIVE COVENANTS
FOR
SILVER SPURS RANCH

Colorado Mountain Development, Inc. the developer and owner of real property situated in the County of Huerfano and State of Colorado, known as Silver Spurs Ranch and legally described on Exhibit A attached hereto, in order to protect the living environment and preserve the values in Silver Spurs Ranch, does hereby declare that the land shall be held, leased, sold and conveyed, subject to the covenants, restrictions and provisions hereinafter set forth, and that each covenant, restriction and provision shall inure to and run with the land and shall apply to and bind the successors and assigns of the present owners. The property composing the above mentioned land is made specifically subject to the following described covenants.

ARTICLE 1 - INTENT

It is the intent of these covenants to protect and enhance the value, desirability and attractiveness of said property, and to prevent the construction of improper or unsuitable improvements. Restrictions are kept to a minimum while keeping in constant focus the right of property owners to enjoy their property in attractive surroundings free of nuisances, undue noise, and danger. Further, it is intended that the natural environment be disturbed as little as possible.

ARTICLE 2 - PROPERTY OWNERS ASSOCIATION

The Silver Spurs Ranch Property Owners Association will be operated according to the by-laws of the association,

- (a) Members: Every property owner shall automatically become a member of the Silver Spurs Ranch Property Owners Association upon purchase of a lot in Silver Spurs Ranch subdivision.
- (b) Purpose: The purpose of the association is to use its authority, as given in the by-laws:
 - 1. To enforce these protective covenants.
 - 2. To assess property owners yearly dues. Should any property owner fail to pay assessments when due, the Property Owners Association may file a lien against the owner for collection purposes.
 - 3. To provide upkeep and improvements to all non-county roads in Silver Spurs Ranch.
 - 4. To represent all property owners in matters of mutual interest.
 - 5. To administer and lease grazing rights.

ARTICLE 3 - DWELLINGS

No permanent structure shall be built on Silver Spurs Ranch unless such structure is given prior approval from the Property Owners Association Board. All primary dwellings shall consist of not less than 1,000 square feet of living space. No commercial activity shall be permitted unless approved by the Property Owners Association Board.

ARTICLE 4 - SETBACKS

No structure may be erected within one hundred feet of the right-of-way line of any road within Silver Spurs Ranch, nor within fifty feet of any side or rear line of any parcel unless approved by the Property Owners Association Board.

ARTICLE 5 - TRASH AND RUBBISH

Rubbish, garbage or other waste shall be kept and disposed of in a sanitary manner, and all containers shall be kept in a clean, sanitary condition.

ARTICLE 6 - UTILITY EASEMENTS

A ten (10) foot utility easement or such greater distance as may be required by the utility company making the extension is hereby set aside on each side of all side and common rear lot lines and a twenty (20) foot utility easement is hereby set aside on the interior side of all exterior lot lines. All future electric lines shall be extended aboveground.

ARTICLE 7 - NUISANCES

No owner shall cause or allow the origination of excessive odors or sounds from his parcel. No owner shall cause or allow any other nuisances of any kind whatsoever to exist on his parcel. In case of a dispute, at the request of an owner, the Property Owners Association board shall make the final determination of what constitutes a nuisance.

ARTICLE 8 - ANIMALS

Animals will be allowed on Silver Spurs Ranch for personal use of parcel owners. Any animals raised for commercial activity must be approved by the Property Owners Association. Commercial feed lots and swine shall be prohibited from Silver Spurs Ranch.

ARTICLE 9 - MOTOR VEHICLES

No motorized vehicle which is either non-operational or non-licensed shall be kept or stored on any parcel, unless said vehicle is kept or stored in a fully enclosed building.

ARTICLE 10 - TEMPORARY RESIDENCES

No structure of temporary character, recreational vehicle, camper unit, trailer, basement, tent or accessory building shall be used on any parcel as a residence. Recreational vehicles, camper units and tents may be used for vacation camping for periods not to exceed a cumulative total of ninety (90) days in any calendar year.

ARTICLE 11 - MOBILE HOMES

Mobile homes shall not be permitted on any parcel within Silver Spurs Ranch.

ARTICLE 12 - LAND USE

Commercial wood harvesting, mining (including the removal of soil, gravel or rock) and oil or gas production is prohibited. Further subdivision of less than thirty-five acres is prohibited. Any subdivided parcel will be covered by these Covenants and the owner shall become an automatic member of the Silver Spurs Ranch Property Owners Association.

ARTICLE 13 - ENFORCEMENT

Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant.

ARTICLE 14 - TERMS OF COVENANTS

These covenants and restrictions are to run with the land and shall remain in full force and effect for ten years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten years, unless an instrument signed by not less than two-thirds majority of the land owners of the parcels has been recorded, changing said covenants in whole or part.

ARTICLE 15 - SEVERABILITY

Invalidation of any of these covenants or any part thereof by judgment or court order shall in no way affect any of the other provisions hereof, which shall remain in full force and effect.

ARTICLE 16 - COUNTY REGULATIONS

To the extent that the applicable county or other governmental regulations, rules, codes, ordinances or laws are more restrictive in their allowable land utilization than these covenants, they shall supersede these covenants and govern at all times.

ARTICLE 17 - ANNEXATION

Developer owns additional real property in Huerfano County, Colorado, which is more particularly described in Exhibit "B" to these covenants, attached hereto and made a part

hereof. Developer may from time to time within ten years after the date of the recording of this Declaration of Protective Covenants for Silver Spurs Ranch annex any or all of the real property described in Exhibit "B" hereto to the development known as Silver Spurs Ranch by recording one or more Annexation Statements. Upon the recording of such Annexation Statement in the public records of Huerfano County, Colorado, all of the real property described in such Annexation Statement shall be deemed to be part of the development and subject to all of the terms and provisions of these covenants.

ARTICLE 18 - BUILDING PERMITS

Huerfano County requires a building permit before a property owner can construct a dwelling on his property. Building permits may be obtained from the Huerfano County Building Department in Walsenburg, Colorado.

ARTICLE 19 - COMMON EXPENSES

- (a) All parcels within Silver Spurs Ranch shall be subject to assessment for Property Owners fees in an amount to be determined by the association.
- (b) All of the properties contained in the Subdivision shall be exempt from the Colorado Common Ownership Act pursuant to C.R.S. 38-33.3-116. Because these covenants hereby provide that the annual average common expense liability of each unit restricted to residential purposes, exclusive of optional user fees and insurance premiums paid by the Association may not exceed at any time the maximum amount provided for in the above referred to statute as it may from time to time be amended.
- (c) Under no circumstances, unless these covenants shall be amended in accordance with the provisions contained herein, shall the Association dues exceed the maximum amount as may from time to time be provided by C.R.S. 38-33.3-116, which allows the Subdivision to be exempt as provided therein.

ARTICLE 20 - WATER

Water shall be supplied by each owner drilling an individual well on his lot at his own expense.

ARTICLE 21 - SEWAGE

Due to the climatic condition of Huerfano County, evapotranspiration sewage effluent disposal systems will not be allowed in this subdivision. Each lot owner must obtain County Health Department approval for the installation and use of an on-site sewage disposal system. Some lots in the subdivision may require an engineer-designed septic system due to shallow bedrock.

ARTICLE 22 - FEES AND ENFORCEMENT

Assessments for fees will commence upon conveyance at the date of closing. Whenever the obligation to pay fees arises after the start of the calendar year, the first year's fees will be prorated to the commencement date for the parcel involved. Fees shall be payable in advance in January of each year. Each property owner shall be responsible for payment of all fees and any costs (including attorney fees) necessary to enforce any violation of these covenants affecting his or her parcel. Failure to pay fees shall be deemed a violation of these covenants. Unpaid fees and costs shall cause a lien to be recorded against the property and such lien may be foreclosed through a judicial foreclosure of the property.

Developer does not pay any dues or assessments on lots it owns or on properties it may regain through foreclosure but, developer may make, at its sole discretion, contributions to the association from time to time until such time as the control of the association is transferred to the owners.

IN WITNESS WHEREOF, the developer has executed these Declaration of Protective Covenants on this 10th day of November, 1994.

Colorado Mountain Development,
Inc., a Colorado Corporation

By: [Signature]
President

STATE OF COLORADO }
 }ss.
COUNTY OF ARAPAHOE }

The foregoing instrument was acknowledged before me this 10th day of November, 1994 by Jerry R. Dunn, President of Colorado Mountain Development, Inc.

Witness my official hand and seal.



Marcia J. Evenden
Notary
14 Inverness Dr E D-100
Englewood, CO 80112
Address:

My Commission Expires: 2/9/98

EXHIBIT "A"

Lot 1 through Lot 9
Silver Spurs Ranch
Huerfano County, Colorado

EXHIBIT "B"

Township 29 South, Range 65 West of the 6th P.M.

Section 19: Part of E $\frac{1}{2}$ SW $\frac{1}{4}$ containing 3.25 acres being a former right of way granted back to CF&I.

Section 19: SW $\frac{1}{4}$ SW $\frac{1}{4}$ lying North of Hawk Canyon Road, N $\frac{1}{2}$ SW $\frac{1}{4}$ less 2.63 acres to Thomas, SE $\frac{1}{4}$ SW $\frac{1}{4}$ less 20 acres to Chicosa Fuel.

Section 30: NW $\frac{1}{4}$ lying North of Hawk Canyon Road.

Township 29 South, Range 66 West of the 6th P.M.

Section 1: S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, and South 350 feet of SE $\frac{1}{4}$ SW $\frac{1}{4}$ being S $\frac{1}{2}$ S $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$.

Section 2: NW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, S $\frac{1}{2}$ less 50.04 acres in Rouse and 1st Addition to the Town of Rouse not platted in Lots and Blocks.

2: Lots 1, 2, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, Block 2, Town of Rouse.

2: Lots 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 19, 20, 21, 22, 23, 24, Block 3, Town of Rouse.

2: Lots 5, 12, 19, 20, 21, 22, 23, Block 4, Town of Rouse.

2: Lots 3, 4, 9, 10, 11, 12, 13, 14, 17, 18, 19, 20, 21, 22, 24, Block 5, Town of Rouse.

2: Lots 2, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, Block 6, Town of Rouse.

2: Lots 3, 4, 5, 6, 9, 10, 11, 12, 13, 14, 15, 16, Block 7, Town of Rouse.

2: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 14, 15, 16, Block 8, Town of Rouse.

2: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, Block 9, Town of Rouse.

2: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, Block 12, Town of Rouse.

2: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, Block 13, Town of Rouse.

2: Lots 2, 3, 4, 5, 6, 9, 10, 11, 12, 13, 14, 15, 16, Block 14, Town of Rouse.

2: Lots 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, Block 16, Town of Rouse.

2: Lots 1, 2, 5, 6, 7, 8, 9, 10, 11, Block 17, Town of Rouse.

2: Lots 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 15, 16, Block 18, Town of Rouse.

2: Lots 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, Block 19, Town of Rouse.

2: Lots 1, 3, 4, 5, 6, 7, 8, Block 20, Town of Rouse.

Section 3: All, less 1 acre in NE $\frac{1}{4}$ to School District #22.

Section 10: All.

Section 11: All.

Section 12: SW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$, SE $\frac{1}{4}$.

Section 13: W $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$, N $\frac{1}{2}$ less 1 acre to School District #22.

Section 14: All.

Section 15: N $\frac{1}{2}$, SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$.

Section 22: E $\frac{1}{2}$ NE $\frac{1}{4}$.

Section 23: N $\frac{1}{2}$, SE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$.

Section 24: All.

Section 25: N $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ lying North of Hawk Canyon Road.

All in Huerfano County, Colorado.

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State of Colorado filed for record the 23 day of JAN A.D. 1995 at 10:15 o'clock A Judy Berline
County of Huerfano, Rec # 317959 Book 400 & Page No. 222 By AL Deputy Initials

FIRST AMENDMENT TO DECLARATION OF COVENANTS
FOR
SILVER SPURS RANCH

THIS AMENDMENT is made this 17th day of January, 1995 by COLORADO MOUNTAIN DEVELOPMENT, INC., a Colorado corporation, 14 Inverness Dr. E., D-100, Englewood, CO 80112, hereinafter referred to as "Developer".

WHEREAS, the Declaration of Covenants for Silver Spurs Ranch ("Declaration") was recorded in the real property records of Huerfano County, Colorado on November 14, 1994 at Book 399, Page 46; and

WHEREAS, the Developer wishes to reaffirm these declarations and make an amendment thereto.

NOW, THEREFORE, the Developer does hereby amend the above referred to covenants to add an additional provision to be entitled ARTICLE 23, which states as follows:

ARTICLE 23

Electrical Extension Policy

It is the intent of the Developer, to the best of its ability, to provide a procedure for electrical service to each parcel in the subdivision. This will be accomplished through the Silver Spurs Ranch Property Owners Association which will create a special bank account captioned Silver Spurs Ranch Property Owners Association Electrical Trust Account. Upon the purchase of a parcel in the Silver Spurs Ranch development, each owner shall be responsible for the payment of \$2700 or such greater sum as may be determined from time to time to be placed in this restricted account for the sole purpose of extending electrical transmission throughout the subdivision. This obligation shall be incumbent for each owner and for each parcel owned. Therefore, should a buyer purchase more than one parcel, that buyer shall be responsible for a separate assessment of \$2700 on each parcel. The construction is intended to begin within one year from January 1, 1995 and be completed within a maximum of five years, or at a sell-out of 80 percent of the parcels in the subdivision, whichever occurs first.

Payment to this electrical extension fund may be made in cash or by special assessment note.

The completion of the intended construction depends on various items such as inclement weather, the electrical supplier's construction schedule, and the Developer's rate of sell-out. There is no guarantee that the electrical lines will be extended as planned. In the event the Developer is unable to sell all of the lots in the subdivision there is no assurance that the amount held in trust for the purpose of extending electrical service will be sufficient to complete the construction project. The property owners' association will administer the plan and the implementation of electrical service throughout the ranch. Electrical service in the area is provided by the San Isabel Electrical Association.

The obligation to make the payment of this special assessment shall be treated as an obligation the same as dues for the owners' association and the same procedures for the filing of a lien and foreclosing of the lien for nonpayment of this assessment shall be enforced as for the nonpayment of association dues.

All other terms and conditions of the Declaration of Covenants for Silver Spurs Ranch are incorporated herein by reference as if set out in detail as they were recorded on November 14, 1994. No other changes in the Declaration of Covenants are made other than those set forth herein.

IN WITNESS WHEREOF, the Developer has hereunto set its hand and seal on the date first set forth above.

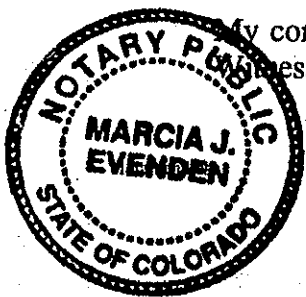
Colorado Mountain Development, Inc.

By [Signature]
President

STATE OF COLORADO)
) ss
COUNTY OF ARAPAHOE)

Subscribed and sworn to before me this 17th day of January, 1995,
by Jerry R. Dunn, President of Colorado Mountain Development, Inc.

My commission expires: 2/9/98
Witness my hand and official seal.



[Signature]
Notary Public

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SECOND AMENDMENT TO DECLARATION OF COVENANTS
FOR
SILVER SPURS RANCH

THIS AMENDMENT is made this 3rd day of March, 1995 by COLORADO MOUNTAIN DEVELOPMENT, INC., a Colorado corporation, 14 Inverness Dr. E., D-100, Englewood, CO 80112, hereinafter referred to as "Developer".

WHEREAS, the Declaration of Covenants for Silver Spurs Ranch ("Declaration") was recorded in the real property records of Huerfano County, Colorado on November 14, 1994 at Book 399, Page 46; with the First Amendment to the Declaration of Covenants recorded on January 23, 1995 in Book 400 at Page 322; and

WHEREAS, the Developer wishes to reaffirm these previously recorded declarations and make an additional amendment thereto.

NOW, THEREFORE, the Developer does hereby amend the above referred to covenants in the following manner:

1. ARTICLE 24

Resubdivision

A purchaser of property in the Silver Spurs Ranch subdivision may not resubdivide the property unless such subdivision of a lot would result in having any one piece not less than 35 acres in size after said resubdivision. In the event a large lot is resubdivided into 35 acre parcels, the owner of said parcel agrees to comply with all rules and regulations of the county and state with regard to said resubdivision. The developer will allow such resubdivision upon its written approval after examining the plan of resubdivision. Any such lots that are resubdivided shall be assessed as a full lot in the subdivision and will be responsible for the then existing annual dues and assessments for the owners' association based upon the fee charged to an individual lot. Any newly created lots as a result of resubdivision shall also be liable for the electrical extension fee.

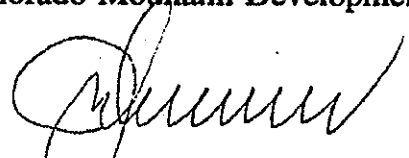
Any roads built to accomplish said subdivision may be roads that will be accepted by the owners' association, however, there is no guarantee that the roads will be accepted for maintenance and prior approval of the plan and road design must be obtained in writing by the owners' association before a request is made for maintenance. Otherwise, such roads will be a private road, being the responsibility of the adjoining owners to maintain.

2. Pursuant to ARTICLE 17 of the previously recorded Declaration of Covenants, the property designated in Exhibit A attached hereto is hereby annexed into the covenants as if fully set forth in these covenants.

All other terms and conditions of the Declaration of Covenants for Silver Spurs Ranch are incorporated herein by reference as if set out in detail herein.

IN WITNESS WHEREOF, the Developer has hereunto set its hand and seal on the date first set forth above.

Colorado Mountain Development, Inc.



By _____
President

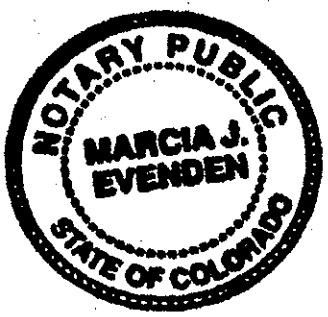
STATE OF COLORADO)

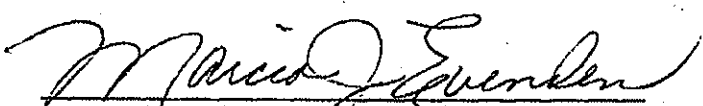
) ss

COUNTY OF ARAPAHOE)

Subscribed and sworn to before me this 3rd day of March, 1995,
by Jerry R. Dunn, President of Colorado Mountain Development, Inc.

My commission expires: 2-9-98
Witness my hand and official seal.





Notary Public

THIRD AMENDMENT TO DECLARATION OF COVENANTS
FOR
SILVER SPURS RANCH

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THIS AMENDMENT is made this 28th day of August, 1995 by COLORADO MOUNTAIN DEVELOPMENT, INC., a Colorado corporation, 14 Inverness Drive East Building D-100, Englewood, Colorado 80112, hereinafter referred to as "Developer".

WHEREAS, the Declaration of Covenants for Silver Spurs Ranch ("Declaration") was recorded in the real property records of Huerfano County, Colorado on November 14, 1994 at Book 399, Page 46; with the First Amendment to the Declaration of Covenants recorded on January 23, 1995 in Book 400 at Page 322; and with the Second Amendment to the Declaration of Covenants recorded on March 16, 1995 in Book 401 at Page 662 and ;

WHEREAS, the Developer wishes to reaffirm these previously recorded declarations and make an additional amendment thereto.

NOW, THEREFORE, the Developer does hereby amend the above referred to covenants in the following manner:

1. Article 17: Pursuant to Article 17 of the previously recorded Declaration of Covenants, the following property is hereby annexed in to the covenants:

Lots 37 through 55
Silver Spurs Ranch
Filing No. 3

All other terms and conditions of the Declaration of Covenants for Silver Spurs Ranch are incorporated herein by reference as if set out in detail herein.

IN WITNESS WHEREOF, the Developer has hereunto set its hand and seal on the date first set forth above.

Colorado Mountain Development, Inc.

By: Jerry R. Dunn
President

STATE OF COLORADO)
) SS
COUNTY OF ARAPAHOE)

Subscribed and sworn to before me this 5th day of September, 1995,
by Jerry R. Dunn, President of Colorado Mountain Development, Inc.

My commission expires: 12-01-96
Witness my hand and official seal.

NO SEAL

Marlene Mampares
Notary Public

INSTALLMENT SALES CONTRACT AND MORTGAGE

SALES CONTRACT NO. **55543**

0525.9734 / 5525.15615

You (Seller/Mortgagee) have quoted me (Buyer(s)/Mortgagor(s)) a Cash Price and a Total Sale Price for the Products described on page 1 of this contract. The Total Sale Price is the total cost of the Products and services if I buy on credit, subject to approval of my credit. I (Buyer) now choose to buy and you agree to sell, for the Total Sale Price set forth below, the Products and services described on page 1. I agree to pay you the Amount Financed in accordance with the payment schedule set forth below, together with interest thereon at the annual percentage rate disclosed below.

SUMMARY OF SALE: Base cash price \$ 3700.00 + tax 0.00 = \$ 3700.00

Total cash price \$ 3700.00 - Cash [total] down payment \$ 0.00 = Unpaid balance of \$ 3700.00

ITEMIZATION OF THE AMOUNT FINANCED OF \$ 7000.00 :

- \$ 3700 Amount credited to this contract (Same amount as the "Unpaid Balance.")
- \$ 3193 Amount paid on net balance from prior contract with you. (e)
- Amount(s) paid to others on my behalf:
- \$ 0.00 to insurance company for Credit Life insurance
- \$ 0.00 to insurance company for Accident and Health insurance
- \$ 17.00 to public officials for filing/recording fees (e)
- \$ 90.00 to (Specify) Title Search.

ANNUAL PERCENTAGE RATE The cost of my credit as a yearly rate. <u>17.50 %</u>	FINANCE CHARGE The dollar amount the credit will cost me. <u>\$ 3551.00</u>	Amount Financed The amount of credit provided to me or on my behalf. <u>\$ 7000.00</u>	Total of Payments. The amount I will have paid after I have made all payments as scheduled. <u>\$ 10551.00</u>	Total Sale Price The total cost of my purchase on credit, including my down payment of \$ <u>0.00</u> . <u>\$ 10551.00</u>
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My payment schedule will be:

Number of Payments	Amount of Payments	When Payments are Due
1st Payment	\$ <u>175.85</u>	e First payment due approximately <u>60</u> days after date of installation.
<u>59</u>	\$ <u>175.85</u>	All subsequent installments on the same day of each consecutive month until paid in full.

INSURANCE
Credit life insurance and credit disability insurance are **NOT** required to obtain credit, and will not be provided unless I sign and agree to pay the additional cost.

Type	Premium	Term	Signature
Credit Life	\$ <u>0.00</u>	<u>0</u>	I want credit life insurance. Signature - Buyer: <u>NA</u> Signature - Co-Buyer: <u>NA</u>
Credit Accident & Health	\$ <u>0.00</u>	<u>0</u>	I want credit accident and health insurance. Signature - Buyer: <u>NA</u>

Security: I am giving you:
1. a security interest in the goods, services and property being purchased, and
2. a mortgage on my real estate at my "ADDRESS" below and legally described on page 3 hereof.

Filing/Recording fees \$ 17.00

Presented by Colorado County of Huerfano. I will not have to pay a penalty and I may be entitled to a refund of part of the finance charge.

I hereby certify that this instrument was filed for record in my office at 12:31 o'clock A on 9-8-95

Acceptance No. _____

I, Manuel G. Giege, am giving other portions of this contract for additional information about non-payment, default, any required repayment in full before the scheduled date, and prepay amount, volume and payment.

e means an estimate.

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BOOK 405 PAGE 847

MORTGAGE: I hereby grant, bargain, sell, convey and mortgage to you, us Mortgagee, my real estate at my "Address" below and as more particularly described on page 3 (reverse side) of this contract as security for all amounts due to you under this Installment Sales Contract and Mortgage. I hereby grant to you a power of attorney to insert the legal description of my real estate hereon at a later time.

REVERSE SIDE: I UNDERSTAND THAT THE ADDITIONAL TERMS AND PROVISIONS PRINTED ON PAGES 1, 3 AND 4 OF THIS INSTALLMENT SALES CONTRACT AND MORTGAGE ARE A PART OF THIS INSTALLMENT SALES CONTRACT AND MORTGAGE AND THAT I AM BOUND BY THEM. NOTICE: PROVISIONS PRINTED ON PAGES 1, 3 AND 4 COMPRISE ADDITIONAL TERMS LIMITING SELLER'S WARRANTY OBLIGATION.

NOTICE TO BUYER

- I do not have to sign this contract before I read it or if any blank spaces intended for the agreed terms to the extent of then available information are left blank.
- I am entitled to a copy of this contract at the time I sign it.
- I may pay off the full balance due under this contract at any time, and in so doing I may be entitled to a rebate of the insurance charges (if any).
- I understand that this instrument is based upon a home solicitation sale and that this instrument is not negotiable.
- It shall not be legal for you to enter my premises unlawfully or commit any breach of the peace to repossess goods purchased under this contract.

BUYER'S RIGHT TO CANCEL

I HAVE BEEN ORALLY ADVISED THAT I MAY CANCEL THIS AGREEMENT AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. (I HAVE READ THE ACCOMPANYING NOTICE OF RIGHT TO CANCEL FORM FOR AN EXPLANATION OF THIS RIGHT.)

COPY RECEIVED: I acknowledge receipt of a completely filled in copy of this contract along with two (2) copies of the Notice of Right to Cancel Form.

IN WITNESS WHEREOF, this Installment Sales Contract and Mortgage has been signed on this 17 day of August, 19 95.

BUYER'S "ADDRESS" 8012591 city Walsenburg State Co Zip 81089

Telephone No. 719 738 2011

THE PACESETTER CORPORATION
d/b/a **PACESETTER PRODUCTS, INC.** (SELLER -- MORTGAGEE)

By: [Signature]
(AUTHORIZED OFFICER)

By: [Signature]
(FACTORY REPRESENTATIVE)

BUYER - MORTGAGOR
Manuel Giege

BUYER - PRINTED NAME
Manuel Giege

CO-BUYER - MORTGAGOR
NA

CO-BUYER - PRINTED NAME
NA

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DECLARATION OF PROTECTIVE COVENANTS
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ARTICLE 2 - PROPERTY OWNERS ASSOCIATION

The Silver Spurs Ranch Property Owners Association will be operated according to the by-laws of the association,

- (a) Members: Every property owner shall automatically become a member of the Silver Spurs Ranch Property Owners Association upon purchase of a lot in Silver Spurs Ranch subdivision.
- (b) Purpose: The purpose of the association is to use its authority, as given in the by-laws:
1. To enforce these protective covenants.
 2. To assess property owners yearly dues. Should any property owner fail to pay assessments when due, the Property Owners Association may file a lien against the owner for collection purposes.
 3. To provide upkeep and improvements to all non-county roads in Silver Spurs Ranch.
 4. To represent all property owners in matters of mutual interest.
 5. To administer and lease grazing rights.

ARTICLE 3 - DWELLINGS

No permanent structure shall be built on Silver Spurs Ranch unless such structure is given prior approval from the Property Owners Association Board. All primary dwellings shall consist of not less than 1,000 square feet of living space. No commercial activity shall be permitted unless approved by the Property Owners Association Board.

ARTICLE 4 - SETBACKS

No structure may be erected within one hundred feet of the right-of-way line of any road within Silver Spurs Ranch, nor within fifty feet of any side or rear line of any parcel unless approved by the Property Owners Association Board.

ARTICLE 5 - TRASH AND RUBBISH

Rubbish, garbage or other waste shall be kept and disposed of in a sanitary manner, and all containers shall be kept in a clean, sanitary condition.

ARTICLE 6 - UTILITY EASEMENTS

A ten (10) foot utility easement or such greater distance as may be required by the utility company making the extension is hereby set aside on each side of all side and common rear lot lines and a twenty (20) foot utility easement is hereby set aside on the interior side of all exterior lot lines. All future electric lines shall be extended aboveground.

ARTICLE 7 - NUISANCES

No owner shall cause or allow the origination of excessive odors or sounds from his parcel. No owner shall cause or allow any other nuisances of any kind whatsoever to exist on his parcel. In case of a dispute, at the request of an owner, the Property Owners Association board shall make the final determination of what constitutes a nuisance.

ARTICLE 8 - ANIMALS

Animals will be allowed on Silver Spurs Ranch for personal use of parcel owners. Any animals raised for commercial activity must be approved by the Property Owners Association. Commercial feed lots and swine shall be prohibited from Silver Spurs Ranch.

ARTICLE 9 - MOTOR VEHICLES

No motorized vehicle which is either non-operational or non-licensed shall be kept or stored on any parcel, unless said vehicle is kept or stored in a fully enclosed building.

ARTICLE 10 - TEMPORARY RESIDENCES

No structure of temporary character, recreational vehicle, camper unit, trailer, basement, tent or accessory building shall be used on any parcel as a residence. Recreational vehicles, camper units and tents may be used for vacation camping for periods not to exceed a cumulative total of ninety (90) days in any calendar year.

ARTICLE 11 - MOBILE HOMES

Mobile homes shall not be permitted on any parcel within Silver Spurs Ranch.

ARTICLE 12 - LAND USE

Commercial wood harvesting, mining (including the removal of soil, gravel or rock) and oil or gas production is prohibited. Further subdivision of less than thirty-five acres is prohibited. Any subdivided parcel will be covered by these Covenants and the owner shall become an automatic member of the Silver Spurs Ranch Property Owners Association.

ARTICLE 13 - ENFORCEMENT

Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant.

ARTICLE 14 - TERMS OF COVENANTS

These covenants and restrictions are to run with the land and shall remain in full force and effect for ten years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten years, unless an instrument signed by not less than two-thirds majority of the land owners of the parcels has been recorded, changing said covenants in whole or part.

ARTICLE 15 - SEVERABILITY

Invalidation of any of these covenants or any part thereof by judgment or court order shall in no way affect any of the other provisions hereof, which shall remain in full force and effect.

ARTICLE 16 - COUNTY REGULATIONS

To the extent that the applicable county or other governmental regulations, rules, codes, ordinances or laws are more restrictive in their allowable land utilization than these covenants, they shall supersede these covenants and govern at all times.

ARTICLE 17 - ANNEXATION

Developer owns additional real property in Huerfano County, Colorado, which is more particularly described in Exhibit "B" to these covenants, attached hereto and made a part

hereof. Developer may from time to time within ten years after the date of the recording of this Declaration of Protective Covenants for Silver Spurs Ranch annex any or all of the real property described in Exhibit "B" hereto to the development known as Silver Spurs Ranch by recording one or more Annexation Statements. Upon the recording of such Annexation Statement in the public records of Huerfano County, Colorado, all of the real property described in such Annexation Statement shall be deemed to be part of the development and subject to all of the terms and provisions of these covenants.

ARTICLE 18 - BUILDING PERMITS

Huerfano County requires a building permit before a property owner can construct a dwelling on his property. Building permits may be obtained from the Huerfano County Building Department in Walsenburg, Colorado.

ARTICLE 19 - COMMON EXPENSES

- (a) All parcels within Silver Spurs Ranch shall be subject to assessment for Property Owners fees in an amount to be determined by the association.
- (b) All of the properties contained in the Subdivision shall be exempt from the Colorado Common Ownership Act pursuant to C.R.S. 38-33.3-116. Because these covenants hereby provide that the annual average common expense liability of each unit restricted to residential purposes, exclusive of optional user fees and insurance premiums paid by the Association may not exceed at any time the maximum amount provided for in the above referred to statute as it may from time to time be amended.
- (c) Under no circumstances, unless these covenants shall be amended in accordance with the provisions contained herein, shall the Association dues exceed the maximum amount as may from time to time be provided by C.R.S. 38-33.3-116, which allows the Subdivision to be exempt as provided therein.

ARTICLE 20 - WATER

Water shall be supplied by each owner drilling an individual well on his lot at his own expense.

ARTICLE 21 - SEWAGE

Due to the climatic condition of Huerfano County, evapotranspiration sewage effluent disposal systems will not be allowed in this subdivision. Each lot owner must obtain County Health Department approval for the installation and use of an on-site sewage disposal system. Some lots in the subdivision may require an engineer-designed septic system due to shallow bedrock.

ARTICLE 22 - FEES AND ENFORCEMENT

Assessments for fees will commence upon conveyance at the date of closing. Whenever the obligation to pay fees arises after the start of the calendar year, the first year's fees will be prorated to the commencement date for the parcel involved. Fees shall be payable in advance in January of each year. Each property owner shall be responsible for payment of all fees and any costs (including attorney fees) necessary to enforce any violation of these covenants affecting his or her parcel. Failure to pay fees shall be deemed a violation of these covenants. Unpaid fees and costs shall cause a lien to be recorded against the property and such lien may be foreclosed through a judicial foreclosure of the property.

Developer does not pay any dues or assessments on lots it owns or on properties it may regain through foreclosure but, developer may make, at its sole discretion, contributions to the association from time to time until such time as the control of the association is transferred to the owners.

IN WITNESS WHEREOF, the developer has executed these Declaration of Protective Covenants on this 10th day of November, 1994.

Colorado Mountain Development,
Inc., a Colorado Corporation

By: [Signature]
President

STATE OF COLORADO }
 }ss.
COUNTY OF ARAPAHOE }

The foregoing instrument was acknowledged before me this 10th day of November, 1994 by Jerry R. Dunn, President of Colorado Mountain Development, Inc.

Witness my official hand and seal.



Marcia J. Evenden
Notary
14 Inverness Dr. E D-100
Englewood, CO 80112
Address:

My Commission Expires: 2/9/98

EXHIBIT "A"

Lot 1 through Lot 9
Silver Spurs Ranch
Huerfano County, Colorado

EXHIBIT "B"

Township 29 South, Range 65 West of the 6th P.M.

Section 19: Part of E $\frac{1}{2}$ SW $\frac{1}{4}$ containing 3.25 acres being a former right of way granted back to CP&I.

Section 19: SW $\frac{1}{2}$ SW $\frac{1}{4}$ lying North of Hawk Canyon Road, N $\frac{1}{2}$ SW $\frac{1}{4}$ less 2.63 acres to Thomas, SE $\frac{1}{4}$ SW $\frac{1}{4}$ less 20 acres to Chicosa Fuel.

Section 30: NW $\frac{1}{4}$ lying North of Hawk Canyon Road.

Township 29 South, Range 66 West of the 6th P.M.

Section 1: S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{2}$ SW $\frac{1}{4}$, and South 350 feet of SE $\frac{1}{2}$ SW $\frac{1}{4}$ being S $\frac{1}{2}$ S $\frac{1}{2}$ SE $\frac{1}{2}$ SW $\frac{1}{4}$.

Section 2: NW $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, S $\frac{1}{2}$ less 50.04 acres in Rouse and 1st Addition to the Town of Rouse not platted in Lots and Blocks.

2: Lots 1, 2, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, Block 2, Town of Rouse.

2: Lots 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 19, 20, 21, 22, 23, 24, Block 3, Town of Rouse.

2: Lots 5, 12, 19, 20, 21, 22, 23, Block 4, Town of Rouse.

2: Lots 3, 4, 9, 10, 11, 12, 13, 14, 17, 18, 19, 20, 21, 22, 24, Block 5, Town of Rouse.

2: Lots 2, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, Block 6, Town of Rouse.

2: Lots 3, 4, 5, 6, 9, 10, 11, 12, 13, 14, 15, 16, Block 7, Town of Rouse.

2: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 14, 15, 16, Block 8, Town of Rouse.

2: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, Block 9, Town of Rouse.

2: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, Block 12, Town of Rouse.

2: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, Block 13, Town of Rouse.

2: Lots 2, 3, 4, 5, 6, 9, 10, 11, 12, 13, 14, 15, 16, Block 14, Town of Rouse.

2: Lots 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, Block 16, Town of Rouse.

2: Lots 1, 2, 5, 6, 7, 8, 9, 10, 11, Block 17, Town of Rouse.

2: Lots 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 15, 16, Block 18, Town of Rouse.

2: Lots 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, Block 19, Town of Rouse.

2: Lots 1, 3, 4, 5, 6, 7, 8, Block 20, Town of Rouse.

Section 3: All, less 1 acre in NE $\frac{1}{4}$ to School District #22.

Section 10: All.

Section 11: All.

Section 12: SW $\frac{1}{2}$ NE $\frac{1}{4}$, W $\frac{1}{2}$, SE $\frac{1}{4}$.

Section 13: W $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$, N $\frac{1}{2}$ less 1 acre to School District #22.

Section 14: All.

Section 15: N $\frac{1}{2}$, SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$.

Section 22: E $\frac{1}{2}$ NE $\frac{1}{4}$.

Section 23: N $\frac{1}{2}$, SE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$.

Section 24: All.

Section 25: N $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ lying North of Hawk Canyon Road.

All in Huerfano County, Colorado.

INDEXED

State of Colorado filed for record the 23 day of JAN A.D. 1995 at 10:15 o'clock A Judy Benine
County of Huerfano Rec # 317959 Book 400 & Page No. 222 By A.L. Deputy Initials

FIRST AMENDMENT TO DECLARATION OF COVENANTS
FOR
SILVER SPURS RANCH

THIS AMENDMENT is made this 17th day of January, 1995 by COLORADO MOUNTAIN DEVELOPMENT, INC., a Colorado corporation, 14 Inverness Dr. E., D-100, Englewood, CO 80112, hereinafter referred to as "Developer".

WHEREAS, the Declaration of Covenants for Silver Spurs Ranch ("Declaration") was recorded in the real property records of Huerfano County, Colorado on November 14, 1994 at Book 399, Page 46; and

WHEREAS, the Developer wishes to reaffirm these declarations and make an amendment thereto.

NOW, THEREFORE, the Developer does hereby amend the above referred to covenants to add an additional provision to be entitled ARTICLE 23, which states as follows:

ARTICLE 23

Electrical Extension Policy

It is the intent of the Developer, to the best of its ability, to provide a procedure for electrical service to each parcel in the subdivision. This will be accomplished through the Silver Spurs Ranch Property Owners Association which will create a special bank account captioned Silver Spurs Ranch Property Owners Association Electrical Trust Account. Upon the purchase of a parcel in the Silver Spurs Ranch development, each owner shall be responsible for the payment of \$2700 or such greater sum as may be determined from time to time to be placed in this restricted account for the sole purpose of extending electrical transmission throughout the subdivision. This obligation shall be incumbent for each owner and for each parcel owned. Therefore, should a buyer purchase more than one parcel, that buyer shall be responsible for a separate assessment of \$2700 on each parcel. The construction is intended to begin within one year from January 1, 1995 and be completed within a maximum of five years, or at a sell-out of 80 percent of the parcels in the subdivision, whichever occurs first.

Payment to this electrical extension fund may be made in cash or by special assessment note.

The completion of the intended construction depends on various items such as inclement weather, the electrical supplier's construction schedule, and the Developer's rate of sell-out. There is no guarantee that the electrical lines will be extended as planned. In the event the Developer is unable to sell all of the lots in the subdivision there is no assurance that the amount held in trust for the purpose of extending electrical service will be sufficient to complete the construction project. The property owners' association will administer the plan and the implementation of electrical service throughout the ranch. Electrical service in the area is provided by the San Isabel Electrical Association.

The obligation to make the payment of this special assessment shall be treated as an obligation the same as dues for the owners' association and the same procedures for the filing of a lien and foreclosing of the lien for nonpayment of this assessment shall be enforced as for the nonpayment of association dues.

All other terms and conditions of the Declaration of Covenants for Silver Spurs Ranch are incorporated herein by reference as if set out in detail as they were recorded on November 14, 1994. No other changes in the Declaration of Covenants are made other than those set forth herein.

IN WITNESS WHEREOF, the Developer has hereunto set its hand and seal on the date first set forth above.

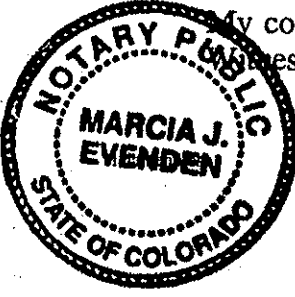
Colorado Mountain Development, Inc.

By *Jerry R. Dunn*
President

STATE OF COLORADO)
) ss
COUNTY OF ARAPAHOE)

Subscribed and sworn to before me this 17th day of January, 1995,
by Jerry R. Dunn, President of Colorado Mountain Development, Inc.

My commission expires: 2/9/98
Witness my hand and official seal.



Marcia J. Evenden
Notary Public

INDEXED

SECOND AMENDMENT TO DECLARATION OF COVENANTS
FOR
SILVER SPURS RANCH

THIS AMENDMENT is made this 3rd day of March, 1995 by COLORADO MOUNTAIN DEVELOPMENT, INC., a Colorado corporation, 14 Inverness Dr. E., D-100, Englewood, CO 80112, hereinafter referred to as "Developer".

WHEREAS, the Declaration of Covenants for Silver Spurs Ranch ("Declaration") was recorded in the real property records of Huerfano County, Colorado on November 14, 1994 at Book 399, Page 46; with the First Amendment to the Declaration of Covenants recorded on January 23, 1995 in Book 400 at Page 322; and

WHEREAS, the Developer wishes to reaffirm these previously recorded declarations and make an additional amendment thereto.

NOW, THEREFORE, the Developer does hereby amend the above referred to covenants in the following manner:

1. ARTICLE 24

Resubdivision

A purchaser of property in the Silver Spurs Ranch subdivision may not resubdivide the property unless such subdivision of a lot would result in having any one piece not less than 35 acres in size after said resubdivision. In the event a large lot is resubdivided into 35 acre parcels, the owner of said parcel agrees to comply with all rules and regulations of the county and state with regard to said resubdivision. The developer will allow such resubdivision upon its written approval after examining the plan of resubdivision. Any such lots that are resubdivided shall be assessed as a full lot in the subdivision and will be responsible for the then existing annual dues and assessments for the owners' association based upon the fee charged to an individual lot. Any newly created lots as a result of resubdivision shall also be liable for the electrical extension fee.

Any roads built to accomplish said subdivision may be roads that will be accepted by the owners' association, however, there is no guarantee that the roads will be accepted for maintenance and prior approval of the plan and road design must be obtained in writing by the owners' association before a request is made for maintenance. Otherwise, such roads will be a private road, being the responsibility of the adjoining owners to maintain.

2. Pursuant to ARTICLE 17 of the previously recorded Declaration of Covenants, the property designated in Exhibit A attached hereto is hereby annexed into the covenants as if fully set forth in these covenants.

All other terms and conditions of the Declaration of Covenants for Silver Spurs Ranch are incorporated herein by reference as if set out in detail herein.

IN WITNESS WHEREOF, the Developer has hereunto set its hand and seal on the date first set forth above.

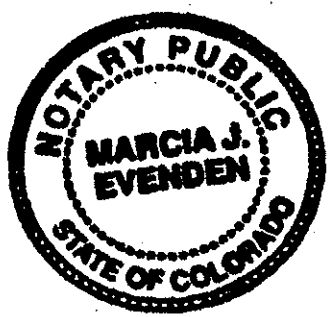
Colorado Mountain Development, Inc.

By *[Signature]*
President

STATE OF COLORADO)
) ss
COUNTY OF ARAPAHOE)

Subscribed and sworn to before me this 3rd day of March, 1995,
by Jerry R. Dunn, President of Colorado Mountain Development, Inc.

My commission expires: 2-9-98
Witness my hand and official seal.



[Signature]
Notary Public

EXHIBIT "A"

Lots 10 through 36
Silver Spurs Ranch
Filing No. 2
Huerfano County, Colorado

THIRD AMENDMENT TO DECLARATION OF COVENANTS
FOR
SILVER SPURS RANCH

INDEXED

THIS AMENDMENT is made this 28th day of August, 1995 by COLORADO MOUNTAIN DEVELOPMENT, INC., a Colorado corporation, 14 Inverness Drive East Building D-100, Englewood, Colorado 80112, hereinafter referred to as "Developer".

WHEREAS, the Declaration of Covenants for Silver Spurs Ranch ("Declaration") was recorded in the real property records of Huerfano County, Colorado on November 14, 1994 at Book 399, Page 46; with the First Amendment to the Declaration of Covenants recorded on January 23, 1995 in Book 400 at Page 322; and with the Second Amendment to the Declaration of Covenants recorded on March 16, 1995 in Book 401 at Page 662 and ;

WHEREAS, the Developer wishes to reaffirm these previously recorded declarations and make an additional amendment thereto.

NOW, THEREFORE, the Developer does hereby amend the above referred to covenants in the following manner:

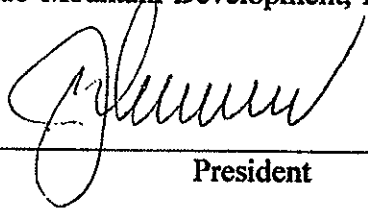
1. Article 17: Pursuant to Article 17 of the previously recorded Declaration of Covenants, the following property is hereby annexed in to the covenants:

Lots 37 through 55
Silver Spurs Ranch
Filing No. 3

All other terms and conditions of the Declaration of Covenants for Silver Spurs Ranch are incorporated herein by reference as if set out in detail herein.

IN WITNESS WHEREOF, the Developer has hereunto set its hand and seal on the date first set forth above.

Colorado Mountain Development, Inc.

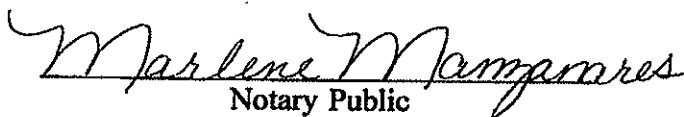
By: 
President

STATE OF COLORADO)
) ss
COUNTY OF ARAPAHOE)

Subscribed and sworn to before me this 5th day of September, 1995,
by Jerry R. Dunn, President of Colorado Mountain Development, Inc.

My commission expires: 12-01-96
Witness my hand and official seal.

NO SEAL


Notary Public