

Exception No. 255044 Date AUG 8 - 1984

Elbert County Recorder,
Charles H. Staley, Ass't

DECLARATION

OF

COVENANTS, CONDITIONS AND RESTRICTIONS

SADDLEWOOD SUBDIVISION

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made as of this 17th day of July, 1984, by Saddlewood Group, Inc., a Colorado corporation, (hereinafter referred to as "Declarant") for and on behalf of SADDLEWOOD SUBDIVISION.

RECITALS

A. Declarant is the record owner of certain real property located in Elbert County, Colorado, (the "Property") which is legally described in Exhibit A attached hereto and made a part hereof, which Property is to be platted as Saddlewood Subdivision and is sometimes hereafter referred to as "Saddlewood." The Declarant desires to create thereon an exclusive residential community with permanent open spaces, roads and trails for the benefit of said community through the granting of specific rights, privileges and easements of enjoyment which may be shared and enjoyed by all residents thereof.

B. Declarant desires to insure the attractiveness of the individual lots and community facilities within the Property, to prevent any future impairment thereof, to prevent nuisances, to preserve, protect and enhance the values and amenities of the Property, and to provide for the maintenance of said open spaces, roads and trails and other facilities. In order to achieve this, the Declarant is desirous of subjecting the Property (together with such additions as may hereafter be made thereto, as provided in Article II) to the covenants, conditions, restrictions, easements, charges and liens set forth herein, each and all of which is and are for the benefit of the Property and each owner thereof.

C. As part of the development of the planned community contemplated hereby, the Declarant intends that some of the open spaces, streets, roads, trails and other areas will be owned and maintained for the benefit of those persons owning property within the planned community and entitling them to use the same that these facilities will be owned and maintained for the benefit of all the residents of the property and such areas and facilities are hereinafter designated "GENERAL COMMON PROPERTIES."

D. In order to preserve, protect and enhance the values and amenities in the Property, and to insure the residents' enjoyment of the rights, privileges and easements in the General Common Properties, the Declarant has deemed it desirable to create an organization, and may hereafter create other organizations and designate other parties and entities to which shall be delegated and assigned the powers of owning, maintaining and administering all or various portions of the General Common Properties, and also administering and enforcing the Covenants and restrictions herein set forth, together with collecting, disbursing and accounting for the assessments and charges herein contemplated. To this end, the Declarant has caused to be incorporated under the laws of the State of Colorado as a non-profit corporation, SADDLEWOOD FOUNDATION (sometimes hereafter referred to as the "Foundation"), for the purpose of exercising the aforesaid functions with respect to the General Common Properties, as designated by Declarant on the plat or plats of said Subdivision as filed and recorded in the records of Elbert County, State of Colorado.

NOW, THEREFORE, The Declarant declares that the Property, and such additions thereto as may hereafter be made pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed, leased and occupied subject to the covenants, conditions, restrictions, easements, charges, liens and rights (sometimes referred to as "Covenants and Restrictions"), hereinafter set forth, all of which shall run with the land.

ARTICLE I

Definitions

The following words when used in this Declaration or any supplementary declarations (unless the context shall prohibit or there shall be a specific statement to the contrary) shall have the following meanings:

A. "The Property" shall mean and refer to the property which is and shall be held, transferred, conveyed, leased and occupied subject to this Declaration, and which is legally described in Exhibit A.

B. "General Common Properties" shall mean and refer to all land, improvements and other properties heretofore or hereafter owned or in the possession of the Saddlewood Foundation; provided, however, that the Board of Directors thereof or the Declarant, as hereinafter provided, shall have the right to set aside certain areas, facilities or proposed facilities included within or on the General Common Properties to be used only for specified purposes.

C. "Single-Family Lot" shall refer to a platted lot on which there may be constructed only a single-family dwelling unit.

D. "Supplementary Declaration" shall mean any Declaration of Covenants, Conditions and Restrictions which may be recorded by Declarant, such right being herein retained by Declarant, which: (1) Supplements the provisions of this Declaration as to the Property or any portion thereof and which may contain additions, amendments and modifications to the Declaration; and, (2) Subject additional property to this Declaration in accordance with Article II hereof. The term "Declaration" whenever utilized herein shall include any supplementary declarations to the extent applicable.

E. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Single-Family Lot situated within the Property which is subject to these Covenants and Restrictions; but, notwithstanding any applicable theory relating to mortgages, deeds of trust or other liens or encumbrances upon any such property, "Owner" shall not include or refer to a mortgagee, beneficiary of a deed of trust, or lien holder unless and until such party has acquired title pursuant to foreclosure or any applicable procedure in lieu of foreclosure.

F. "Mortgage" shall mean and include mortgages and deeds of trust.

ARTICLE II

Additional Properties Which May Become Subject to This Declaration

Section 1. Additions to the Property. Additions may be made to the Property in any of the following ways:

A. The Declarant shall have the right, but shall be under no obligation except as hereinafter provided, to bring within the scheme of this

Declaration, and make subject to the provisions hereof, additional properties. Such properties may contain General Common Properties, or additions thereto, which shall be owned by the Saddlewood Foundation.

B. The additions (or changes in the scheme of the Property, as the case may be) authorized under this sub-section shall be made by filing of record supplementary declarations with respect to the additional properties, or with respect to the Property, as the case may be, which shall extend the coverage of the Covenants and Restrictions of this Declaration to such properties, and thereby subject such additions to assessment for their just share of the Saddlewood Foundation expenses.

C. Notwithstanding anything contained herein or in any supplementary declarations to the contrary, Owners of the fee simple title to any single-family lot or any additional properties hereinafter added to this Declaration as aforesaid, shall be subject to assessment for their just share of Saddlewood Foundation expenses. Furthermore, all additional properties added to and brought within the scheme of this Declaration will include their fair share of General Common Properties and facilities, and be at least of similar quality and character to those established within the Property, and all residents of all property covered hereby as hereinafter provided, and subject to the limitations hereinafter provided, shall have the right to use and enjoy the same.

Section 2. Pursuant to Merger. Any successor in interest to Saddlewood Foundation may administer the Covenants and Restrictions established by this Declaration within the Property, together with Covenants and Restrictions under any other real properties, as one scheme. No such merger or consolidation, however, shall affect any revocation, change or addition to the Covenants and Restrictions established by this Declaration within the Property except as hereinafter provided.

ARTICLE III

Membership and Voting Rights in the Saddlewood Foundation

Section 1. Membership. Every person or entity who is a record owner of a fee simple title or undivided interest in any Single-Family Lot within the Property shall automatically be a member of the Saddlewood Foundation, provided that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a member. Further, every person who is an occupant of any Single-Family Lot within the Property shall automatically be a member of the Saddlewood Foundation.

Section 2. Voting Rights. The Saddlewood Foundation shall have two classes of voting membership:

Class A: Class A members shall be all of the Owners as defined in Section 1 of this Article, with the exception of the Declarant, and all of the occupants of Single-Family Lots. The Declarant may, however, become a Class A member upon termination of its Class B membership as hereinafter provided. Class A members shall be entitled to either:

1. One (1) vote for each Single-Family Lot; or,
2. One (1) vote for each Single-Family Lot occupied.

When more than one person holds an ownership interest or interests in any Single-Family Lot, all such persons shall be members, and the vote provided for herein shall be exercised as they among themselves determine. Similarly, when more than one person occupies a Single-Family Lot, all such persons shall be members, and the vote provided for herein shall be exercised as they among themselves determine. An owner on a vacant Single-Family Lot shall be entitled to one (1) vote. Upon completion of construction of a Single-Family Dwelling, then the Owner, whether an occupant or not, shall be entitled to one (1) vote. Only the record owner of the Property shall be entitled to a vote in the Foundation whether he, in fact, occupies the Property or not. In no event shall more than one (1) vote be cast with respect to any Single-Family Lot.

Class B: The Declarant shall be the sole Class B member. The Class B member shall be entitled to forty (40) votes in the Saddlewood Foundation. The Class B membership shall cease and terminate upon the happening of any of the following events, whichever first occurs.

1. When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or,

2. On the 31st day of December, 1989;

3. At such time as Declarant voluntarily relinquishes its Class B membership rights.

From and after the happening of any of these events, whichever first occurs, the Class B member shall be deemed to be a Class A member entitled to one (1) vote for each Single-Family Lot in which it holds an ownership interest as required for membership under Section 1 hereof.

ARTICLE IV

Property Rights in the General Common Properties

Section 1. Members' Easements and Rights of Enjoyment. Subject to the provisions hereinafter set forth in this Article IV, every member of the Saddlewood Foundation shall have a right and easement of enjoyment in and to the General Common Properties and such easement shall be appurtenant to and shall pass with the title to every Single Family-Lot within the Property which are subject to these Covenants and Restrictions.

Section 2. Title to General Common Properties. The Declarant may retain the legal title to any portion or all of the Property to be conveyed to the Saddlewood Foundation and to be designated as General Common Properties until such time as it has completed improvements thereon and until such time as in the opinion of the Declarant, Saddlewood Foundation is able to maintain the same; but, notwithstanding the foregoing, the Declarant hereby covenants that it shall convey the said Property to the Saddlewood Foundation not later than the 31st day of December, 1989.

Section 3. Extent of Members' Rights and Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

A. The right of the Saddlewood Foundation, in accordance with its bylaws, to borrow money for the purpose of constructing Special Club Facilities. If developed, such money to be repaid by assessments if said Special Club Facilities are open to all of the members of Saddlewood Foundation, or by reasonable admission and other fees as hereinafter set forth. Such borrowing shall, however, be without any personal liability of the Foundation or the members thereof for repayment.

B. Declarant expressly covenants and agrees that during the time it holds and controls the majority votes of the Saddlewood Foundation it will not construct or establish recreational facilities on any of the General Common Properties, pledge or encumber any of the General Common Properties for the purposes of construction of walkways, trails, facilities such as clubhouse, swimming pools, or, in fact, any structure, unless done at its own expense which in no way would be chargeable or assessable to the Class A members of the Saddlewood Foundation.

C. The right of the Saddlewood Foundation to take such steps as it shall deem appropriate to protect the above-described Special Club Facilities, if developed, against foreclosure.

D. The right of the Saddlewood Foundation hereinafter provided to restrict the use of any Special Club Facilities if developed, and/or to charge reasonable admission and other fees as a condition to the use thereof.

E. The right of the Saddlewood Foundation, as provided in its bylaws, to suspend the enjoyment rights of any member for any period during which any assessment remains unpaid, and for such period as it considers appropriate for any infraction of its published rules and regulations.

F. The right of the Saddlewood Foundation or the Declarant to dedicate or transfer all or any part of the General Common Properties to any public agency, authority or utility company serving the Property, for such purposes and subject to such conditions as may be agreed to by the Declarant; provided, that no such dedication, determination as to the purposes or as to the conditions thereof, if made by the Foundation shall be effective unless approved by the assent of two-thirds of the total votes of all classes of members of those voting upon written ballot which shall be sent to all members at least thirty (30) days in advance of the canvas thereof which shall set forth the reasons for such proposed action; provided further, that the Declarant shall have the right to make such dedication or transfer without the consent of the members of the Foundation at any time prior to December 31, 1989, or until such time as the Declarant voluntarily relinquishes such right, whichever occurs earlier.

G. The right of the Declarant to impose reasonable covenants and restrictions in respect to such General Common Properties in addition to those set forth herein, at the time of conveyance of such Properties to the Saddlewood Foundation, and such covenants and restrictions are hereby incorporated by reference and made part of this Declaration.

H. The right of the Declarant to enter into reciprocal agreements with other business entities, for both profit and non-profit, and with governmental entities for the rental and use of equipment and exchange of services on a fee basis or otherwise, together with the right of the Declarant to construct emergency facilities and to erect information signs as the Declarant deems appropriate.

I. The right of the Declarant to adjust or grant private access easements in addition to or in substitution for platted easement rights, if in

the opinion of the Architectural Review Committee such adjustment or grant would be desirable.

Section 4. Extension of Rights and Benefits. Every member of the Saddlewood Foundation shall have the right, subject to rules and regulations promulgated by the Board of Directors, to extend the rights and easements of enjoyment vested in him under this Article to each of his tenants and to each member of his family who resides with him within the Property and to such other persons as may be permitted by the Saddlewood Foundation.

Section 5. Special Conveyance of General Common Properties. At any time following the complete platting of Saddlewood, the Declarant and/or the Foundation shall have the right to convey the General Common Properties to the owners of the Single-Family Lots in undivided interest, each owner receiving an undivided fractional fee simple interest in the General Common Properties, the numerator of such fraction being one (1) and the denominator being the total number of Single-Family Lots platted in all of Saddlewood. Following such conveyance and so long as this Declaration of Covenants, Conditions and Restrictions is in full force and effect, the respective fractional undivided interests in the General Common Properties shall be unseverable from each respective Single-Family Lot.

ARTICLE V

Covenants for Maintenance and Assessment

Section 1. Creation of the Lien and Personal Obligation for Assessments. Each Owner of any Single-Family Lot within the Property, other than Declarant, by acceptance of a deed therefor, whether or not it shall be so expressed therein, or by acceptance of any other conveyance thereof (except a conveyance in connection with the establishment of a Mortgage) shall be deemed to covenant and agree to pay to the Saddlewood Foundation in which it shall be a member (1) annual assessment or charges; (2) special assessments for capital improvements or maintenance thereof; and (3) special assessments to provide for costs incurred by virtue of unforeseen emergencies, such as, but not limited to, unusual snowfalls or heavy rains. The annual assessments or charges may, at the discretion of the Board of Directors of the Foundation include a reserve for future capital improvements to the General Common Properties for replacement of and repairs to the improvements located on the General Common Properties. All assessments herein provided for shall be assessed by the Foundation. The annual assessment shall be levied on an annual basis, and a special assessment shall be levied from time to time when and as determined by the Board of Directors of the Foundation in accordance with its bylaws. All the assessments described aforesaid together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the respective Single-Family Lots against which each such assessment is made, subject to foreclosure in accordance with applicable law, affecting a Single-Family Lot. Each such assessment, together with such obligation of the person or persons who are the Owners of such property at the time when the assessment falls due, and in the event that there is more than one Owner thereof, then such obligations shall be joint and several. In no event shall the Declarant be obligated to pay any annual or special assessments for any Single-Family Lot.

Section 2. Purpose of and use of Annual Assessments or Charges. The annual assessments or charges levied under this article as provided for in Section 1 above shall be used exclusively for the purposes of promoting the recreation, health, safety and welfare of the residents of the Property, and in particular, for the acquisition, improvements and maintenance of the General Common Properties, services and facilities devoted to this purpose, including, but not limited to, the payment of taxes and insurance thereon, payment for consulting annually with a commercial weed control company, control of weeds, control of tree disease, the repairs, replacement and additions thereto, the costs of labor, equipment, materials, management and supervision thereof, for the providing of recreational facilities, whether or not located on the General Common Properties, for the provision of services to the Owners of Lots including, but not limited to, garbage and trash collection, lighting of streets and General Common Properties, and for such other needs of the Foundation and Lot Owners as may arise including a reasonable provision for contingencies and replacements.

Section 3. Special Assessments for Capital Improvements and Emergencies. In addition to the annual assessments described aforesaid, the Foundation 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 costs of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the General Common Properties, including the necessary fixtures and personal property related thereto, or for the purpose of defraying in whole or in part the costs of any construction or reconstruction, unexpected repair or replacement, including Land rehabilitation and restoration, due to any emergencies.

Section 4. Capital Contributions for Improvements, Repairs and Replacements. In addition to the annual or special assessments described aforesaid, the Foundation may levy in any assessment year, either as part of the annual assessment or the special assessment, an assessment to be set aside as a reserve for future capital expenditures, including major repairs to or replacements of improvements located on the General Common Properties or for the future construction of improvements on the General Common Properties. Any funds so collected shall be designated by the Board of Directors of the Foundation as capital contributions to the Foundation by the members thereof and shall be segregated and placed in a separate bank account of the Foundation to be utilized solely for the purposes aforesaid.

Section 5. Due Date of Commencement and Determination of Annual Assessments and Assessment Deposit The annual assessments provided herein shall commence on such date as is specified in the By-Laws of the Foundation or in any supplementary Declaration hereto affecting a particular parcel of property brought within the scheme of this Declaration. Assessments shall be on a full calendar year basis. At least thirty (30) days in advance of each calendar year, the Board of Directors shall fix the amount of the annual assessment against each Single-Family Lot by estimating the net charges and expenses to be incurred by the Foundation for the purposes set forth in this Declaration. The annual assessment shall be due and payable in such installments as are required by the By-Laws of the Foundation with an amount equivalent to three (3) months' assessments deposited with the Foundation at the time of the first conveyance of any Single-Family Lot from the Declarant to any purchaser thereof, and which deposit shall not bear interest and may be credited towards any annual or special assessments upon the commencement thereof. The annual and special assessments shall be in such amounts as are fixed by the Board of Directors of the Foundation as aforesaid. Separate due dates may be established by the Board of Directors for special assessments as defined hereunder as long as made thirty (30) days in advance of such special assessments and shall be paid in a manner determined by said Board of Directors. Written notice of the annual and any special assessments shall be sent to every Owner subject thereto as soon as the amounts are determined.

Section 6. Effects of Non-Payment of Assessments and Personal Liability of Owner. If an assessment is not paid on the date when due, then such assessment shall become delinquent and shall, together with interest and costs of collection, as hereinafter provided, become a continuing lien on such Single-Family Lot which shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives, successors and assigns. In addition to the lien rights, it shall be the personal obligation of the then Owner to pay such assessment and such personal obligation shall continue even though the Owner's interest in the property shall be transferred. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the due date at the rate of twelve percent (12%) per annum, and the Foundation may bring legal action against the Owner personally obligated to pay the same or to foreclose the lien against such Single Family Lot and there shall be added to the amount of such assessment all costs incurred by the Foundation in foreclosing the lien or in collecting the amount owing, including any reasonable attorneys' fees.

Section 7. Subordination of the Lien to Mortgages. As provided aforesaid, the lien of the assessments provided for herein shall be subordinate to the lien of any valid mortgage now or hereafter placed upon any Single Family Lot subject to assessment; provided, however, such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure or a statutory public trustee foreclosure of such Mortgage. Such sale or transfer shall not release such Single Family Lot from liability for any assessment thereafter becoming due, nor from the lien of any such subsequent assessments.

ARTICLE VI

Approval of Plans

Section 1. Architectural Review Committee.

(a) There is hereby established an architectural Review Committee consisting of a minimum of three (3) members and a maximum of five (5) members. The initial Architectural Review Committee is hereby constituted and its members shall be Richard D. Wahlgren, Richard G. McClintock and the Declarant, and the office of the Committee shall be maintained at 5467 S. Iola Way, Englewood, Colorado 80111. Any member of the Committee may assign his or her authority to a new member provided the assignment has the ratification and approval of the remaining Committee members. The initial members of the Committee shall have the authority to appoint additional members as the need arises by a majority vote of the initial members and may also fill any vacancy which may occur. The vote of the majority of the members shall constitute the action of the Architectural Review Committee.

(b) No improvements shall be constructed, erected, placed, altered, maintained or permitted on any Single-Family Lot or on the General Common Properties, nor shall any construction or excavation whatsoever be commenced or materials, equipment or construction vehicles be placed on any Single-Family Lot, until plans and specifications with respect thereto in manner and form satisfactory to the Architectural Review Committee showing the proposed improvements, plot layout and all exterior elevations, materials and colors, landscaping, grading, and such other information as may be requested by said Committee have been submitted to and approved in writing by the Architectural Review Committee. Such plans and specifications shall be submitted in writing over the signature of the Owner of the Single-Family Lot or the Owner's authorized agent.

(c) Approval shall be based, among other things, on conformity and harmony of exterior design, colors and materials with neighboring structures, relation of the proposed improvements to the natural topography, grade and finished ground elevation of the structure to that of neighboring structures and natural features of the Property, and conformity of the plans and specifications to the purpose and general plan and intent of these restrictions. The Architectural Review Committee shall have the right to require and approve landscaping plans. The Architectural Review Committee shall not arbitrarily or unreasonably withhold its approval of such plans and specifications.

(d) If the Architectural Review Committee fails either to approve or to disapprove such plans and specifications (including resubmission of disapproved plans and specifications which have been revised) within thirty (30) days after the same have been submitted to it (provided that all required information has been submitted), it shall be conclusively presumed that said plans and specifications have been approved. The Architectural Review Committee may notify the Owner in writing upon receipt of all required plans and specifications and the aforesaid 30-day period shall commence on the date of such notification.

(e) Neither the Architectural Review Committee nor Declarant or their respective successors or assigns shall be liable in damages to anyone submitting plans to them for approval, or to any Owner of land affected by this Declaration, by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve any such plans and specifications. Every Owner or other person who submits plans to the Architectural Review Committee for approval agrees, by submission of such plans and specifications that he will not bring any action or suit against the Architectural Review Committee or Declarant to recover any such damages. Approval by the Architectural Review Committee shall not be deemed to constitute compliance with the requirements of any local building codes, and it shall be the responsibility of the Owner or other person submitting plans to the Architectural Review Committee to comply therewith.

(f) Until December 31, 1989, unless voluntarily relinquished at an earlier date, the Declarant, in its own name and on behalf of the Architectural Review Committee shall have the right to enforce these covenants, conditions and restrictions. Additionally, until the date aforesaid, at the request of the Declarant or at the request of the Architectural Review Committee at any time during the duration of these covenants, the Foundation shall have the right to enforce these covenants pursuant to Article VII hereof. Declarant reserves the right to transfer at any time its duties or the responsibilities of the Architectural Review Committee, or both, pursuant to these covenants to the Foundation, whereupon said Foundation shall have the right and the duty to enforce these covenants and to restrain any violations hereof.

(g) Zoning Regulations. No land within the Saddlewood Subdivision shall be occupied, used by, or for, any structure or purpose which is contrary to the zoning regulations of Elbert County, Colorado.

(h) Signs. One "For Rent" or "For Sale" sign shall be permitted no larger than 20 x 26 inches. One lot entrance gate sign of a style and design as approved by the Architectural Review Committee shall be permitted. Otherwise, no advertising signs, billboards, unsightly objects or nuisances shall be erected, altered, or permitted on any tract or lot.

(i) Animals. No animals will be raised or bred on any lot for commercial reasons.

(1) Household pets will be allowed. However, no more than two (2) of any kind of animal will be allowed without approval of the Declarant or its assigns.

(2) Pigs, goats, cows, horses, sheep and farm fowl will not be allowed.

(j) No Resubdivision. No Single-Family Lot shall be resubdivided into smaller tracts or lots, nor shall less than a Single-Family Lot be conveyed, transferred or encumbered; provided, however, conveyances of dedications of easement for utilities or private lanes or roads may be made for less than all of one Single-Family Lot.

(k) Refuse and Rubbish. Rubbish, garbage or other waste shall be kept and disposed of in a sanitary manner. No Single-Family Lot or any portion of the General Common Properties shall be used or maintained as a dumping ground for rubbish. All containers or other equipment for the storage or disposal of garbage, trash, rubbish or other refuse shall be kept in a clean sanitary condition. No trash, litter or junk shall be permitted to remain exposed upon the premises and visible from public roads or adjoining or nearby premises. All refuse and trash shall be removed from all lots and

tracts and shall not be allowed to accumulate. Burning of trash will not be permitted.

(l) Underground Utility Lines. Underground utilities shall be required in all areas of the development. The Architectural Review Committee shall have the right to require the Owner to construct underground utility lines under appropriate circumstances in order to conform to the environmental and esthetic surrounds.

(m) Garden. A family garden not to exceed 500 square feet is permissible; no additional ground to be used for farming purposes.

(n) Fencing. All fences on road frontages must be of wood or stone construction approved by the Architectural Review Committee. Fencing on all other boundaries must be of new construction; wire may be woven or barbless. If barbless, a minimum of four (4) strands must be used. Posts must be spaced on a maximum of one (1) rod. No electrical fences will be permitted. Fences may not obstruct easements which are part of the General Common Properties.

(o) Number and Location of Building. No building or structures shall be placed, erected, altered or permitted to remain on any Single-Family Lot other than:

- (1) One detached single-family dwelling house; and an
- (2) Attached or approved detached garage; and a
- (3) Service-type out building.

(p) Dwelling House to be Constructed First. At the time said plans and specifications receive approval, the prospective builder shall proceed diligently with said dwelling house and garage, and the same shall be completed within a maximum period of nine (9) months, excepting, however, that this period may be enlarged by an additional three (3) month period if said extension is made necessary by reason of inclement weather, inability to obtain materials, strikes, acts of God, etc. The exterior construction of all buildings must be completed, including treating or painting of wood before occupancy.

(q) Dwelling Size. Finished floor area of each dwelling, exclusive of porches and garages, shall not be less than 1600 square feet. Sliding doors, windows and doors must be of a color other than natural aluminum.

(r) Single-Family Lot Landscape Development. Approval shall be obtained from the Architectural Review Committee, or its assigns, to cut down, clear, or kill any trees on any Single-Family Lot. Further, each Owner agrees that all the trees cleared by him will be disposed of in such a manner that all tracts shall be kept free of accumulations of brush, trash or other materials which may constitute a fire hazard or render a site unsightly. Only the Declarant, or its assigns, shall have the right to cut down, clear or kill any trees on the General Common Properties.

(s) Clotheslines and Exterior Tanks. No Owner shall place upon his Single-Family Lot clotheslines, swimming pool filter tanks, fuel oil tanks or similar tanks which may be visible from the street. All tanks must be enclosed or otherwise appropriately screened so that they will not be visible from the street or from adjoining Single-Family Lots. Protective enclosures to screen the above must be approved by the Architectural Review Committee as a part of the plans for the improvements to be located on the Single-Family Lot.

(t) Used or Temporary Structures. No temporary house, mobile home

or trailer shall be allowed on any Single-Family Lot; however, camping overnight on property by the Owner of that property, or his guests, is allowed. No new dwelling shall be occupied in any manner prior to its completion.

(u) Exterior Lighting. All exterior lighting and standards shall be approved by the Architectural Review Committee in the Saddlewood Subdivision. Each dwelling shall have an outside lighting post which shall be located no further than 20 feet from the constructed dwelling.

(v) Garage and Off-Street Parking. Any dwelling constructed must include an attached, or approved detached, two-car garage. Each dwelling shall be constructed with adequate off-street parking area for at least two automobiles per residence. No parking shall be allowed within the road right-of-way.

(w) Garbage Disposal, Sanitary Systems and Water Systems. Each dwelling or structure containing a kitchen shall be equipped with a garbage disposal unit. No sewage disposal system shall be constructed, altered or allowed to remain or be used unless fully approved as to design, capacity, location and construction by all proper public health agencies of the State of Colorado, Elbert County and the Foundation or Architectural Review Committee.

(x) Foundation and Exterior Walls. No foundation cinderblock or concrete shall be exposed more than one foot above grade. Exterior wall facing must be of wood, brick or stone.

(y) New Construction. Only new construction will be allowed; no used buildings and no metal buildings that do not, through their appearance, enhance the environmental surroundings will be allowed. The Architectural Review Committee must approve or disapprove structures of this type.

(z) No Corrugated Type Metal Buildings. No corrugated metal or other type of metal buildings shall be allowed. The appearance of any service type cut building to be constructed on a Single-Family Lot must enhance the environmental surroundings. The Architectural Review Committee must approve the structure and exterior of any such buildings which must be constructed of similar materials and the foundation must conform to that of the main dwelling.

(z-1) Fireplaces, Chimneys, Barbeques. All fireplaces, chimneys, and barbeques shall be equipped with spark arresting screens.

(z-2) Driveways and Access Roads. All driveways shall be gravelled prior to the occupancy of the dwelling. The entrance of the driveway to the dwelling shall either be constructed with a culvert of suitable dimensions or a concrete pan at the election of the Architectural Review Committee.

Interchangeability of Entities. As used herein, the term Foundation and Architectural Review Committee are used interchangeably and either entity would have the authority to act as provided in the preceding paragraphs concerning the restrictive covenants affecting Saddlewood Subdivision.

ARTICLE VII

Enforcement

Section 1. Abatement and Suit. The conditions, covenants and restrictions herein contained shall run with the land, and be binding upon and inure to the benefit of the Declarant and the Owners and Lessees of every Single-Family Lot on the Property. These covenants, conditions and reservations may be enforced as provided hereinafter by Declarant acting for

itself, the Architectural Review Committee and as Trustee on behalf of all of the Owners of Single-Family Lots and by the Foundation upon the transfer to said Foundation of Declarant's duties and responsibilities under this Declaration pursuant to Article VI(f) hereof. Each Owner by acquiring an interest in the Property appoints irrevocably the Declarant as his attorney-in-fact for such purposes; provided, however, that if a Single-Family Lot Owner notifies Declarant in writing of a claimed violation of these covenants, conditions and restrictions and Declarant fails to act within thirty (30) days after receipt of such notification, then, and in that event only, an Owner may separately, at his own cost and expense, enforce these covenants, conditions and restrictions as herein provided. Violation of any condition, covenant, restriction or reservation herein contained shall give to the Declarant the right to enter upon the portion of the property wherein said violation or breach exists and to summarily abate and remove at the expense of the Owner any structure, thing or condition that may be or exists thereon contrary to the intent and meaning of the provisions hereof, or to prosecute a proceeding at law or in equity against the person or persons who have violated or are attempting to violate any of these conditions, covenants, restrictions and reservations to enjoin or prevent them from doing so, to cause said violation to be remedied or to recover damages for said violation.

Section 2. Deemed to Constitute a Nuisance. Every violation of these covenants or any part thereof is hereby declared to be and to constitute a nuisance, and every public or private remedy allowed therefor by law or equity against an Owner, shall be applicable against every such violation and may be exercised by Declarant or Single-Family Lot Owners pursuant to Section 1 of this Article.

Section 3. Attorneys' Fees. In any legal or equitable proceeding for the enforcement or to restrain the violation of this Declaration or any provision hereof, the losing party or parties shall pay the reasonable attorneys' fees of the prevailing party or parties in the amount as may be fixed by the Court in such proceedings. All remedies provided herein or at law or in equity shall be cumulative and not exclusive.

Section 4. No Waiver. The failure of the Declarant to enforce any of the conditions, covenants, restrictions or reservations herein contained shall in no event be deemed to be a waiver of the right to do so for subsequent violations or of the right to enforce any other conditions, covenants, restrictions or reservations, and Declarant shall not be liable therefor.

ARTICLE VIII

General Provisions

Section 1. Effects of Official Plat and Other Documents Filed with the County of Elbert. The official Plat of the Planned Unit Development and other related documents which are on record in the office of the Clerk of the County of Elbert, or other applicable governmental agency, has the effect and only the effect described by the Statutes of the State of Colorado, and the rules and regulations of said County. The Plat and related documents constitute part of the public controls imposed by the County upon developers, owners, residents and users of the Planned Unit Development and does not create, and is not intended to create, any privacy property or contract rights in the Owners and residents of the Planned Unit Development except as such rights may be created expressly by separate contracts, deeds and other documents, including this Declaration. A Planned Unit Development confers maximum benefits upon the residents when all of its elements are planned and developed in appropriate relationship to each other. The Plat on file in the office of the said Clerk or other applicable governmental agency describes a development which Declarant believes will provide maximum benefit to the

residents, Owners and the public. During an extended development program, however, various factors can intervene which may hinder the effectiveness of the Planned Unit Development and which may threaten the benefits to be derived by the residents, Owners and the public unless the Plat can be modified as prescribed by the applicable law. Accordingly, this Declaration is not intended to nor does it grant or create any private property or contract rights in the said Plat for the Planned Unit Development and such plats continue to remain subject to modification by the proper governmental authorities in accordance with the procedures set forth in the Statutes, rules and regulations of the County of Elbert, State of Colorado. Moreover, there is no assurance that Declarant will develop any other properties, other than as set forth on Exhibit A to this Declaration.

Section 2. Duration.

(a) This Declaration, every provision hereof and every covenant, condition, restriction and reservation contained herein shall run with and bind the land and shall continue in full force and effect for a period of fifty (50) years from the date hereof, and shall thereafter be automatically extended for successive periods of five (5) years unless otherwise terminated or modified as hereinafter provided.

(b) This Declaration or any provision hereof or any covenant, condition or restriction contained herein, may be terminated, extended, modified or amended as to the whole of the Property or any portion thereof, with the written consent of the members-holding at least seventy-five percent (75%) of membership in the Foundation during the first twenty-five (25) year period of these Covenants and thereafter by not less than sixty-six and two-thirds percent (66 2/3%) of membership in the Foundation; provided, however, that no such termination, extension, modification or amendment shall be effective in any event prior to December 31, 1989, without written approval of Declarant. No amendment of these covenants, conditions or restrictions shall be effective unless the instrument evidencing such amendment has been duly recorded and unless a written notice of the proposed amendment is sent to every member of the Foundation at least sixty (60) days in advance of any action taken. Such termination, extension, modification or amendment shall be immediately effective upon recording the proper instrument in writing, executed and acknowledged by such Owners (and by Declarant as required herein) in the office of the Clerk and Recorder of Elbert County, Colorado.

Section 3. Foundation and Declarant Use of Community and Common Properties. The Foundation and the Declarant shall have the right to use all General Common Properties, including streets, roads, and walkways, within Saddlewood Subdivision for purposes of providing the services which they perform.

Section 4. Easements and Rights of Way for Service and Maintenance of Saddlewood Subdivision. The Foundation is hereby given the right to grant within the General Common Properties such easements and rights of way to such utility companies and public or private agencies or authorities as it shall deem necessary for the proper servicing and maintenance of the Property. No approval whatever need be obtained. The Foundation is also hereby given the right to grant rights-of-way over and across the General Common Properties to Lot Owners in the event that it is necessary or desirable to adjust or relocate private access drives.

Section 5. Notices. Any notice required to be sent to any Member or Lot Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as such Member or Lot Owner on the records of the Foundation at the time of such mailing.

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

THE NORTH 1/2 AND THE NORTH 1/2 SOUTH 1/2 OF SECTION 5, TOWNSHIP 8 SOUTH, RANGE 64 WEST OF THE 6TH PRINCIPAL MERIDIAN, ELBERT COUNTY, COLORADO, EXCEPTING THEREFROM A TRACT OF LAND IN THE NORTHWEST 1/4 OF SAID SECTION 5, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE NORTHWEST 1/4 OF SAID SECTION 5 AND CONSIDERING THE NORTH LINE OF THE NORTHWEST 1/4 TO BEAR SOUTH 89 DEGREES 53 MINUTES 15 SECONDS EAST WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO: THENCE SOUTH 89 DEGREES 53 MINUTES 15 SECONDS EAST ALONG THE NORTH LINE A DISTANCE OF 30.00 FEET; THENCE SOUTH 0 DEGREES 57 MINUTES 41 SECONDS WEST PARALLEL WITH THE WEST LINE OF THE NORTHWEST 1/4 A DISTANCE OF 30.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 0 DEGREES 57 MINUTES 41 SECONDS WEST AND PARALLEL WITH THE AFORESAID WEST LINE A DISTANCE OF 600.41 FEET; THENCE SOUTH 89 DEGREES 46 MINUTES 09 SECONDS EAST A DISTANCE OF 548.22 FEET; THENCE NORTH 2 DEGREES 25 MINUTES 05 SECONDS EAST A DISTANCE OF 601.97 FEET TO A POINT 30.00 FEET SOUTH OF THE NORTH LINE OF SAID SECTION 5; THENCE NORTH 89 DEGREES 53 MINUTES 15 SECONDS WEST ALONG A LINE PARALLEL AND 30.00 FEET SOUTH OF THE NORTH LINE OF THE NORTHWEST 1/4 OF SAID SECTION 5 A DISTANCE OF 563.54 FEET TO THE POINT OF BEGINNING.

LESS THOSE PORTIONS DEDICATED OR TO BE DEDICATED AS COUNTY ROADS.