

Receipt No. 255044 Date 11/18/84  
Elbert County Recorder,  
By Charles A. Kelly, Clerk  
DECLARATION

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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

