

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

DELAGUA CANYON RANCHES

THIS DECLARATION, made on the date hereinafter set forth by BALDWIN RESOURCES INC. hereinafter referred to as "Declarant".

W I T N E S S E T H :

WHEREAS, Declarant is the owner of certain property in the County of Las Animas, State of Colorado, more particularly described as:

See Exhibit A attached hereto and incorporated hereby.

NOW THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of and which shall run with , the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE 1

DEFINITIONS

1.1 Association. "Association" shall mean and refer to the DELAGUA CANYON RANCHES ASSOCIATION its successors and assigns. The Association shall act by and through its Board of Directors and its elected officers.

1.2 Board. "Board" shall mean and refer to the Board of Directors of the Association.

1.3 Owner. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of any obligation. When a person who is an Owner conveys or otherwise assigns of record, such person's fee simple title interest to a lot then, retroactive to the date of such conveyance or assignment, such person shall thereafter cease to be an Owner; provided however that the foregoing shall not in any way extinguish or otherwise void any unsatisfied obligation of such person which existed or arose at the time of such conveyance or assignment, specifically including without limiting the generality of the foregoing, any unsatisfied obligation to pay Association assessments.

1.4 Common Maintenance Areas shall mean all of Common Area.

1.5 Common Area. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

Pursuant to description of Exhibit B attached hereto and incorporated hereby.

1.6 Properties. "Properties" shall mean and refer to that certain real property herein before described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association pursuant to later staged development.

ARTICLE II

PROPERTY RIGHTS

2.1 Owners' Easements of Enjoyment. Every owner shall have a right and easement in and to the Common Area which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

(a) The right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(b) The right of the Association to dedicate or transfer all or part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by 2/3 of each class members is recorded;

(c) The right of the Association to limit the number of guests or invitees of each owner or occupant which may use the recreational or other facilities contained in the Common Area;

(d) Access roads shall be constructed and dedicated as Common Area and shall be subject to rules and regulations as the Association from time to time may deem appropriate.

(e) The right of the Association to adopt, from time to time, any and all reasonable rules and regulations concerning vehicular traffic and travel upon, in, under or across the project;

(f) The right of the Association to adopt, from time to time, any and all reasonable rules and regulations concerning the Common Area and the facilities located thereon as the Association may determine are necessary and prudent.

2.2 Rights of Ingress and Egress. Subject to the above conditions with respect to owner use and enjoyment, every owner and such owner's family members, guests and licensees shall have an easement of ingress, and egress over, across and upon the Common Area for purposes of getting to and from such owners individual lot and the public way for equestrian, pedestrian, and vehicular travel.

2.3 Grazing Restrictions. Declarants intend and subsequent owners agree to perpetuate the environment of the subject property as that of a

working ranch for themselves and their successors in interest. All owners of the property shall have the right to use and quiet enjoyment of their property as a working mountain ranch to the specific rights and obligations hereinafter set forth:

(a) An owner shall have the right to fence out livestock with approved four wire fencing set thirty feet back from the perimeter of the lot boundary.

2.4 Easements. Declarant, so long as it owns an interest in the common property, and thereafter the Association, may grant easements across, under and over the common property for utilities, sewers, or similar or dissimilar purposes which do not unreasonably interfere with the exercise of the easement of enjoyment granted by these covenants. All owners shall take title subject to an easement hereby reserved, to Declarant and thereafter to the Association, for purposes of maintenance and repair of the common maintenance areas.

Declarants hereby reserve for the benefit of all owners, and each lot when deeded or delineated on a specific map of the properties recorded in the future referring to these Covenants shall be subject to a 30-ft wide non-exclusive common use easement running along the inside of all lot lines. Said easement will be kept open and unfenced and may be used by all owners, their successors and assigns for such purposes as hiking, horseback riding, maintenance, utilities and other common benefit purposes as shall from time to time be designated by the Board.

2.5 Maintenance of Utility Service Lines. Declarant, so long as it owns an interest in the common property, and thereafter the Association, shall implement the right hereby granted each Owner of a lot to use, maintain and repair service lines running from the primary distribution service systems across the common property to his lot for water, sewer, electricity, fuel, television and telephone service, and may grant to the public utility corporation supplying such services easements across the common property for the repair and maintenance of such underground lines. Repair or maintenance of a service line pursuant to order of Declarant or Association shall be sufficient to establish the grant of an easement. Any further grant or formal legal instrument shall be unnecessary. The Owner who is served shall, at his cost, cause the surface of the common property to be restored after any repair or maintenance of a service line.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

3.1 Membership. Every owner of a lot which is subject to the assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.

3.2 Classes of Voting Membership. The Association shall have two classes of voting membership.

Class A. Class A members shall be all Owners, with the exception

of the Declarant, and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any lot. If the Owners of such lot do not agree as to the manner in which their vote should be cast when called upon to vote, then they should be treated as having abstained.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each lot owned which is neither leased, nor rented, nor otherwise occupied. Leasing, renting or allowing entry for occupancy shall terminate Declarant's weighted voting advantage in relation to any individual lot so leased, rented or occupied, and will limit Declarant to the same voting right as a Class A member with respect to such individual lot. At the time that any individual lot owned by Declarant is leased, rented or occupied, the assessments for such individual lot shall become the same as for an individual lot owned by a Class A member. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(b) On such date as shall be ten years after the date of the recording of this Declaration in the county records (this Declaration must be recorded prior to the first conveyance to a lot purchaser), or

(c) On such date as the Declarant shall voluntarily relinquish his Class B membership.

Notwithstanding the foregoing, however, in the event that the Declarant shall annex any additional property to this Declaration pursuant to the provisions of Article VIII with respect to stages of the development, then the Class B membership shall not cease and be converted to Class A membership unless and until:

(i) The total votes outstanding in the Class A membership applicable to the individual lots enumerated in Phase I of this development above described is equal to the total votes as outstanding in the Class B membership applicable to such Phase I lots, and

(ii) The total votes outstanding in the Class A membership applicable to each additional property annexed to this Declaration is equal to the total votes outstanding in the Class B membership applicable to each of such annexed properties; provided however, in no event shall a Class B membership extend beyond the date established in accordance with the provisions of Subsection 3.2 Class B.

3.3 Owner's Address for Notices. Unless an owner shall have notified the Association by registered or certified mail of a different address, any notice required to be given, or otherwise given by the Association, under this Declaration to any Owner or any other written instrument to be given to any Owner may be mailed to such Owner in a postage prepaid

envelope and mailed by first class, registered or certified mail to the address of the individual lot shown upon the Association's records as being owned by such Owner. If more than one Owner owns a particular individual lot, then any notice or other written instrument may be addressed to all of such Owners and may be mailed in one envelope in accordance with the foregoing. Any notice or other written instrument given by the Association in accordance with the foregoing will be deemed to have been given on the date that it is mailed.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

4.1 Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each lot owned within the Properties hereby covenants, and each Owner of any lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessment for charges, and (2) special assessments or capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. In addition to the foregoing, the Declarant, and each Owner shall also have the obligation to pay real property ad valorem taxes and special assessments imposed by the Colorado governmental subdivision applicable to such Owner's individual lot, as well as charges for telephone, electricity, gas or other utilities applicable to such Owner's individual lot. Owner's obligation for payment of taxes and insurance may be contractually delegated through Owner's respective mortgage document.

4.2 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Properties and for the improvement and maintenance of the Common Area, including but not by way of limitation: (a) repairing, replacing, and maintaining the Common Area; (b) installing, maintaining and repairing roads and underground utilities upon, across, over and under any part of the properties; (c) furnishing garbage and trash pickup and water and sewer services to the properties; (d) establishing and maintaining adequate reserves for repairs, maintenance, taxes, capital improvements and other purposes; (e) carrying out all other powers, rights and duties of the Association and (f) generally for any other purposes and uses that the Association shall determine to be necessary to meet the primary purposes of the Association.

4.3 Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first lot of an Owner, the maximum annual assessment shall be Two Hundred Dollars (\$200.) for unimproved lots and Two Hundred Fifty Dollars \$250.00 for lots upon which improvement has been initiated (initiation of an improvement shall be the

completion of a foundation for construction). The amount of any increase by the Board of Directors in the annual assessment fee over the initially provided maximum assessment by \$200.00/\$250.00 per lot is limited to any inflationary increase dictated by the annual growth in the Consumer Price Index for the corresponding year. Only by vote of two-thirds of each class of members who are voting in person or by proxy at a meeting duly called for that purpose may the maximum annual assessment be increased more than the Consumer Price Index above the maximum annual assessment for the previous year. The Board of Directors may fix the annual assessment at any amount not in excess of the maximum. Declarant shall be assessed on the basis of \$100.00 per 35 acres owned within the properties.

4.4 Special Assessment for Capital Improvements. In addition to the annual assessment authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for that purpose.

4.5 Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

4.6 Uniform Rate of Assessment Within Each Type. Both annual and specific assessments must be fixed at a uniform rate within each type of improvement, although a different uniform rate may apply in between different types of improvement, for all lots and may be collected on a monthly basis.

4.7 Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessment on a specified lot has been paid. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its

issuance.

4.8 Effect of Nonpayment of Assessments: Remedies of the Association

Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 18 percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his lot.

4.9 Certificate of Status of Assessments.

Upon request in writing by any person and payment of a reasonable charge therefor, the Association shall furnish a certificate setting forth: (a) the amount of any unpaid assessments, interest, late charges, costs, expenses and attorney's fees then existing against a particular individual lot, (b) the amount of the current monthly installments of the annual assessment and the date that the next monthly installment is due and payable, (c) the date of the payment of any installments of any special assessments then existing against the individual lot, (d) any other information deemed proper by the Association, and (e) lenders, holders, insurers, or grantors are entitled to current copies of all Association Articles and By-Laws, books of account and financial statements together with a Certificate of Status of Assessments upon reasonable request in writing and payment of a reasonable charge therefore. Upon the issuance of such a certificate signed by a member of the Board or by an officer of the Association or the managing agent, the information contained therein shall be conclusive upon the Association as to the person or persons to whom such certificate is addressed and who rely thereon in good faith.

4.10 Mortgagees May Pay Assessments and Cure Defaults.

If any assessment, or monthly installment thereof, for any individual lot shall not be paid by the Owner thereof within 30 days after the same is due, or if a default by any owner of any provision of this Declaration shall not be cured within 30 days after written notice thereof is given to such owner, then the Association shall thereafter send a notice thereof to any First Mortgagee thereof and may (but shall not be required to) send a notice thereto to any other Mortgagee thereof. Any Mortgagee may (but shall not be required to) pay any such assessment or monthly installments thereof, together with any other amount secured by the Association's lien created by this Article IV, and may (but shall not be required to) cure any such default.

ARTICLE V

USE RESTRICTIONS

5.1 Compliance with Zoning.

All individual units shall be used for residential purposes only and shall not be used for any business, manufacturing or commercial purpose whatsoever; provided, however, if the appropriate zoning so allows, an owner may use a specifically designated portion of such owner's individual lot as a home business office.

5.2 Use of Common Area.

There shall be no obstruction of the Common

Area, nor shall anything be kept stored on any part of the Common Area without the prior written approval of the Association. Nothing shall be altered on, constructed in or removed from the Common Area without the prior written approval of the Association.

5.3 Conveyance of the Individual Lots. All individual lots, whether or not the instrument of conveyance or assignment shall refer to this Declaration, shall be subject to the covenants, conditions, restrictions, rights-of-way, and other provisions contained in this Declaration, as it may be amended from time to time.

5.4 Prohibition of Increases in Insurable Risks and Certain Activities. Nothing shall be done or kept upon any individual lot in or on the Common Area, or any part thereof, which would result in the cancellation of any insurance carried by the Association, or any part thereof, or increase the rate of the insurance carried by the Association, or any part thereof, over what the Association, but for such activity, would pay, without the prior written approval of the Association.

5.5 Rules and Regulations. No Owner shall violate the rules and regulations, as adopted from time to time by the Association, for the use of the Common elements.

5.6 Temporary Residences. Mobile homes and modular homes, with an appearance of mobile homes, shall be permitted. Travel trailers, campers and motor homes may be used for temporary periods. The temporary use by Declarants of a trailer or motor home to be used on portions of the properties for purposes of sale shall be allowed. Burning of trash or dumping of chemical toilets shall not be permitted on any part of the properties.

5.7 Signs and Advertising. No signs (except one sign of not more than five square feet per individual lot advertising that it is for sale or for rent), advertising, billboards, unsightly objects or nuisances shall be placed, posted, or permitted to remain in or on any individual lot, nor shall any individual lot be used in any way or for any purpose which may endanger the health, safety, or life of any person or which may unreasonably disturb the other Owners. Reasonable signs, advertising or billboards of Declarant, or in connection with its sale of individual lots or in connection with its development of the properties are permissible.

5.8 Commercial Vehicles. No commercial vehicles and no trucks shall be parked on any road or parking area within the properties except while temporarily engaged in transport to or from an individual lot. For the purposes of this Section, a 3/4-ton or smaller vehicle, commonly known as a pickup truck or van, shall not be deemed to be a commercial vehicle or truck.

5.9 Nuisances. No noxious or offensive activity shall be carried on upon any part of the properties nor shall anything be done thereon which may be, or may become, an annoyance or nuisance to any other Owner.

5.10 Unused Vehicles. Except within enclosed garages or barns, no junked vehicles shall be stored or parked upon any part of the

properties. In the event that the Association shall determine that a vehicle is a junked vehicle, then a written notice describing the junked vehicle will be personally delivered to the owner thereof (if such owner is reasonably ascertained) or will be conspicuously placed upon the junked vehicle (if the owner thereof is not reasonably ascertained) and if the junked vehicle is not removed within 72 hours thereafter, the Association shall have the right to remove the junked vehicle at the sole expense of the owner thereof. For the purposes of this Section, a "junked vehicle" is any automobile, truck, van, motorcycle, motor bike, boat, trailer, camper, house trailer or other similar vehicle which has not been driven under its own propulsion or has not been moved for a period of ten weeks or longer.

5.11 Declarant's Use. Notwithstanding any provision contained in this Declaration to the contrary, it shall, during the development period, be expressly permissible and proper for Declarant, and Declarant's employees, agents, independent contractors, successors and assigns, involved in construction or in the development of the properties, to perform such activities and to maintain upon such portions such facilities as may be reasonably required, convenient, necessary or incidental to the construction and sale of individual lots and to the development of the properties, specifically including without limiting the generality of the foregoing, maintaining business offices, storage areas, construction yards and equipment, signs, model units and sales offices; provided, however that neither Declarant, Declarant's employees, agents, independent contractors, successors, or assigns nor any of them shall perform any activity or maintain any facility on any portion of the properties in such a way as to unreasonably interfere with the enjoyment, use or access of such Owner or such Owner's family members, guests or invitees of and to such Owner's individual lot, parking areas, any recreational facility existing upon the Common elements and to a public way.

5.12 Trees. No trees will be removed without the written approval of the Board except as necessary for construction for roads and for disease control or for personal use.

ARTICLE VI

DAMAGE OR DESTRUCTION

6.1 Estimate of Damages or Destruction. As soon as practical after an event causing damage to or destruction of any part of the Common Area, the Association shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction of that part so damaged or destroyed. "Repair and Reconstruction" as used in this Article VI shall mean to bring the damaged or destroyed part of the properties to substantially the same condition in which it existed prior to the damage or destruction, with each individual lot and the Common Area having substantially the same vertical and horizontal boundaries as before.

6.2 Repair and Reconstruction. As soon as practical after obtaining estimates, the Association shall diligently pursue to completion the repair and reconstruction of the part of the Common Area damaged or

destroyed. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction and no consent or other action by any Owner shall be necessary in connection therewith. Any repair after substantial losses must be in accordance with original plans and specifications unless 67% of all Mortgagees and all Owners consent to deviation therefrom.

6.3 Funds for Repair and Reconstruction. The proceeds received by the Association from any hazard insurance shall be used for the purpose of repair, replacement, and reconstruction. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair and reconstruction, the Association may levy, assess and collect in advance from all Owners a special assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair and reconstruction.

6.4 Coordination with Owners Repair and Reconstruction. In the event of damage or destruction to improvement upon an Owner's lot, improvements shall be repaired or replaced within 12 months after the damage or destruction or at the Owner's option, the ruins shall be removed from the subject property and the property restored to its natural pre-improvement condition.

ARTICLE VII

AMENDMENT TO THE DECLARATION

7.1 Amendment. The provisions of this Declaration may be amended or terminated, in whole or in part, at any time and from time to time, by an instrument (which instrument may be executed in identical counterparts, in which event all of such counterparts shall be taken as one and the same instrument of amendment) approved as follows:

7.1.1 Until the twentieth anniversary after recording of this Declaration, any amendment to this Declaration will require the prior written approval of the individual lot owners owning not less than 90% of the individual lots owned by Class A members and not less than 90% of the individual lots owned by Class B members, if any, and the prior written approval of the First Mortgagees owning First Mortgages on all of the mortgaged individual lots; provided, however, that any such action (a) terminating this Declaration in full or terminating the development scheme established hereby or (b) changing the undivided interests in the Common elements as shown in Exhibit B attached hereto shall require the prior written approval of all First Mortgagees. Subsequent to the twentieth anniversary of the recording of this Declaration the 90% requirements herein above stated shall be changed to 75%.

7.1.2 The foregoing approvals required by Subsection 7.1.1 shall not be required for, and with respect to, any annexations to this Declaration by Declarant pursuant to the provisions of Article VIII.

7.2 Recording of Amendments. To be effective, all amendments to or termination of this Declaration must be recorded in the county

records and must contain evidence of approval thereof showing the acknowledged and notarized signatures of all the necessary approving parties.

ARTICLE VIII

ANNEXATIONS FOR STAGED DEVELOPMENT

8.1 Annexations by Declarant. To ensure that future improvements will be consistent in terms of quality of construction, Declarant shall have and hereby specifically reserves the right until the date established in accordance with the provisions of Subsection 3.2(b) to annex from time to time any portion or portions of the following described additional property to the Property and to subject such additional property to the terms and provisions of this Declaration:

See Exhibit C.

ARTICLE IX

GENERAL PROVISIONS

10.1 Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In any such proceeding, the prevailing party shall be entitled to reasonable attorneys fees as one of the elements of its damages.

10.2 Severability. Invalidation of any one of these covenants or restrictions by judgement or court order shall in no way affect any other provisions which shall remain in full force and effect.

10.3 Annexation. Additional Common Area may be annexed to the Properties with the consent of two-thirds (2/3) of each class of members.

10.4 Conflicts in Legal Documents. In case of conflicts between the provisions in this Declaration and the Articles of Incorporation of the Association or the By-Laws of the Association, this Declaration shall control. In case of conflicts in the provisions in the Articles of Incorporation of the Association and the By-Laws of the Association, the Articles of Incorporation shall control.

IN WITNESS WHEREOF, BALDWIN RESOURCES, INC.,
hereby subscribe its name(s) this 14th day of March 1988.

BALDWIN RESOURCES, INC.

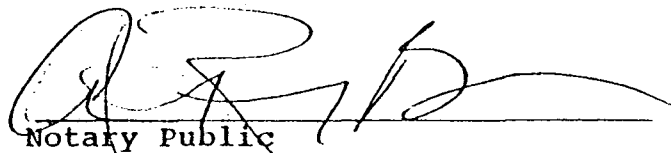
Charles R. Baldwin, Vice Pres.
Charles R. Baldwin, Vice Pres.

STATE OF COLORADO)
)
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this
14th day of March 1988 by Charles R. Baldwin, V.P. of
BALDWIN RESOURCES, INC.

Witness my hand and official seal.

My commission expires 6/22/90



Notary Public

address 2928 Straus Lane #200
Colo. Spgs., Colo. 80907

EXHIBIT "A"

Township 31 South of Range 65 West of the 6th P.M., Las Animas County, Colorado.

Section 9: E $\frac{1}{2}$

Section 10: W $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$

Section 15: NW $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$

Section 21: E $\frac{1}{2}$ SE $\frac{1}{4}$

Section 22: NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$

Section 27: W $\frac{1}{2}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$

Section 28: E $\frac{1}{2}$ E $\frac{1}{2}$ except 7 1/2 acres in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ and SE $\frac{1}{4}$ NE $\frac{1}{4}$ as described in Book 630, Page 229.

Section 33: E $\frac{1}{2}$ E $\frac{1}{2}$

Section 34: W $\frac{1}{2}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$

Township 32 South of Range 65 West of the 6th P.M., Las Animas County, Colorado.

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

Section 3: W $\frac{1}{2}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$

Containing 2,055 acres more or less.

EXHIBIT B

The Common Area presently being deeded or to be deeded within this Phase of BALDWIN RESOURCES, INC., for the project DELAGUA CANYON RANCHES shall consist of:

- (1) Access roads across the subject property as shown on survey plats.
- (2) Power lines to be constructed or presently existing.

all of which will be engineered and more specifically described either by later addendum or by inclusion in plats to be recorded. The Association will assume full responsibility for all maintenance with respect to the roads and power lines.