

DECLARATION

OF COVENANTS, CONDITIONS AND RESTRICTIONS DEC 5 12 52 PM '81

OF

LONE TREE FILING NO. 1

THIS DECLARATION is made on the date hereinafter set forth by The Block/Good Meadows Joint Venture, a Colorado joint venture, hereinafter referred to as "Declarant." -

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain real property in the County of Douglas, State of Colorado, which is more particularly described on the attached Exhibit A, which is incorporated herein by reference.

NOW THEREFORE, Declarant hereby declares that all of the properties described above shall be held, transferred, sold, occupied and conveyed, subject to the following easements, restrictions, covenants, uses 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 I

DEFINITIONS

Section 1. "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 an obligation.

Section 2. "Properties" shall mean and refer to that certain real property, hereinbefore described.

Section 3. "Lot" shall mean and refer to any parcel of real property designated as a lot on a recorded subdivision plat of the Properties.

Section 4. "Declarant" shall mean and refer to The Block/Good Meadows Joint Venture, a Colorado joint venture.

Section 5. "Committee" shall mean and refer to the architectural review committee referred to in Article III hereof.

ARTICLE II

USE RESTRICTIONS

Section 1. Residential Use. All Lots shall be used solely for residential purposes by the Owner, by the Owner's family or by the Owner's guests and tenants; provided however, during the period of construction on the Lots, the Declarant and its employees, representatives, agents and contractors may maintain construction and sales facilities on the Properties. No Lot shall contain more than one dwelling. All buildings erected on the Property shall be of new construction.

Section 2. Dwelling Area. The ground floor area of the main structure on a Lot, exclusive of one-story open porches and garages, shall be not less than 1,500 square feet for a one-story dwelling, nor less than 1,000 square feet for a dwelling of more than one-story. The main and top floors of trilevel structures, exclusive of open porches and garages, shall total not less than 1,000 square feet.

Section 3. Violation of Statute. Nothing shall be done on the Lots which would be in violation of any statute, rule, ordinance, regulation, permit or validly imposed requirement of any governmental body.

Section 4. Animals. No animals of any kind shall be raised, bred or kept on a Lot except household pets, provided that they are not kept, bred or maintained for any commercial

purpose and provided further that such household pets shall not exceed two of any type of animal for each site. Each pet's owner shall confine its pet for excretions to his own Lot. No Owner shall allow animal excretion to accumulate on his Lot. Pets constituting a nuisance may be required to be confined to the Owner's Lot by those entities or persons with rights of enforcement hereunder.

Section 5. Refuse Disposal. Unsightly objects or materials shall not be placed upon the exterior portions of a Lot. No part of a Lot may be used as a dumping ground for garbage, trash or other waste and the same shall be disposed of in a sanitary manner. All equipment for the storage or disposal of garbage, trash or waste shall be kept in a clean and sanitary condition. Garbage, trash or waste shall be disposed of on a regular basis and in a sanitary manner, and the burning of garbage, trash or waste in outside incinerators, barbecue pits or the like is prohibited. The Committee shall have the right to enter upon a Lot to remove any refuse piles or other unsightly objects and materials at the expense of the Owner, following due notice to such Owner and the failure of the Owner to comply with this Paragraph. Such entry shall not be deemed a trespass.

Section 6. Parking and Storage. At least one offstreet parking space shall be required for each residence. No campers or boats shall be parked on a driveway except for temporary parking of up to one week. No vehicles shall be allowed to remain on a driveway for longer than one month at a time unless such vehicles are stored within the garages. No maintenance of vehicles shall be performed on a driveway and no vehicles shall be placed on jackstands or blocks except on a temporary basis for emergency repair or in a garage.

Section 7. Structures on Roof. No air conditioning unit, evaporative cooler, radio, television antennae or other

object shall be placed upon the roof or fireplace chimney of any residence or building, or shall protrude from the ground higher than six (6) feet, except or unless such air conditioning unit or object and the design thereof is approved by the Committee. Notwithstanding the foregoing, any Owner may place solar energy collecting equipment on the roof of his residence, provided such equipment is solely for the use of the residence and not for commercial purposes and approved by the Committee.

Section 8. Unnatural Drainage. UNDER NO CIRCUMSTANCES SHALL THE DRAINAGE CHARACTERISTICS OF ANY LOT AS ESTABLISHED BY DECLARANT AND APPROVED BY GOVERNMENTAL AND MUNICIPAL AGENCIES BE ALTERED BY ANY OWNER OR HIS AGENTS DURING THE COURSE OF LANDSCAPING, SUBSEQUENT CONSTRUCTION WITHIN THE LOT OR EROSION THAT IS A DIRECT RESULT OF LACK OF LANDSCAPING OR MAINTENANCE. DRAINAGE SWALES, CHANNELS AND EASEMENTS ESTABLISHED BY DECLARANT SHALL NOT BE ALTERED, OBLITERATED OR BLOCKED BY AN OWNER OR HIS AGENT. THE ELEVATION OF A LOT SHALL NOT BE CHANGED SO AS TO MATERIALLY AFFECT THE SURFACE ELEVATION OR GRADE OF THE ADJACENT LOTS. EACH OWNER OR HIS AGENT IS RESPONSIBLE FOR MAINTAINING SUCH GRADES, SWALES AND EASEMENTS WITHIN HIS LOT ONCE THEY HAVE BEEN ESTABLISHED BY THE DECLARANT.

Section 9. Nuisance. Nothing shall be done or permitted on the Properties which may be or become an annoyance or nuisance to the subdivision development. No noxious or offensive activities or commercial business or trade shall be conducted upon any Lot. No Lot shall be used in whole or in part for the storage of any property or thing that will cause such Lot to appear in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing or material emit foul or obnoxious odors or that which will cause any noise that will or might disturb the peace, quiet, comfort or serenity of the occupants of surrounding property.

Section 10. Fences. No boundary fence shall be constructed with a height of more than six (6) feet and no boundary line hedge or shrubbery shall be permitted with a height of more than six (6) feet. The heights or elevations of any wall or fence shall be measured from the existing elevations of the property at or along the applicable points or lines. All fences must be of wood construction and must be approved by the Committee before construction thereof.

Section 11. Tanks, Drilling and Mining. No tanks of any kind may be erected, constructed, placed or permitted on any Lot. No oil or gas drilling or the extraction thereof or mining operations shall be permitted on any Lot. No Owner shall be permitted to drill a well intended for the extraction of water from the ground, nor construct a septic or sewage disposal system on any Lot. The Declarant shall install or cause to have installed water distribution and sewer collection lines to a point proximate to the property line of each Lot or in the roads adjacent thereto, and connection by the Owner to the facilities shall be mandatory.

Section 12. Signs. No sign of any character shall be displayed or placed upon any of the Lots in the properties except one professional sign of not more than five square feet in area per side advertising the property for sale, house numbers and occupant's name or signs used by a builder to advertise the property during any construction and sales period. All signs are subject to the approval of the Committee.

Section 13. Subdivision of Lots. None of the Lots shall at any time be divided, subdivided or resubdivided unless said division, subdivision or resubdivision is permitted under the regulations, codes and ordinances of the applicable governmental authorities and such division, subdivision or resubdivision is approved by the Committee. In the event of said division, all property thereunder shall be subject to all other provisions hereof.

Section 14. Landscaping. At the time of or as soon as reasonably possibly following construction of a residence on a Lot but not later than one (1) year following original purchase of the residence, the Lot shall be suitably landscaped with grass, shrubs and trees. Thereafter, an attractive, healthy, live and growing condition shall be maintained, and all dead or diseased grass areas, shrubs and trees shall be promptly removed and replaced with suitable replacement landscaping. Each Owner shall maintain the landscaping as approved by the Committee upon his Lot in good condition. An Owner shall remove weeds promptly and water and trim lawns and shrubs as often as the same shall become necessary, and otherwise remove waste materials from his Lot.

Section 15. Utility Lines. All electric, telephone, television, radio and other utility lines shall be placed underground when extended from the street or Lot line to any dwelling or other improvement on a Lot.

Section 16. Building Height. Maximum buildings heights shall not exceed 35' except chimneys. The designated maximum building height shall be considered as the vertical distance from the average finished ground level of the building site to the highest point of the structure directly above said ground level. The designated maximum building height requirements may be waived by the Committee when, in their opinion, such structures relate to sound architectural planning and land use, and conform to the overall design and pattern of the development and are approved by Douglas County.

ARTICLE III

ARCHITECTURAL CONTROL

Section 1. Committee Responsibilities. No building, fence, wall, accessory building, tennis court, swimming pool or other improvement or structure of any type or kind shall be

commenced, erected or maintained upon the Properties, nor shall any exterior change or alteration be made, including the painting thereof, until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by an architectural committee composed of three (3) or more representatives (the "Committee"). The original Committee shall consist of Willard B. Teller, David Mandarich and Howard Witkin and shall have the address of 5500 East Yale Avenue, Suite 200, Denver, Colorado 80222. The members of the Committee shall be appointed by the Declarant until a residence has been constructed on at least ninety percent (90%) of the Lots and such residence and Lot is transferred to a retail buyer, at which time two (2) of the members of the Committee shall resign and such vacancies shall be filled by a majority vote of the Owners. One year after such resignations, the remaining member of the Committee appointed by the Declarant shall resign and such vacancy shall be filled by a majority vote of the Owners. The members of the Committee shall thereafter be elected by a majority vote of the Owners. In the event the Architectural Committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. The Committee's approval of a building, fence, wall, or other structure does not prevent the Owner from being responsible for obtaining a building permit from the appropriate governmental authority.

Section 2. Variances. It shall remain the prerogative and in the jurisdiction of the Committee to review applications and grant approval for exceptions to this Declaration. Variations and deviations from these requirements and

restrictions shall be made at the sole discretion of the Committee.

ARTICLE IV

GENERAL PROVISIONS

Section 1. Enforcement. The Committee, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants and reservations now or hereafter imposed by the provisions of this Declaration. Failure by the Committee 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.

Section 2. Utility Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat of Lone Tree Filing No. 1. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may change the direction of flow or drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in the easements. The easement areas of each Lot and all improvements therein shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility company is responsible.

Section 3. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions hereof which shall remain in full force and effect.

Section 4. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term or twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may

be amended by an instrument signed by not less than ninety percent (90%) of the Lot Owners. Any amendment must be recorded.

Section 5. Arbitration Required For Any Claim

Hereunder. Except as otherwise herein provided, any controversy or claim arising out of or relating to this Declaration, or the breach thereof, shall be settled by arbitration in the State of Colorado, in accordance with the Rules of the American Arbitration Association, and judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction hereof; provided, however, that this paragraph shall have no applicability to any remedies available to a mortgagee under Colorado law or to remedies or foreclosure of a lien with respect thereto.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 2nd day of December, 19 81.

THE BLOCK/GOOD MEADOWS JOINT VENTURE, a Colorado joint venture

By: BLOCK BROS. DEVELOPMENTS (COLORADO) INC., a Colorado corporation, joint venturer

By:  Title PRESIDENT

By: WEST MEADOWS PARTNERSHIP, a Colorado limited partnership, joint venturer.

By: CARIBOU PARTNERS, a Colorado general partnership, General Partner

By: PENGUIN SUPPORT TRUST, a Partner

By:  James S. Mandel, Trustee

The individual executing this instrument has executed same solely as Trustee, and not individually, and nothing herein contained shall impose any obligation or liability on such Trustee, such obligations and liabilities being limited solely to the assets of such Trust

STATE OF Colorado)
City & COUNTY OF Denver)

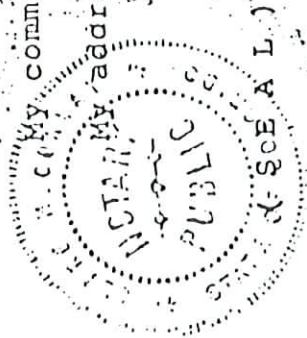
ss.

The foregoing instrument was acknowledged before me this 19th day of November, 1981, by JAMES A. WALTON as PRESIDENT OF BLOCK BROS. DEVELOPMENTS (COLORADO) INC., a Colorado corporation, joint venturer of THE BLOCK/GOOD MEADOWS JOINT VENTURE, a Colorado joint venture.

Witness my hand and official seal.

My commission expires: 10/21/85

My address is: 5500 E. Yale Ave
Denver, Co. 80222



Clara M. Conway
Notary Public

STATE OF COLORADO)
CITY & COUNTY OF DENVER)

ss.

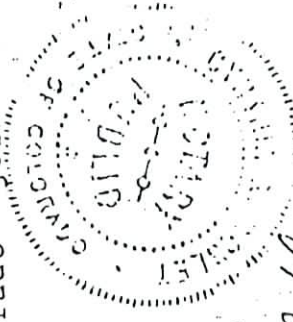
The foregoing instrument was acknowledged before me this 3rd day of December, 1981, by James S. Mandel, Trustee of PENGUIN SUPPORT TRUST, a Partner of CARIBOU PARTNERS, a Colorado general partnership, General Partner of WEST MEADOWS PARTNERSHIP, a Colorado limited partnership, joint venturer of THE BLOCK/GOOD MEADOWS JOINT VENTURE, a Colorado joint venture.

Witness my hand and official seal.

My commission expires:

My Commission Expires Jan 13, 1983
410 Seventeenth Street, Suite 1800
Denver, Colorado 80202

My address is:



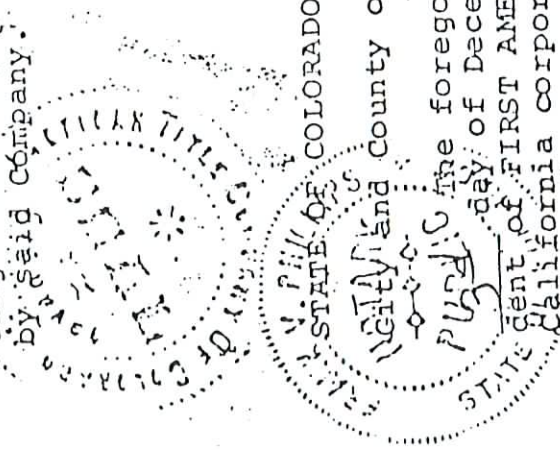
Cynthia A. Mobley
Notary Public

(S E A L)

FIRST AMERICAN TITLE INSURANCE COMPANY, TRUSTEE, a California corporation, hereby joins in the execution of this Declaration of Covenants, Conditions and Restrictions for the purpose of submitting hereto all of the real property subject hereto which is owned by said Company.

FIRST AMERICAN TITLE INSURANCE COMPANY,
TRUSTEE, a California corporation

By: Harry L. Paulsen
Harry L. Paulsen, Vice President



the foregoing instrument was acknowledged before me this 25th day of December, 1981, by Harry L. Paulsen as Vice President of FIRST AMERICAN TITLE INSURANCE COMPANY, TRUSTEE, a California corporation.

Witness my hand and official seal.

My commission expires: JANUARY 25, 1984

My address is:

115 WILCOX ST.
CASTLE ROCK CO.
80104

Paula V. Chudy
Notary Public

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EXHIBIT A

Lots 1-18, inclusive, Block 1; Lots 1-46, inclusive, Block 2;
Lots 1-34, inclusive, Block 3; Lots 1-4, inclusive, Block 4;
Lots 1-30, inclusive, Block 5; Lots 1-15, inclusive, Block 6;
Lots 1-20, inclusive, Block 7; Lots 1-30, inclusive, Block 8;
Lots 1-29, inclusive, Block 9; Lots 1-7, inclusive, Block 10;
Lots 1-46, inclusive, Block 11; LONE TREE FILING NO. 1,
County of Douglas, State of Colorado.