

C.C.R.'s

Spanish Peaks
1, 2, 3, 4

AMENDED AND RESTATED
DECLARATION
of
Conditions, Covenants, Restrictions and Easements
Affecting the Real Property known as
Spanish Peaks

THIS AMENDED AND RESTATED DECLARATION OF CONDITIONS, COVENANTS, RESTRICTIONS AND EASEMENTS AFFECTING THE REAL PROPERTY KNOWN AS SPANISH PEAKS ("Covenants" or "Declaration") is made by the owners of Lots within each of the Spanish Peaks Filings and all of the members of the Spanish Peaks Architectural Control Committee (the "ACC").

WITNESSETH:

WHEREAS, the Spanish Peaks development which is described on Exhibit A attached hereto and incorporated herein by this reference ("Spanish Peaks") is currently subject to three (3) distinct set of protective covenants which are each described as follows (collectively, the "Old Covenants"):

A. Declaration of Protective Covenants (Filing No. 1), dated December 29, 1964, recorded at Reception No. 227936 in Book 293, Page 116 of the real property records of Huerfano County, Colorado;

B. Declaration of Protective Covenants (Filing Nos. 2 and 3), dated August 1, 1969, and recorded in Book 316 at Page 126 of the real property records of Huerfano County, Colorado; and

C. Declaration of Protective Covenants (Filing No. 4), recorded at Reception No. 246691 in Book 331 at Page 259 of the real property records of Huerfano County, Colorado;

WHEREAS, the Owners of Lots within Spanish Peaks Filing No. 1, Spanish Peaks Filing Nos. 2 and 3 and Spanish Peaks Filing No. 4 desire to amend the Old Covenants to update them and to provide one cohesive set of Covenants for the Spanish Peaks.

NOW THEREFORE, at least a majority the Owners of Spanish Peaks Filing No. 1, at least a majority of the Owners of Spanish Peaks Filings Nos. 2 and 3 and at least a majority of the Owners of Spanish Peaks Filing No. 4, hereby vote to amend and restate the Old Covenants governing each of their respective Filings such that each Lot within the entire Spanish Peaks shall hereafter be held, transferred, sold, conveyed and occupied subject to the conditions, covenants, restrictions, easements and powers set forth in this Declaration.

ARTICLE I
Covenants to Preserve the Residential
Character of Spanish Peaks

Single Family Residential Restrictions

Section 101. All Lots and Building Sites in Spanish Peaks, other than Lot 130, Filing No. 1 (the "Park") shall be used exclusively for private residential purposes. No dwelling erected or maintained within Spanish Peaks shall be used or occupied for any purpose other than a private single-family dwelling. No business, profession or activity conducted for gain shall be carried on or within any Lot, Building Site or dwelling, other than a home business that is allowed by Huerfano County zoning and which shall be located within a Lot, Building Site and dwelling, which can adequately accommodate, or otherwise control, traffic, parking, noise and other aspects of the business so as not to unreasonably interfere with neighboring properties or the reasonable use or enjoyment thereof.

Section 102. No Structure shall be erected within Spanish Peaks except those which have been approved by the ACC. No Structure may be placed on any Lot or Building Site before completion of the dwelling upon such Building Site except with the written permission of the ACC. No garage may be used for residential purposes.

Section 103. All improvements and Structures constructed within Spanish Peaks must comply with all applicable City of Cuchara, County of Huerfano, State of Colorado and federal laws, rules and regulations, which may differ from or be in excess of these Covenants or the provisions the ACC Design Guidelines. If a conflict exists among any such rules, regulations or provisions, the more restrictive provisions will apply.

Section 104. All construction shall be new. No building previously used at another location may be moved onto a Lot or Building Site.

Section 105. No modular home will be allowed unless it (i) is previously approved in writing by the ACC regarding appearance, location on Lot, etc.; (ii) has a minimum roof pitch of 1:4; (iii) meets all applicable rules, regulations and codes for insulation, and attachment to a foundation; (iv) is placed on a permanent foundation; and (v) is taxed as real estate and not licensed as a trailer.

Section 106. A Structure shall not be occupied in the course of original construction until substantially completed. All work of construction shall be pursued diligently and continuously from the time of commencement until fully completed.

Section 107. The exterior of all Structures must be completed within two (2) years after the commencement of construction except where such completion is impossible or would result in great hardship due to strikes, national emergency or natural calamities.

Section 108. Lot 130, Filing No. 1 has been dedicated as a park for the use of all of the Owners of Lots within Spanish Peaks and their guests and invitees. Until such time as fifty percent (50%) of all of the Owners within Spanish Peaks elect to do otherwise, which written determination shall be recorded in the real property records of Huerfano County, Colorado, Lot 130, Filing No. 1 shall be used solely as a park and recreation area for the Lot Owners and their guests and invitees.

Easements

Section 109. Each Lot Owner hereby acknowledges that easements may have been or may hereafter be granted by duly recorded conveyance or by dedication on the recorded plats for Spanish Peaks and the various Filings.

Density, Setbacks and Quality Standards

Section 110. No more than one dwelling may be constructed on any Lot. No Lot may be subdivided into a smaller Lot other than the following Lots as originally platted, which specified Lots may be subdivided with the prior written approval of the ACC:

Lots 66, 67 and 124, Spanish Peaks Filing No. 1,
Lot 14, Spanish Peaks Filing No. 3
Lot 8, Spanish Peaks Filing No. 8

However, nothing contained in this Declaration shall prevent the erection and maintenance of a dwelling on a combination of Lots or portions of Lots provided that the plans for the dwelling and the Lot combination have been previously approved by the ACC and the applicable Lot lines have been vacated.

Section 111. The placement of all Structures on a Lot must comply with the applicable setback requirements set forth below or, if more restrictive, those required by the City of Cuchara, Colorado or Huerfano County, Colorado:

All of the Lots within Spanish Peaks Filing No. 1 - The setbacks from the front and rear lot lines to any Structure shall each be a minimum of 15 feet and the setback from the side lot lines shall be a minimum of 7 feet. Notwithstanding the above, caves and other architectural projections may extend to within 2 feet of any side lot line.

All of the Lots within Spanish Peaks Filings Nos. 2 and 3 - The setbacks from the front and rear lot lines to any Structure shall each be a minimum of 20 feet and the setback from the side lot lines shall be a minimum of 9 feet. Notwithstanding the above, caves and other architectural projections may extend to within 5 feet of any side lot line.

All of the Lots within Spanish Peaks Filing No. 4 - The setbacks from the front and rear lot lines to any Structure shall each be a minimum of 30 feet and the setback from the side lot lines shall be a minimum of 15 feet.

Section 112. Architectural floor area of each dwelling shall not be less than the square footage described below for the applicable Lots:

Subject to the applicable zoning, all Lots within Spanish Peaks Filing No. 1, Spanish Peaks Filings Nos. 2 and 3 and Spanish Peaks Filing No. 4 shall be as follows, which designation shall be as provided on the original plat of the applicable Lot:

R-1	1250 square feet minimum
R-2	1000 square feet minimum
R-3	800 square feet minimum
R-4	600 square feet minimum
R-5	400 square feet minimum
R-S	Special use as deemed necessary by the ACC for services, utilities, or as necessary for non dwelling use.

Square footage shall be defined as the total area contained within the exterior perimeter of the dwelling being measured, excluding garages, porches, fireplaces and caves.



Section 113. Architectural standards are established to the end that Spanish Peaks may benefit from the natural advantages of its particular location. While the standards for architectural style are flexible, compatibility with the informal natural environment is required. Rustic and cabin styles typical of the Spanish Peaks/Cuchara region are desirable. Formal styles such as French Provincial, English Tudor, and Colonial will not be approved except in modified forms. All buildings must be designed to fit the natural contours of the Lot without excessive grading.

Section 114. All Structures will only be one story in height, excluding basements. A basement with a walkout will constitute a basement for purposes of this Section 114. Notwithstanding the above, the ACC shall have the authority to grant a variance to allow a multi-story dwelling as provided in Article IV of this Declaration, however, such a variance will only be granted when the proposed height does not unduly obstruct or restrict the view from neighboring properties. Please also be aware that single story dwellings will be limited, absent a variance being granted, to fourteen feet (14') in height as measured in accordance with the ACC's Design Guidelines.

Section 115. Except with the written approval of the ACC, no fence, wall or hedge shall be more than 4'6" in height.

Section 116. All Structures must be built of materials suitable to the surroundings, which materials and colors must be previously approved by the ACC, whether in connection with initial construction or refurbishment. Exterior colors must be subdued or otherwise of a color which will allow the Structure to blend with the overall surroundings. All exposed raw concrete shall be painted to blend with the related Structure. If prefinished siding is to be used on a Structure, a sample must be submitted to the ACC with the applicable plans. Exterior materials and roofing shall be of materials and color suitable to the surroundings and are subject to the approval of the ACC.

Section 117. Plans for aerial antennas, satellite dishes or other similar device, other than FCC Protected Structures, as defined below, must be submitted to and approved by the ACC prior to installation. Absent a variance, no television, radio mast or other antennas may be in excess of forty-five feet (45') in height from the natural grade of the ground level. Notwithstanding the above, an antenna that is (i) designed to receive direct broadcast satellite service that is one meter or less in diameter, (ii) designed to receive video programming services via multiple distribution services that is one meter or less in diameter or diagonal measurement, or (iii) that is designed to receive television broadcast signals, as defined by the Federal Communications Commission or the Telecommunications Act of 1996 (collectively, "FCC Protected Structures"), shall be permitted so long as the means, method and location of such FCC Protected Structure comply with the rules adopted from time to time by the ACC. No unreasonable delay or unreasonable increase in the cost or installation or maintenance of an FCC Protected Structure shall be imposed by such rules, nor shall the rules prevent reception or otherwise make reception impossible for any Owner who shall seek to install an FCC Protected Structure, other than for health and safety reasons.

Section 118. Pole or post-mounted light fixtures shall not exceed 8 feet in height above the natural grade of the ground surface. Lights in excess of 8 feet above the natural grade of the ground surface shall be affixed directly to the building and/or the structural projections of the Structure. Flag poles shall be unlit or bottom lighted.

Section 119. Any solar panel used must be incorporated into the design of the Structure in a pleasing manner or if attached to a building may not block the view from surrounding properties. No unattached solar panels will be allowed unless approved by the ACC because of specific circumstances.

Section 120. Wire fences of any type shall not be allowed.

Section 121. Mobile homes will not be permitted to be placed or parked, even on a temporary basis, on any Lot. Recreational vehicles and travel trailers may only be parked on a temporary basis on a Lot but may not be used as a permanent structure on any Lot.

Section 122. Any Accessory Building or Structure must harmonize in appearance with the dwelling situated on the same Lot.

Living Environment Standards

Section 123. Every Owner shall keep his Lot clean, free of debris and orderly and refuse removal shall be conducted by the Owner on a regular basis or by a licensed or bonded contract agent. Each Owner shall prevent the development of any unclean, unsightly or unkempt conditions of buildings or grounds on his Lot which shall tend to substantially decrease the beauty of the neighborhood as a whole or in the specific area. No outside lavatories and/or toilets shall be erected, permitted or used and each Lot Owner shall comply with the laws and regulations of the State of Colorado, and Huerfano County, relating to septic tanks and sewage disposal. In the interest of public health and sanitation, and in order that the land in Spanish Peaks and all other land in the same locality may be benefited by a decrease in the hazards of stream pollution and by the protection of water supplies, recreation, wildlife and other uses, no Lot Owner may use his property for any purpose that would result in the draining or dumping into the Cuchara River of any refuse, sewage, or other material which might tend to pollute the waters of the Cuchara River.

Section 124. All outdoor clothes poles, clothes lines and other facilities for drying or airing of clothing or household goods shall be placed or screened by fence or shrubbery so as not to be visible from neighboring property or adjacent streets.

Section 125. No ashes, trash, rubbish, garbage, grass or shrub clippings, scrap material, or other refuse, shall be stored, accumulated or deposited outside or so as to be visible from any neighboring property or street, except during refuse collections. No outside burning of wood, leaves, trash, garbage or household refuse shall be permitted.

Section 126. No noxious or offensive activity shall be carried on upon any Lot nor anything done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the neighborhood. No offensive or hazardous activities may be conducted on any Lot or in any Structure. No annoying lights, sound or odors shall be permitted to emanate from any Structure or Lot.

Section 127. No exterior speakers, horns, whistles, bells or other sound devices except security devices used exclusively for security purposes shall be located, used or placed on any Structure or within any Building Site.

Section 128. All play/sports equipment and structures which are intended to remain outdoors are required to be approved in writing by the ACC concerning design, material, color and placement prior to installation. Screening of play/sports equipment and structures may be required. Wood structures are encouraged. Failure to submit a Structure for prior approval in no way obligates the ACC to accept an unauthorized Structure. Such equipment is encouraged to be located in rear yards.

Section 129. With respect to all Buildings on said Lots, all exterior wood shall be maintained with oil, stain or paint; redwood and cedar may be left natural. All exterior stucco, concrete or concrete block shall have integral color added or be painted unless used as a foundation and not more than three feet (3') high.

Restrictions Requiring Permission from the ACC

Section 130. Except, as the ACC may from time to time grant written permission, which permission shall be revocable:

(a) No more than three (3) pets shall be maintained in or on any Lot within Spanish Peaks. No animal of any kind shall be permitted which in the opinion of the ACC makes an unreasonable amount of noise or odor or is a nuisance. No animals shall be kept, bred or maintained within Spanish Peaks for any commercial purposes.

(b) No stripped down, partially wrecked, or junk motor vehicle or sizeable part thereof, shall be permitted to be parked on any street or on any Lot in such manner as to be visible at ground level from any neighboring property or street.

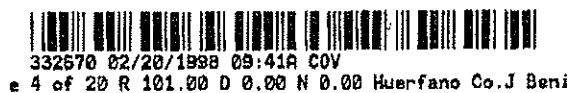
(c) No maintenance, servicing, repair, dismantling or repainting of any type of vehicle, boat, machine or device may be carried on except within a completely enclosed Structure which screens the sight and sound of the activity from the street and from neighboring Lots.

(d) No signs, advertisements, billboards, or advertising structures may be erected or maintained on any Lot or streets other than the following permitted signs or other signs approved by the ACC in accordance with the ACC Guidelines:

- (1) One sign within the Lot limited to three (3) square feet for identification of the occupant and address of any dwelling;
- (2) one sign within the Lot limited to three (3) square feet offering the property for sale or for rent;
- (3) Signs located at each entry to Spanish Peaks which notify visitors and potential Owners of the Covenants and the Design Guidelines, the size of which shall be determined by the ACC.

ARTICLE II
ACC Approval

Section 201. No Structure shall be commenced, created, placed, moved onto a Lot, permitted to remain on any Lot or altered in any way so as to change materially its exterior appearance, except in accordance with plans, specifications and other information submitted to the ACC and approved by the ACC in writing not more than two years before start of the construction, alteration or installation. Nothing contained herein shall be deemed to limit the restrictions contained in Section 107 of these Covenants. Matters which require the approval of the ACC include but are not limited to: the exterior appearance, material, color, height, location of each Structure, drive, walk, fence, grading of site and site lighting. In granting or withholding approval the ACC shall consider among other things: the Design Guidelines established and amended from time to time by the ACC, the adequacy of the materials for their intended use, the harmonization of the external appearance with the surroundings, the proper relation of the Structure to the environment and to surrounding uses, the degree, if any, to which the proposed Structure will cause intrusions of sound, light or other effect on neighboring Lots beyond those reasonably to be expected in the Spanish Peaks Development.



Design Guidelines

Section 202. All plans, samples and other materials to be submitted to the ACC shall comply with the provisions of the Design Guidelines.

Section 203. Written ACC approval of all plans and specifications is required before obtaining permits, i.e., building permit, septic permit, electric permit, water permit, or any other permits required by law.

A written statement of the approval or disapproval or other action signed by at least a majority of the members of the ACC shall establish the action of the ACC as a group and shall protect any person relying on the statement. If the ACC does not execute and acknowledge such a statement within 45 days after delivery of all the required materials to each of the members of the ACC, the material so delivered shall stand disapproved for the purpose of these Covenants. The ACC will use reasonable efforts to outline its reasons for disapproval in a letter to the submitting party and, if applicable, an outline of an acceptable alternative. Notwithstanding the above, no failure of the ACC to send such an explanatory letter to the submitting party shall cause a submittal which has been disapproved by the ACC's failure to execute and acknowledge an approval statement within the time provided above to have such disapproval altered in any way as described on approval. The ACC shall be entitled to retain one copy of all approved plans as part of its files and records, but it shall have no obligation to maintain the same. If any changes to the exterior of a Structure are to be made to the plans after the plans have been approved by the ACC, new documents must be submitted for additional approval prior to the start of construction.

Section 204. The primary function of the ACC's review of plans is for the purpose of assuring the overall appearance and visual quality of the Spanish Peaks Development. The ACC does not assume responsibility for any of the following:

- (a) The structural adequacy, capacity or safety features of the proposed improvement or Structure;
- (b) Soil erosion, non compatible or unstable soil conditions;
- (c) Compliance with any or all building codes, zoning codes, safety requirements, governmental laws, regulations, or ordinances; and
- (d) Performance or quality of work of any contractor.

Section 205. An application fee for new construction, which shall be established from time to time by the ACC, must be submitted to the ACC along with the plot plans and drawings for the proposed improvements. The current application fee for new construction is \$100.00 and is subject to change by the unanimous approval of the ACC and a majority of the Association's Board of Directors.

If improvement commences before plans are approved by the ACC, a penalty fee will be assessed by the Spanish Peaks Property Owners Association in addition to subjecting the violator to all of the remedies set forth in this Declaration and the applicable Design Guidelines. The current penalty fee is \$500.00 and is subject to change by the unanimous approval of the ACC and a majority of the Association's Board of Directors. All violations of this Declaration or the applicable Design Guidelines may be corrected or legal action may be initiated to obtain an injunction against the offending Lot Owner(s).

Any addition or change to an existing Structure must conform to the original Structure in design in the same manner as initial construction and be approved by the ACC. An application fee must be submitted to the ACC, payable to the Spanish Peaks Property Owners Association for all proposed additions or external changes to an original Structure. No application fee will be imposed for deck additions to existing Structures, although submission to the ACC and ACC approval is still mandatory. The current application fee for additions or changes to an existing Structure is \$50.00. This fee is subject to change by the unanimous approval of the ACC and a majority of the Association's Board of Directors.

All fees provided for in this Section 205 shall be paid to the Spanish Peak Property Owners Association.

These assigned fees are for the purpose of the ACC and the Association jointly to protect and enforce the guidelines set forth in the Design Guidelines and these Covenants as a whole in a manner deemed appropriate by the Association's Board of Directors. These funds are under the total control of the Spanish Peaks Property Owners Association.

ARTICLE III
Design Guidelines

Notwithstanding any other provision contained in these Covenants, ACC shall have the right to establish from time to time design guidelines for Spanish Peaks to provide more specific requirements for Spanish Peaks than those which are set forth in these Covenants (the "Design Guidelines"). The Design Guidelines will regulate, among other things, the following matters:



- (n) Site Location:
 - (1) location on a Lot;
 - (2) orientation of a dwelling to lot lines;
 - (3) site coverage;
 - (4) setbacks;
 - (5) disturbance of on-site vegetation.
- (b) Architectural Design:
 - (1) building heights;
 - (2) exterior materials and colors;
 - (3) elevations;
 - (4) roof lines;
 - (5) exterior lighting.
- (c) Site Accessories:
 - (1) entrances to Lots and driveway layout;
 - (2) parking areas within Lots;
 - (3) fences;
 - (4) placement and screening of satellite dishes;
 - (5) patios, accessory buildings or other Improvements;
- (d) Approval Processes:
 - (1) documentation required for review and approval;
 - (2) time periods for review and approval.

All Improvements, including those on the Association Properties, shall be constructed or installed in compliance with the requirements of the Declaration and with the Design Guidelines as they exist at the time of approval of plans pursuant to this Article III. The ACC shall have the right to modify or supplement the Design Guidelines from time to time in its sole discretion; provided, however, that no modification to the Design Guidelines may result in a provision that contradicts or conflicts with any express provision of this Declaration or that is contrary to the general intent or purposes of this Declaration.

The Design Guidelines shall apply prospectively to all matters submitted to the ACC for approval following the date on which the applicable Design Guideline shall have been adopted by the ACC and notice thereof sent to all affected Owners.

ARTICLE IV Variances

The ACC shall have authority to grant for a Lot a site variance from the terms of one or more sections of these Covenants and the Design Guidelines, subject to terms and conditions fixed by the ACC. Notwithstanding the above, the ACC shall not grant any variances unless all members of the ACC shall agree in writing to grant the variance. A variance granted hereunder shall run with the Lot for which granted. If a variance is denied, another application for a variance for the same Lot may not be made for a period of one year. A variance shall not be granted unless the ACC shall find that all of the following conditions exist:

- (a) the variance will not authorize the operation of a use other than private, single-family residential use or open space;
- (b) the variance will not alter the essential character of the Spanish Peaks development;
- (c) the variance will be in harmony with the spirit and purpose of these Covenants and the Design Guidelines; and
- (d) the circumstances leading the applicant to seek a variance are unique to the Lot or its Owner and are not applicable generally to Lots in the Spanish Peaks Development or their Owners. Variances or deviations from these restrictions may be granted in unique situations but will not set any precedent for future decisions. All variance requests shall be reviewed on an individual case-by-case basis.

If a variance is granted, it must be in writing and signed by all three (3) members of the ACC. If the variance impacts any neighbors' property, as determined by the ACC, written notice of the contemplated variance must be given to all impacted neighbors at least thirty (30) days prior to the ACC's determination regarding the variance. It will be the responsibility of the person requesting the variance to obtain this in writing and provide the signed approval to the ACC.

ARTICLE V
ACC Composition and Covenant Enforcement

Composition of the ACC

Section 501. (a) The Board of Directors of the Spanish Peaks Property Owners Association shall appoint a committee of at least three (3) individuals, each of whom owns a real property interest in a Lot within Spanish Peaks, to act as the ACC. Thereafter, whenever a member of the ACC shall resign, die or be unwilling or unqualified to act, the Spanish Peaks Property Owners Association President shall appoint as members of the ACC a successor who owns, or successors who own, a real property interest in a Lot or Lots within Spanish Peaks, so as to fill the existing vacancies. Any appointment, removal or replacement of residents as members of the ACC shall be by written instrument signed by a majority of the members of the Board of Directors.

(b) Any one or more members of the ACC may from time to time be removed and their successor or successors designated by an instrument signed and acknowledged by all of the members of the Board of Directors of the Association or by the Owners of at least 51 percent of the members present at an Association meeting.

(c) The Board of Directors of the Association may, if it determines such action to be in the best interests of the Owners, cause the ACC for Spanish Peaks to be merged with the Architectural Control Committee or Committees of other single-family residential subdivisions in the same general area that contain Lots of substantially similar size and character as Lots in Spanish Peaks. Such merger shall be accomplished by recording in the office of the Clerk and Recorder of Huerfano County a written document signed by the Association Board of Directors and the ACC for each subdivision participating in such merger, acknowledging the action and appointing an Architectural Control Committee for the merged group. Thereafter, all functions of the predecessor individual Architectural Control Committees will be performed by the new merged Architectural Control Committee, and the substitution of members provided for in Section 501(b) will require action by each of the Boards of Directors of all of the developments in the merged group.

Members Excused from Liability

Section 502. Members of the ACC shall not be liable to any party whatsoever for any act or omission unless the act or omission is in bad faith and amounts to fraud.

Remedy of Violations

Section 503. The ACC may give notice to the Owner of the Lot where a breach occurs or which is occupied by the persons causing or responsible for the breach, which notice shall state the nature of the breach, and the intent of the ACC to invoke this section unless within a period stated in the notice, not less than sixty calendar days, the breach is cured and terminated or appropriate measures to cure and terminate are begun and are thereafter continuously pursued with diligence. If the breach is not cured and terminated as required by the notice, the Association Board of Directors may cause the breach to be cured and terminated at the expense of the Owner or Owners so notified, and entry on Owner's property as necessary for such purpose shall not be deemed a trespass. The cost so incurred by the Association Board of Directors or the ACC shall be paid by the person responsible for the breach and if not paid within 30 days after such Owner has been sent notice of the amount due, such amount, plus interest at the rate of 18 percent (18%) per annum and plus cost of collection, shall be a lien on the ownership interest in the Lot (including improvements thereon) of each person so notified and shall in all respects be the personal obligation of the Owner. The Association Board of Directors may bring an action at law for recovery of the costs so incurred by it, plus interest and cost of collection, including reasonable attorneys' fees, against the Owner personally obligated to pay and may bring an action to foreclose the lien against the Lot and improvements subject to the lien and there shall be added to the amount of such obligation the cost of preparing and filing the complaint in such action, and the judgment in any such action shall include interest as above provided and reasonable attorneys' fees to be fixed by the court, together with the costs of the action. The foregoing specified rights and remedies shall not limit the right of any Lot Owner to enforce these Covenants as otherwise may be provided by law or equity.

Section 504. The Association has been formed as a Colorado corporation under the Colorado Nonprofit Corporation Act. The Association shall have the duties, powers and rights set forth in this Declaration and its Articles of Incorporation and Bylaws. As more specifically set forth hereinafter, the Association shall have a Board of Directors to manage its affairs. The Board of Directors shall be elected by its Members.

ACC Resolves Questions of Construction

Section 505. These Covenants are intended to be interpreted in a manner that will provide for the preservation of the values and amenities of Spanish Peaks. In the event that it is necessary to interpret the meaning of any word, paragraph, term or provision of these Covenants, the determination of the ACC shall be final and conclusive. In interpreting the architectural standards set forth in these Covenants, it is acknowledged that the ACC may be required to exercise its discretion concerning the architectural standards and control within Spanish Peaks. The fact that the ACC has exercised its discretion with respect to one Lot or property in Spanish Peaks is not a guarantee that the ACC's discretion will be exercised in the same manner with respect to other Lots or properties in Spanish Peaks. It shall be presumed that the ACC has at all times exercised the discretion of the ACC in a reasonable manner. Certain of the matters concerning architectural standards as are set forth in these Covenants are intended as guidelines, and the fact that an Owner believes that the Owner has complied with the Design Guidelines shall not guarantee that the ACC will



approve such matter. The determination of the ACC as to whether the architectural standards set forth in these Covenants have been met shall be final and conclusive. In the event that any person or entity brings an action or proceeding challenging any action or interpretation of the ACC under these Covenants, then it shall be the burden of the person or entity challenging the actions or interpretation of the ACC to establish beyond a reasonable doubt that the ACC has acted in a manner that is arbitrary and capricious.

ARTICLE VI
Membership in Spanish Peaks HOA

Membership.

Section 601. The members of the Association shall be every Owner of a Lot within the Association. Membership in the Association shall be appurtenant to and may not be separated from ownership of any Lot. Ownership of such Lot shall be the sole qualification for membership in the Association. Except as provided herein, each Lot shall have one vote.

Purpose.

Section 602. The Spanish Peaks Property Owners Association, Inc., a Colorado nonprofit corporation, is the owner's association for the entire Spanish Peaks Development in Huerfano County, Colorado. The Association has been formed for the purpose of serving as the owners association for all of Spanish Peaks. As provided in the Association Articles of Incorporation and the bylaws, the Owners shall elect a Board of at least three members, all of whom shall be Owners or representatives of the Owners.

Notwithstanding any provision of this Declaration or the Bylaws to the contrary, the Owners, by a sixty-seven percent (67%) vote (based upon one vote per Lot) of all persons present and entitled to vote at any meeting of the Owners at which a quorum is present may remove any member of the Board with or without cause.

ARTICLE VII
General Provisions for Effect of the Covenants

Definitions

Section 701. The following words and expressions as used in these Covenants have the meanings indicated below unless the context clearly requires another meaning:

Association: shall mean and refer to The Spanish Peaks Property Owners Association, a Colorado nonprofit corporation, which has been organized under the laws of the State of Colorado, its successors and assigns.

Board: means the Board of Directors of the Association. Except as specified herein, or in the Association's Articles of Incorporation or Bylaws, the Board may act on behalf of the Association without any vote or consent of the members.

Member: shall mean and refer to every person or entity who holds membership in the Association or their heirs, personal representatives, successors or assigns.

Accessory Building: Detached garages, patios, swimming pools, dressing rooms for swimming pools, separate guest houses without kitchen, sheds, greenhouses, storage building and other buildings customarily used in connection with the single-family residence.

Building Site: A Lot as established by the recorded plat or the combination of two or more Lots or portions thereof as approved by the ACC and aggregating not less than the applicable Spanish Peaks Lot as originally platted.

Covenants: This Declaration and the provisions contained in it.

Lot: Each area designated as a Lot in a recorded plat of Spanish Peaks.

Lot Lines: Front, side and rear Lot lines shall be the same as defined in the zoning regulations of the City of Cucharas, or if applicable, the County of Huerfano in effect from time to time. In the absence of such a definition, a front Lot line is each boundary line between the Lot and any public street which affords the principal pedestrian access to the dwelling other than through a garage; a side Lot line is any boundary line which meets and forms an angle with the front Lot line; and other Lot lines are rear Lot lines.

Owner: Person or entity having fee simple legal title to a Lot. If more than one person has such title, all such persons are referred to collectively as "Owner" and shall exercise their rights as an Owner through such one of them as they may designate from time to time.



Structure: Any thing or device other than trees and landscaping the placement of which upon any Building Site might affect its architectural appearance including by way of illustration and not limitation any dwelling, building, garage, storage building, porch, shed, greenhouse, driveway, walk, patio, swimming pool, tennis court, fence, wall or outdoor lighting. Structure shall also mean an excavation or fill the volume of which exceeds five cubic yards or any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of surface waters upon or across any Lot or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel upon or across any Lot.

Captions, Gender and Number

Section 702. Captions, titles and headings in these Covenants are for convenience only and do not expand or limit the meaning of the Section and shall not be taken into account in construing the Section.

Section 703. Whenever the context permits, Owner or Owners shall be deemed to refer equally to persons of both sexes and to corporations, singular to include plural and plural to include singular.

Covenants Run with the Land

Section 704. These Covenants shall run with the land and shall inure to and be binding on each Lot and upon each person or entity hereafter acquiring Ownership or any right, title and interest in any Lot in Spanish Peaks.

Covenants are Cumulative

Section 705. Each of these Covenants is cumulative and independent and is to be construed without reference to any other provisions dealing with the same subject matter or imposing similar or dissimilar restrictions. A provision shall be fully enforceable although it may prohibit an act or omission sanctioned or permitted by another provision.

These Covenants may not be Waived

Section 706. Except as these Covenants may be amended or terminated in the manner hereinafter set forth they may not be waived, modified or terminated and a failure to enforce shall not constitute a waiver or impair the effectiveness or enforceability of these Covenants. Every person bound by these Covenants is deemed to recognize and agree that it is not the intent of these Covenants to require constant, harsh or literal enforcement of them as a requisite of their continuing vitality and that leniency or neglect in their enforcement shall not in any way invalidate these Covenants or any part of them nor operate as an impediment to their subsequent enforcement and each such person agrees not to plead as a defense in any civil action to enforce these Covenants that these Covenants have been waived or impaired or otherwise invalidated by a previous failure or neglect to enforce them.

Right to Enforce the Covenants

Section 707. These Covenants are for the benefit of the Owners, jointly and severally, the Association and of the ACC and may be enforced by action for damages, suit for injunction, mandatory and prohibitive, and other relief, and by any other appropriate legal remedy, instituted by one or more Owners, or the Association, or any combination of them. All costs, including reasonable attorneys' fees, incurred by the Association in connection with any successful enforcement proceeding initiated by the Association (alone or in combination with Owners) shall be paid by the party determined to have violated the Covenants.

Duration of Restrictions

Section 708. The restrictions and other provisions set forth in these Covenants shall remain in force until July 31, 2019 A.D. and shall be automatically renewed for successive periods of ten years unless before July 31, 2019 or before the end of any ten-year extension there is filed for record with the County Clerk and Recorder of El Paso County an instrument stating that extension is not desired, signed and acknowledged by the Owners of at least one-half of the Lots in Spanish Peaks.

Amendment, Termination and Extension

Section 709. From time to time any one section of these Covenants may be amended or one new section may be added to these Covenants by an instrument signed and acknowledged by the Owners of at least fifty-one percent (51%) of the Owners of all of the Lots in Spanish Peaks and filed for record with the County Clerk and Recorder of Huerfano County.

Severability

Section 710. If any of the provisions contained in this Declaration shall be held invalid or become unenforceable the other provisions shall in no wise be affected or impaired but shall remain in full force and effect.



Action in Writing.

Section 711. Notices, approval, consents, applications and other action provided for or contemplated by this Declaration shall be in writing and shall be signed on behalf of the party who originates the notice, approval, consent, applications or other action.

Notices.

Section 712. Any writing described in Section 709, including but not limited to any communication from the ACC to an Owner, shall be sufficiently served if delivered by mail or otherwise: (a) to the address furnished by the Owner to the ACC; (b) if the Owner has not furnished an address, and if no address is available, to the dwelling situated on the Lot owned by the Owner.

ACC's Successors and Assigns.

Section 713. The rights and powers of the ACC under this Declaration shall pass to the successors and assigns of the ACC as selected by the Spanish Peaks Property Owners Association.

IN WITNESS WHEREOF, the Owners of at least fifty-one percent (51%) of the Owners in each Filing hereby accept, amend and restate the Original Covenants and subject each Spanish Peaks Lot to these Covenants as of _____, 1997.

SPANISH PEAKS PROPERTY OWNERS
ASSOCIATION BOARD OF DIRECTORS,

Charles Beard
, Director

, Director

, Director

, Director

, Director

SPANISH PEAKS PROPERTY OWNERS
ASSOCIATION ARCHITECTURAL
CONTROL COMMITTEE

, ACC Member

, ACC Member

, ACC Member

STATE OF TEXAS)
COUNTY OF PARKER) ss.

The foregoing instrument was acknowledged before me this 22 day of JUN, 1997, by CHARLES BEARD as Director of Spanish Peaks Property Owners Association.

Witness my hand and official seal.

My Commission Expires: 7.22.2001.



Sean Hudgens
Notary Public

Action in Writing.

Section 711. Notices, approval, consents, applications and other action provided for or contemplated by this Declaration shall be in writing and shall be signed on behalf of the party who originates the notice, approval, consent, applications or other action.

Notices.

Section 712. Any writing described in Section 709, including but not limited to any communication from the ACC to an Owner, shall be sufficiently served if delivered by mail or otherwise: (a) to the address furnished by the Owner to the ACC; (b) if the Owner has not furnished an address, and if no address is available, to the dwelling situate on the Lot owned by the Owner.

ACC's Successors and Assigns.

Section 713. The rights and powers of the ACC under this Declaration shall pass to the successors and assigns of the ACC as selected by the Spanish Peaks Property Owners Association.

IN WITNESS WHEREOF, the Owners of at least fifty-one percent (51%) of the Owners in each Filing hereby accept, amend and restate the Original Covenants and subject each Spanish Peaks Lot to these Covenants as of _____, 1997.

SPANISH PEAKS PROPERTY OWNERS
ASSOCIATION BOARD OF DIRECTORS

_____, Director

_____, Director

_____, Director

_____, Director

John H. Robinson, Director

SPANISH PEAKS PROPERTY OWNERS
ASSOCIATION ARCHITECTURAL
CONTROL COMMITTEE

_____, ACC Member

_____, ACC Member

_____, ACC Member

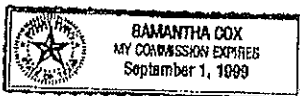
STATE OF Texas)
COUNTY OF Potter) ss.

The foregoing instrument was acknowledged before me this 21st day of January, 1998, by John H. Robinson as Director of Spanish Peaks Property Owners Association.

Witness my hand and official seal.

My Commission Expires: 9/1/99

(SEAL)



Samantha Cox
Notary Public

Action in Writing.

Section 711. Notices, approval, consents, applications and other action provided for or contemplated by this Declaration shall be in writing and shall be signed on behalf of the party who originates the notice, approval, consent, applications or other action.

Notices.

Section 712. Any writing described in Section 709, including but not limited to any communication from the ACC to an Owner, shall be sufficiently served if delivered by mail or otherwise: (a) to the address furnished by the Owner to the ACC; (b) if the Owner has not furnished an address, and if no address is available, to the dwelling situated on the Lot owned by the Owner.

ACC's Successors and Assigns.

Section 713. The rights and powers of the ACC under this Declaration shall pass to the successors and assigns of the ACC as selected by the Spanish Peaks Property Owners Association.

IN WITNESS WHEREOF, the Owners of at least fifty-one percent (51%) of the Owners in each Filing hereby accept, amend and restate the Original Covenants and subject each Spanish Peaks Lot to these Covenants as of January 23rd, 1998 ^{RC}

SPANISH PEAKS PROPERTY OWNERS
ASSOCIATION BOARD OF DIRECTORS

_____, Director
_____, Director
_____, Director
_____, Director
_____, Director

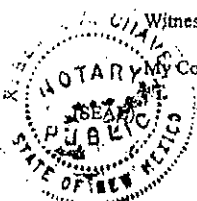
SPANISH PEAKS PROPERTY OWNERS
ASSOCIATION ARCHITECTURAL
CONTROL COMMITTEE

_____, ACC Member
_____, ACC Member
Guillermo J. Amador
Sec'y Treas., ACC Member

STATE OF New Mexico)
) ss.
COUNTY OF Los Alamos)

The foregoing instrument was acknowledged before me this 23rd day of January, 1998 ^{RC} by _____ as Director of Spanish Peaks Property Owners Association.

Witness my hand and official seal.
My Commission Expires: 4-24-1999.



Rebecca A. Chavez
Notary Public



COMMONWEALTH OF CALIFORNIA, COUNTY OF SAN FRANCISCO
Draft Dated 11/07/97

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ne13 of 20 R 101.00 D 0.00 N 0.00 Huerfano Co. J Ben

Action in Writing.

Section 711. Notices, approval, consents, applications and other action provided for or contemplated by this Declaration shall be in writing and shall be signed on behalf of the party who originates the notice, approval, consent, applications or other action.

Notices.

Section 712. Any writing described in Section 709, including but not limited to any communication from the ACC to an Owner, shall be sufficiently served if delivered by mail or otherwise: (a) to the address furnished by the Owner to the ACC; (b) if the Owner has not furnished an address, and if no address is available, to the dwelling situated on the Lot owned by the Owner.

ACC's Successors and Assigns.

Section 713. The rights and powers of the ACC under this Declaration shall pass to the successors and assigns of the ACC as selected by the Spanish Peaks Property Owners Association.

IN WITNESS WHEREOF, the Owners of at least fifty-one percent (51%) of the Owners in each Filing hereby accept, amend and restate the Original Covenants and subject each Spanish Peaks Lot to these Covenants as of

JANUARY, 1997. B HA

SPANISH PEAKS PROPERTY OWNERS
ASSOCIATION BOARD OF DIRECTORS

x Karl Mueller

, Director

, Director

, Director

, Director

, Director

SPANISH PEAKS PROPERTY OWNERS
ASSOCIATION ARCHITECTURAL
CONTROL COMMITTEE

, ACC Member

, ACC Member

, ACC Member

STATE OF NEW MEXICO)
COUNTY OF LOS ALAMOS) ss.

The foregoing instrument was acknowledged before me this 29 day of JANUARY, 1997, by KARL MUELLER as Director of Spanish Peaks Property Owners Association.

Witness my hand and official seal.

My Commission Expires: 02/25/2001.



Jerry Pederson

Notary Public

Action in Writing.

Section 711. Notices, approval, consents, applications and other action provided for or contemplated by this Declaration shall be in writing and shall be signed on behalf of the party who originates the notice, approval, consent, applications or other action.

Notices.

Section 712. Any writing described in Section 709, including but not limited to any communication from the ACC to an Owner, shall be sufficiently served if delivered by mail or otherwise: (a) to the address furnished by the Owner to the ACC; (b) if the Owner has not furnished an address, and if no address is available, to the dwelling situated on the Lot owned by the Owner.

ACC's Successors and Assigns.

Section 713. The rights and powers of the ACC under this Declaration shall pass to the successors and assigns of the ACC as selected by the Spanish Peaks Property Owners Association.

IN WITNESS WHEREOF, the Owners of at least fifty-one percent (51%) of the Owners in each Filing hereby accept, amend and restate the Original Covenants and subject each Spanish Peaks Lot to these Covenants as of _____, 1997.

SPANISH PEAKS PROPERTY OWNERS
ASSOCIATION BOARD OF DIRECTORS

_____, Director
Catherine Batcher
_____, Director

_____, Director

_____, Director

_____, Director

SPANISH PEAKS PROPERTY OWNERS
ASSOCIATION ARCHITECTURAL
CONTROL COMMITTEE

_____, ACC Member

_____, ACC Member

_____, ACC Member

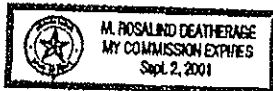
STATE OF TX)
COUNTY OF Dallas) 98.

The foregoing instrument was acknowledged before me this 21 day of Jan, 1997, by Catherine Batcher as Director of Spanish Peaks Property Owners Association.

Witness my hand and official seal.

My Commission Expires: 9-2-01

(SEAL)



M. Rosalind Deatherage
Notary Public

G:\COMMON\CLIB\FAC\FICALISTONS\SPANISH COVENANT.D04
Print Date: 11/07/97

Action in Writing.

Section 711. Notices, approval, consents, applications and other action provided for or contemplated by this Declaration shall be in writing and shall be signed on behalf of the party who originates the notice, approval, consent, applications or other action.

Notices.

Section 712. Any writing described in Section 709, including but not limited to any communication from the ACC to an Owner, shall be sufficiently served if delivered by mail or otherwise: (a) to the address furnished by the Owner to the ACC; (b) if the Owner has not furnished an address, and if no address is available, to the dwelling situate on the Lot owned by the Owner.

ACC's Successors and Assigns.

Section 713. The rights and powers of the ACC under this Declaration shall pass to the successors and assigns of the ACC as selected by the Spanish Peaks Property Owners Association.

IN WITNESS WHEREOF, the Owners of at least fifty-one percent (51%) of the Owners in each Filing hereby accept, amend and restate the Original Covenants and subject each Spanish Peaks Lot to these Covenants as of _____, 1997.

SPANISH PEAKS PROPERTY OWNERS
ASSOCIATION BOARD OF DIRECTORS

_____, Director
_____, Director
X. Sam B. Vaughan, Director
_____, Director
_____, Director

SPANISH PEAKS PROPERTY OWNERS
ASSOCIATION ARCHITECTURAL
CONTROL COMMITTEE

_____, ACC Member
_____, ACC Member
_____, ACC Member

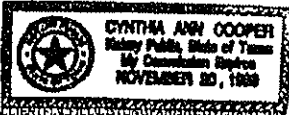
STATE OF TEXAS)
COUNTY OF DALLAS) ss.

The foregoing instrument was acknowledged before me this 26th day of JAN. 1998 by SAM VAUGHAN as Director of Spanish Peaks Property Owners Association.

Witness my hand and official seal.

My Commission Expires: 11-20-99

(SEAL)



Cynthia Ann Cooper
Notary Public

CONDITIONS OF SALE: SEE REVERSE SIDE OF THIS INSTRUMENT FOR COMPLETE TERMS AND CONDITIONS.

Action in Writing.

Section 711. Notices, approval, consents, applications and other action provided for or contemplated by this Declaration shall be in writing and shall be signed on behalf of the party who originates the notice, approval, consent, applications or other action.

Notices.

Section 712. Any writing described in Section 709, including but not limited to any communication from the ACC to an Owner, shall be sufficiently served if delivered by mail or otherwise: (a) to the address furnished by the Owner to the ACC; (b) if the Owner has not furnished an address, and if no address is available, to the dwelling situate on the Lot owned by the Owner.

ACC's Successors and Assigns.

Section 713. The rights and powers of the ACC under this Declaration shall pass to the successors and assigns of the ACC as selected by the Spanish Peaks Property Owners Association.

IN WITNESS WHEREOF, the Owners of at least fifty-one percent (51%) of the Owners in each Filing hereby accept, amend and restate the Original Covenants and subject each Spanish Peaks Lot to these Covenants as of _____, 1997.

SPANISH PEAKS PROPERTY OWNERS
ASSOCIATION BOARD OF DIRECTORS

Joe M. Tison _____, Director
_____, Director
_____, Director
_____, Director
_____, Director

SPANISH PEAKS PROPERTY OWNERS
ASSOCIATION ARCHITECTURAL
CONTROL COMMITTEE

_____, ACC Member
_____, ACC Member
_____, ACC Member

STATE OF TEXAS)
) ss.
COUNTY OF PARKER)

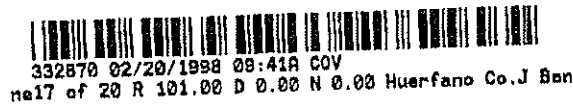
The foregoing instrument was acknowledged before me this 16 day of JAN, 1998, by JOE TISON as Director of Spanish Peaks Property Owners Association.

Witness my hand and official seal.

My Commission Expires: 7-22-2001.



Jean Hudgens
Notary Public



Action in Writing.

Section 711. Notices, approval, consents, applications and other action provided for or contemplated by this Declaration shall be in writing and shall be signed on behalf of the party who originates the notice, approval, consent, applications or other action.

Notices.

Section 712. Any writing described in Section 709, including but not limited to any communication from the ACC to an Owner, shall be sufficiently served if delivered by mail or otherwise: (a) to the address furnished by the Owner to the ACC; (b) If the Owner has not furnished an address, and if no address is available, to the dwelling situate on the Lot owned by the Owner.

ACC's Successors and Assigns.

Section 713. The rights and powers of the ACC under this Declaration shall pass to the successors and assigns of the ACC as selected by the Spanish Peaks Property Owners Association.

IN WITNESS WHEREOF, the Owners of at least fifty-one percent (51%) of the Owners in each Filing hereby accept, amend and restate the Original Covenants and subject each Spanish Peaks Lot to these Covenants as of _____, 1997.

SPANISH PEAKS PROPERTY OWNERS
ASSOCIATION BOARD OF DIRECTORS

_____, Director
_____, Director
_____, Director
_____, Director
_____, Director

SPANISH PEAKS PROPERTY OWNERS
ASSOCIATION ARCHITECTURAL
CONTROL COMMITTEE

X Melba C. Hamilton, ACC Member
_____, ACC Member
_____, ACC Member

STATE OF TEXAS)
) ss.
COUNTY OF KERR)

The foregoing instrument was acknowledged before me this 28 day of JANUARY, 1997, by Melba C. Hamilton as Director of Spanish Peaks Property Owners Association.

Witness my hand and official seal.

My Commission Expires: 9-12-2001.



L. N. Howe
Notary Public

0:\CO\BIGN\CLIENT\F\CFJ\CL\LISTONS\SPANISHCOV\HANT.DTA
Draft Date: 11/01/97

Action in Writing.

Section 711. Notices, approval, consents, applications and other action provided for or contemplated by this Declaration shall be in writing and shall be signed on behalf of the party who originates the notice, approval, consent, applications or other action.

Notices.

Section 712. Any writing described in Section 709, including but not limited to any communication from the ACC to an Owner, shall be sufficiently served if delivered by mail or otherwise: (a) to the address furnished by the Owner to the ACC; (b) if the Owner has not furnished an address, and if no address is available, to the dwelling situate on the Lot owned by the Owner.

ACC's Successors and Assigns.

Section 713. The rights and powers of the ACC under this Declaration shall pass to the successors and assigns of the ACC as selected by the Spanish Peaks Property Owners Association.

IN WITNESS WHEREOF, the Owners of at least fifty-one percent (51%) of the Owners in each Filing hereby accept, amend and restate the Original Covenants and subject each Spanish Peaks Lot to these Covenants as of _____, 1997.

SPANISH PEAKS PROPERTY OWNERS
ASSOCIATION BOARD OF DIRECTORS

_____, Director
_____, Director
_____, Director
_____, Director
_____, Director

SPANISH PEAKS PROPERTY OWNERS
ASSOCIATION ARCHITECTURAL
CONTROL COMMITTEE

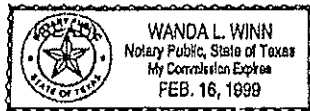
_____, ACC Member
_____, ACC Member
Herb Stehling
Herb Stehling, ACC Member

STATE OF Texas)
) ss.
COUNTY OF Llano)

The foregoing instrument was acknowledged before me this 4th day of Feb., 1998 by Herb Stehling as Director of Spanish Peaks Property Owners Association.

Witness my hand and official seal.

My Commission Expires: 2-16-99



Wanda L. Winn

Notary Public

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Drawn Date: 11/07/97

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CLARIFICATION
OF
AMENDED AND RESTATED
DECLARATION
of
Conditions, Covenants, Restrictions and Easements
Affecting the Real Property known as
Spanish Peaks

This Clarification of Amended and Restated Declaration of Conditions, Covenants, Restrictions and Easements Affecting the Real Estate known as Spanish Peaks ("Clarification"), dated as of August __, 1998, was adopted by the Spanish Peaks Board of Directors (the "Board") at its July __, 1998 meeting and by the Spanish Peaks Architectural Control Committee (the "ACC") and was notified by the owners of the Spanish Peaks Property Owners Association, a Colorado nonprofit association, at its annual meeting held on July 5, 1998.

RECITALS

- A. Those certain Amended and Restated Declaration of Conditions, Covenants, Restrictions and Easements Affecting Real Property known as Spanish Peaks, dated as of FEB 40, 1998, were recorded at Reception No. 332670 of the real property records of Huerfano County, Colorado (the "Covenants").
- B. Some of the Spanish Peaks homeowners have raised questions regarding two Covenant provisions.
- C. The Board and the ACC, as provided in Section 505 of the Covenants, desire to interpret the areas in question and establish a clear understanding of the intent of the applicable Covenant language.

INTERPRETATION

NOW THEREOF, pursuant to the terms of Section 505 of the Covenants, the Board and the ACC hereby interpret the meaning of the following areas of the Covenants in the manner indicated in this Clarification and the interpretation set forth in this Clarification will govern for such time as the Covenants shall remain in effect.

1. **Section 109. Easements.** Section 109 of the Covenants is not a reservation or other right to create easements within any portion of Spanish Peaks or within any Lot in Spanish Peaks on behalf of, the ACC, the Spanish Peaks Property Owners Association, a Colorado nonprofit corporation, or any owner with Spanish Peaks. This Section is intended to notify owners within Spanish Peaks that easements may exist on their respective lots and each owner should investigate his or her own Lot title in order to become aware of any easements which may burden or benefit his or her Lot. This Section also does not limit or impact any property rights which an owner may have to create easements within his or her owner Lot.

2. **Section 501 (c). Composition of the ACC.** Section 501 (c) permits the Board of Directors, if it determines such action to be in the best interest of the Owners, to cause the ACC for Spanish Peaks to be merged with the Architectural Control Committee or Committees of other single-family residential subdivisions in the same general area that contain lots of substantially similar size and character as Lots in Spanish Peaks. This Section is intended and will only permit the ACC for Spanish Peaks to be merged with the Architectural Control Committee or Committees of another area which satisfies the requirements of Section 501 (c) if, after "reasonable efforts" (as defined below) to locate nominees to serve on the ACC for Spanish Peaks, no Spanish Peaks owners can be recruited to serve as members of the ACC. Only under the circumstances described above will a merger of the Spanish Peaks ACC be in the best interest of the Spanish Peaks Owners. For purposes of Section 501 (c), reasonable efforts to locate nominees to serve on the ACC will consist of the following:

- (i) Two mailings, no less than thirty (30) days apart, of the Notice attached hereto as Exhibit A, to all owners at the addresses maintained by the Huerfano County Assessor's Office for tax notices (primary address) and each property address within the Spanish Peaks community. One of the two mailings being sent to the primary address must be sent by certified mail.
- (ii) Publication in the local newspaper (the Signature) of the Notice attached hereto as Exhibit A in order to request participation on the ACC or participation on a committee to recruit ACC members. The Notice, in standard print size, shall be run for a minimum of six (6) successive weeks.

The interpretations set forth in this Clarification shall be binding upon the Board, the ACC and the Spanish Peaks Property Owners Association as provided for in Section 505 of the Covenants as of the date hereof.

Executed as of August __, 1998.

ATTEST:

SPANISH PEAKS PROPERTY OWNERS ASSOCIATION
BOARD OF DIRECTORS

By Charles Beard
Charles Beard, its President

SPANISH PEAKS PROPERTY OWNERS ASSOCIATION
ARCHITECTURAL CONTROL COMMITTEE

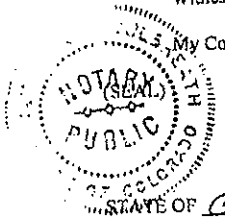
Marcia A. Barclay AOC Member
Joyce M. Estep AOC Member
Donald L. Cooper AOC Member

STATE OF Colorado)
) ss.
COUNTY OF Huerfano)

The foregoing instrument was acknowledged before me this 3rd day of September, 1998, by Marcia A. Barclay as Architectural Control Committee Member of Spanish Peaks Property Owners Association.

Witness my hand and official seal.

My Commission Expires: 5-7-2000



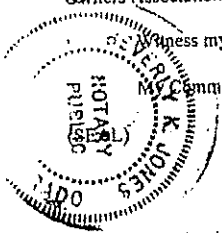
James J. Culbert
Notary Public

STATE OF Colorado)
) ss.
COUNTY OF Huerfano)

The foregoing instrument was acknowledged before me this 9th day of September, 1998, by Joyce M. Estep as Architectural Control Committee Member of Spanish Peaks Property Owners Association.

Witness my hand and official seal.

My Commission Expires: 4-11-2000



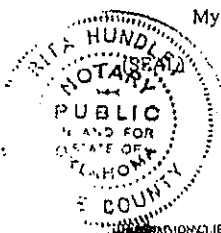
Beverly K. Jones
Notary Public

STATE OF Oklahoma)
) ss.
COUNTY OF Payne)

The foregoing instrument was acknowledged before me this 18 day of September, 1998, by Rita Hundley as Architectural Control Committee Member of Spanish Peaks Property Owners Association.

Witness my hand and official seal.

My Commission Expires: 8/10/2002



Rita Hundley
Notary Public



338307 10/22/1998 09:30A AMDOC

3 of 3 R 15.00 D 0.00 N 0.00 Huerfano Co. J Benina

EXHIBIT A

The Spanish Peaks Property Owners Association and the Spanish Peaks Architectural Control Committee ("ACC") is seeking your assistance to insure that there is representation on the ACC by individuals who reside in the Spanish Peaks community. Section 501 (j) of the Amended Declaration permits the Spanish Peaks ACC to be merged with the ACC of another single family residential subdivision in the same general area if no Spanish Peaks owners can be recruited to serve as members of the ACC.

This letter is requesting that you contact _____ [name] _____ at _____ [phone number] _____ if you will volunteer for either of the following:

- (i) Serve on the Spanish Peaks ACC; or
- (ii) Serve on a committee to locate members who are willing to serve on the ACC.

Please call today. It is extremely important that the architectural issues facing the Spanish Peaks community be addressed by Spanish Peaks' residents.