

DECLARATION

of

Conditions, Covenants, Restrictions and Easements

for

MOUNTAIN SHADOWS

Filing No. 2

54.01

Ridge Development Co., Ltd., a Colorado limited partnership (called "Declarant" in this Declaration), is the sole owner of property described as follows:

All of Mountain Shadows Filing No. 2 according to the plat thereof recorded in El Paso County, Colorado. This land is called the "Subdivision" and individual lots designated by the recorded plat are called "Lots".

Declarant desires to place protective covenants, conditions, restrictions, reservations, liens and charges upon the Subdivision to protect the Subdivision's quality residential living environment and also to protect its desirability, attractiveness and value. Consequently, the Subdivision is hereby subjected to the following easements, covenants, restrictions and conditions (collectively referred to as "Covenants"), all of which shall run with the Subdivision and shall be binding upon all parties having or acquiring any rights, title or interest in it or any part thereof, and shall inure to the benefit of each owner thereof.

ARTICLE I

COVENANTS TO PRESERVE THE RESIDENTIAL CHARACTER OF THE SUBDIVISION

Section 101. Property Uses. All lots and building sites in the Subdivision shall be used exclusively for private residential purposes. No dwelling erected or maintained within the Subdivision shall be used or occupied for any purpose other than for a single family dwelling. No business, profession or other activity conducted for gain shall be carried on or within any lot or building site, except as provided in section 107.

Section 102. Structures. No structure shall be erected within the Subdivision except single family dwellings and those accessory buildings and accessory structures which have been approved by the Approving Authority. No structure other than a dwelling, no accessory building other than a guest house or servants' quarters, no trailer, tent or other similar or dissimilar temporary quarters may be used for living purposes. No other structure may be placed on any building site before completion of the dwelling upon such building site except with the permission of the Approving Authority.

Section 103. Construction Type. All construction shall be new. No building previously used at another location nor any building or structure originally constructed as a mobile dwelling or structure may be moved onto a lot or building site except as expressly hereinafter provided for temporary buildings.

Lot 1, Block 1
Lots 1 through 6, Block 2
Lots 1 and 28, Block 4

(b) Terms of Restriction. All persons or entities having any interest in any of the Restricted Lots are required to and shall arrange and maintain any drives, dwellings or other structures so that ingress and egress to and from their Lots is exclusively from a publicly dedicated street other than Flying W Ranch Road or, for Lots 2 through 5, Block 2, by means of one of the adjacent common driveways located as shown on the Map attached hereto. The Owners of Lots 2 through 5, Block 2 shall have an easement over each others Lot to utilize the adjacent common driveways as shown on the Map.

Section 112. Installation of Retaining Wall or Fence. On each of the Restricted Lots Declarant reserves the right to construct a retaining wall or fence and to install and landscape the public planting area between the wall or fence and the street. In addition, Declarant will have the right to construct a screening fence along the rear lot lines of Lots 1 through 6, and 9 through 15, inclusive, Block 1.

Section 113. Retaining Wall and Landscaping Maintenance. The Owner of the adjacent lot shall maintain, in good condition, the portion of the retaining wall or fence and landscaping referred to in Section 112 (these are called "Declarant Improvements") located on and/or immediately adjacent to their Lots (including watering and replacing any dead landscaping). If such maintenance is not properly performed, Declarant also has the right (but not the obligation) to enter any Lot which is subject to this easement and perform this maintenance at Declarant's expense. Except in cases of emergency, Due Notice will be given to Owners of these Lots prior to any such entry and maintenance by Declarant. The party performing the maintenance shall not be liable for any loss, costs or damages to any Owner of a lot on account of its performance of such maintenance, except for any such loss, cost or damage caused by gross negligence or willful misconduct. Once the Declarant Improvements have been installed, no modifications shall be made to them without the prior approval of the Approving Authority, and the Approving Authority may require Owners of the affected lots to perform maintenance in such a way as to preserve the uniform and harmonious visual appearance of the Declarant Improvements.

ARTICLE II

DENSITY, SETBACK AND QUALITY STANDARDS

Section 201. Resubdivision. No more than one dwelling shall be erected or maintained within any lot or the combination of two or more lots or portions thereof as approved by the Approving Authority and aggregating not less than 9,000 square feet.

Section 202. Setback Areas.

(a) Generally. Except with approval of the Approving Authority no building, porch, eave, overhang, projection or other part of a building shall be located within twenty-five feet of a front lot line, within five feet of a side lot line or within twenty-five feet of a side lot line adjoining a street and within twenty-five feet of a rear lot line. The Approving Authority's approval may be given (a) for fireescape projections integral with the building; (b) for eaves and overhangs; (c) for construction which extends less than five feet

high shall be installed closer to an adjoining street than the dwelling or any other building located on the lot.

Section 211. Chimneys. All fireplaces, chimneys, barbecues or other devices for open flames will be equipped with a spark arresting screen or other similar device acceptable to the Approving Authority.

ARTICLE III

LIVING ENVIRONMENT STANDARDS

Section 301. Building and Grounds Conditions. Each Owner shall prevent the development of any unclear, unsightly or unkempt conditions of buildings or grounds on his lot which tends to substantially decrease the beauty of the neighborhood as a whole or in the specific area. No building material shall be stored on any lot, except temporarily during continuous construction of a building, unless enclosed out of view in a service yard or within a building.

Section 302. Garage Doors. Garage doors shall be kept closed except when being used to permit ingress or egress to or from the garage.

Section 303. Maintenance Equipment. All maintenance equipment shall be stored in an enclosed structure or otherwise adequately screened so as not to be visible from neighboring property or adjoining streets.

Section 304. Clotheslines. All outdoor clothespoles, clotheslines and other facilities for drying or airing of clothing or household goods shall be placed or screened by fence or shrubbery so as not to be visible from neighboring property or adjacent streets.

Section 305. Refuse. No ashes, trash, rubbish, garbage, grass or shrub clippings, scrap material or other refuse, or receptacles or containers therefor, shall be stored, accumulated or deposited outside or so as to be visible from neighboring property or street, except during refuse collections.

Section 306. Nuisances. No noxious or offensive activity shall be carried on upon any lot or anything done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the neighborhood. No offensive or hazardous activity shall be carried on on any lot or in any living unit. No annoying lights, sounds or odors shall be permitted to emanate from any living units.

Section 307. Sound Devices. No exterior speakers, horns, whistles, bells or other sound devices except security devices used exclusively for security purposes shall be located, used or placed on any structure or within any building site.

Section 308. Landscaping. Within six months after completion of a dwelling or within any extension of that period granted by the Approving Authority, all yards and open spaces shall be landscaped according to a landscaping plan previously approved by the Approving Authority. In determining whether to approve a proposed landscaping plan, consideration will be given to preservation of natural trees and vegetation, the extent to which landscaping harmonizes with the natural vegetation and the replacement of native vegetation which is unavoidably damaged or destroyed during construction. Landscaping along lots adjacent to Flying W Ranch Road must also be compatible with adjoining lots so as to present a pleasing and harmonious appearance from that road. The Owners' responsibility for landscaping shall also

(b) one sign of customary size for identification of the occupant and address of any dwelling;

(c) multiple signs for information, sale, administration and directional purposes installed by, or with the permission of Declarant during development and sales of lots and project identification signs installed by Declarant;

(d) signs as may be necessary to advise of rules and regulations or to caution or warn of danger;

(f) such signs as may be required by law.

Except for permitted signs, there shall not be used or displayed on any lot or structure any signs or any banners, streamers, in flags, lights or other devices calculated to attract attention in aid of sale or rental. All permitted signs must be professionally painted, lettered and constructed.

Section 317. Mailboxes. Freestanding mailboxes will be of a design approved by the Approving Authority.

Section 318. Solar Collectors. Solar collectors or other devices are permitted so long as they are designed and installed to blend in with the overall architecture of other improvements on the lot. Any roof or wall-mounted collectors or solar devices must be built-in to the roof or wall, be flush with, and of the same pitch as, the adjacent portions of the building, and be architecturally compatible with the building upon which they are affixed. Ground level freestanding solar collectors or devices will be permitted so long as they are designed or screened in a manner accepted by the Approving Authority so as to be visually compatible with the buildings and landscaping on the lot involved. Plans for any such solar or other devices must be submitted to the Approving Authority for its review.

ARTICLE IV

ARCHITECTURAL CONTROL

Section 401. Building Approval. No structure shall be commenced, erected, placed, moved onto a lot, permitted to remain on any lot or altered in any way so as to materially change the lot's previously existing exterior appearance, except in accordance with plans, specifications and other information submitted to the Approving Authority and approved by the Approving Authority no later than one year before start of the construction, alteration or installation. Matters which require the approval of the Approving Authority include but are not limited to the exterior appearance, material, color, height and location of each structure, covering, drive, walk and fence, and grading of site. In granting or withholding approval, the Approving Authority shall consider among other things: the adequacy of the external for their intended use, the harmonization of the materials appearance with the surroundings, the proper relation of the structure or covering to the environment and to surrounding uses, the degree to which the proposed sighting preserves existing natural vegetation, the degree, if any, to which the proposed structure or covering will cause intrusions of sound, light or other effect on neighboring sites beyond those reasonably to be expected in a quality urban residential area from considerable neighbors.

Section 402. Plans Submissions. All plans, samples and other materials to be submitted to the Approving Authority shall be submitted in duplicate. The minimum scale of these plans shall be one-twentieth inch equals one foot. The plot plan

(vi) the variance will be in harmony with the spirit and purpose of these Covenants;

(vii) the circumstances leading the applicant to seek a variance are unique to the lot or building site or its Owner and are not applicable generally to lots in the Subdivision or their Owners.

(d) If the Approving Authority denies the request for a variance, the applicant may request a meeting of the Owners be held to reconsider the denial. In this case, the Approving Authority shall call a meeting of Owners of Lots in the Subdivision, to be held at the Approving Authority's principal office, notice of which meeting shall be given to the Owners at least ten days in advance, at which meeting all Owners shall have an opportunity to appear and express their views. Whether or not anyone appears at the meeting in support of or in opposition to the application for a variance, the Approving Authority shall within one week after the meeting either grant or confirm its denial of the variance. The decision to grant or deny the variance shall always rest with the Approving Authority.

(e) If a variance is denied, another application for a substantially similar variance for the same lot or building site may not be made for a period of one year after submittal of the original request.

ARTICLE V

APPROVING AUTHORITY

Section 501. Composition of the Approving Authority. The Approving Authority shall consist of three individuals. The Declarant reserves the right, until December 31, 1990, to appoint all members of the Approving Authority. Thereafter, the Owners of lots within the subdivision may, by majority vote, change the membership of the Approving Authority, so long as the members of the Approving Authority so appointed are all Owners of lots within the Subdivision. Whenever a member shall be deceased or unwilling or unqualified to act, the remaining members of the Approving Authority shall appoint an Owner of a lot within the Subdivision as a member of the Approving Authority so as to fill the existing vacancies, except until December 31, 1990, any such vacancy may be filled by Declarant. Any residents appointed to the Approving Authority by Declarant may be removed and replaced by the record Owners of a majority of lots in the Subdivision. Any appointment, removal or replacement of residents as members of the Approving Authority shall be by written instrument signed and acknowledged by Declarant or other person or persons above authorized to make appointment, removal or replacement and filed for record with the Clerk and Recorder of the County of El Paso, State of Colorado.

Section 502. Delivery of Items. Any item required or permitted to be delivered to the Approving Authority shall be deemed properly delivered when actually received by the Approving Authority at such address as it may from time to time designate.

Section 503. Liability. Members of the Approving Authority shall not be liable to any party whatsoever for any act or omission unless the act or omission is in bad faith and amounts to fraud.

which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel upon or across any lot.

(l) The Subdivision. The area subdivided as Mountain Shadows Filing No. 2 according to the plat recorded in the office of the Clerk and Recorder of the County of El Paso and State of Colorado.

(m) Enumerations Inclusive. A designation which describes parcels or other things as from one number, letter or other designation to another includes both such numbers, letters or other designations and all in between.

(n) Gender and Number. Whenever the context permits, Owner or Owners shall be deemed to refer equally to persons of both sexes and to corporations, singular to include plural and plural to include singular.

(o) Due Notice. Due Notice means written notice delivered in accordance with the requirements of these Covenants at least ten days prior to the action required by the notice.

Section 602. Captions. Captions, titles and headings in these Covenants are for convenience only and do not expand or limit the meaning of the section and shall not be taken into account in construing the section.

Section 603. Approving Authority Resolves Questions of Construction. If any doubt or questions shall arise concerning the true intent and meaning of any of these Covenants, the Approving Authority shall determine the proper construction of the provision in question and shall set forth in written instrument duly acknowledged by the Approving Authority and filed for record with the Clerk and Recorder of El Paso County, the meaning, effect and application of the provision. This definition will thereafter be binding on all parties so long as it is not arbitrary or capricious. Matters of interpretation involving Declarant shall not be subject to this Section 603.

Section 604. Covenants Run With the Land. These Covenants shall run with the land and shall inure to and be binding on each lot and upon each person or entity hereafter acquiring ownership or any right, title and interest in any lot in the Subdivision.

Section 605. Covenants are Cumulative. Each of these Covenants is cumulative and independent and is to be construed without reference to any other provisions dealing with the same subject matter or imposing similar or dissimilar restrictions. A provision shall be fully enforceable although it may prohibit an act or omission sanctioned or permitted by another provision.

Section 606. Waivers. Except as these Covenants may be amended or terminated in the manner hereinafter set forth, they may not be waived, modified or terminated and a failure to enforce shall not constitute a waiver or impair the effectlieness or enforceability of these Covenants. Every person bound by these Covenants is deemed to recognize and agree that it is not the intent of these Covenants to require constant, harsh or literal enforcement of them as a requisite of their continuing vitality and that leniency or neglect in their enforcement shall not in any way invalidate these Covenants or any part of them, and nor operate as an impediment to their subsequent enforcement and each such person agrees not to plead as a defence in any civil action to enforce these Covenants that these Covenants have been

Section 612. Severability. If any of these Covenants shall be held invalid or become unenforceable, the other Covenants shall not be affected or impaired but shall remain in full force and effect.

Section 613. Action in Writing. Notices, approval, consents, applications and other action provided for or contemplated by these Covenants shall be in writing and shall be signed on behalf of the party who originates the notice, approval, consent, applications or other action.

Section 614. Notices. Any writing described in Section 613, including but not limited to any communication from the Approving Authority to an Owner, shall be sufficiently served if delivered by mail or otherwise: (a) to the dwelling situate on the lot owned by that Owner; or (b) if there is no dwelling, then to the address furnished by the Owner to the Approving Authority and if the Owner has not furnished an address, then to the most recent address of which the Approving Authority has a record.

Section 615. VA/FHA Approval. Declarant reserves the right to amend this Declaration as may be required in order to obtain VA or FHA approval of the Subdivision.

IN WITNESS WHEREOF, Declarant has executed this Declaration this 10th day of June, 1983.

DECLARANT:

Ridge Development Co., Ltd.

By: C-M-H Developers, Inc.,
General Partner

By: C. Michael Hausman, President



By: Jane Trinklein
Secretary
(Corporate Seal)

STATE OF COLORADO)
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 10th day of June, 1983 by C. Michael Hausman as President and by Jane Trinklein as Secretary, respectively, of C-M-H Developers, Inc., General Partner of Ridge Development Co., Ltd., Declarant.

Witness my hand and official seal.

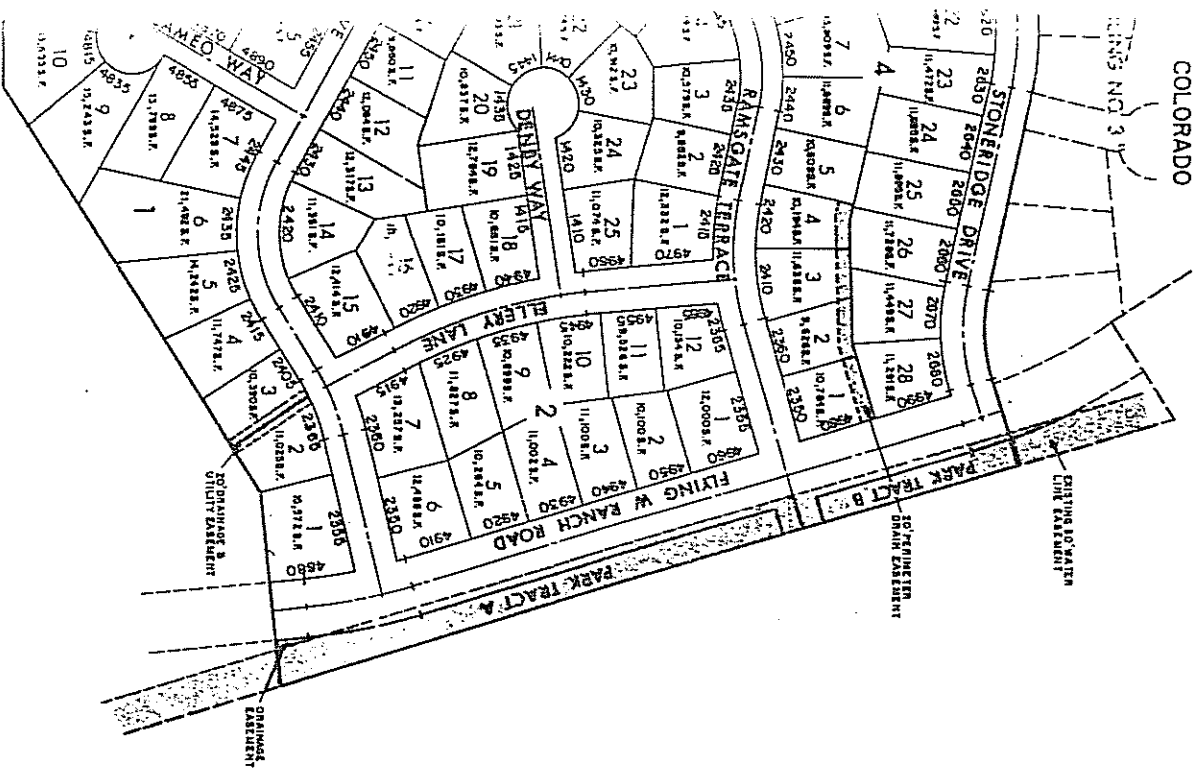
My commission expires 9-13-83



[Signature]
Notary Public
Address of Notary:
1717 Alexander Cir
Pueblo Colo 81001

SHADOWS FILING NO. 2

CITY OF COLORADO SPRINGS
EL PASO COUNTY
COLORADO



OWNER'S FILING NO. 1"

Exhibit A

LEIGH WHITEHEAD & ASSOCIATES
 Consulting Engineers & Surveyors
 3 Wall 1st Floor
 COLORADO SPRINGS, COLORADO 80903
 Phone (303) 636-5179

096013965

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ANDIS W. SCHMITT
EL PASO COUNTY RECORDS

BOOK 6814
PAGE 159

ASSIGNMENT AND ASSUMPTION OF RIGHTS
AND OBLIGATIONS AND SUBSTITUTION OF DECLARANT

THIS ASSIGNMENT OF RIGHTS AND OBLIGATIONS AND SUBSTITUTION OF DECLARANT ("Agreement") is entered into as of this 31st day of January, 1996 by and between RIDGE DEVELOPMENT CO., Ltd., a Colorado limited partnership and RIDGE SUBDIVISIONS LLC, a Colorado limited liability company (collectively "Assignor") and UTE VALLEY LLC, a Colorado limited liability company and WESTSIDE LLC, a Colorado limited liability company ("Assignee") with respect to the following:

RECITALS

A. Assignor is the "Declarant" under those certain covenants, conditions and restrictions recorded in the real property records of El Paso County, Colorado and more particularly set forth on Exhibit "A" attached hereto and incorporated herein by this reference (the "CC&Rs");

B. Assignor and Nine Oaks LLC, a Colorado limited liability company, collectively as "Sellers" hereunder, and Schuck Communities, Inc., a Colorado corporation as "Buyer" hereunder, entered into that certain "Purchase Agreement" dated as of January 29, 1996 (the "Purchase Agreement"), pursuant to which Sellers agreed to sell to Buyer, and Buyer agreed to purchase from Sellers, certain real property more particularly defined in the Purchase Agreement as the "Property," all as more particularly set forth therein;

C. In connection with the transfer of the Property pursuant to the Purchase Agreement, Assignor, among other things, agreed to assign all of its rights and obligations as "Declarant" under the CC&Rs, and Assignee agreed to assume all of Assignor's rights and obligations as "Declarant" under the CC&Rs, and Assignor and Assignee are now entering into this Agreement to evidence and effect the same.

AGREEMENT

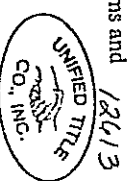
NOW, THEREFORE, in consideration of the mutual promises, representations and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

1. Assignment and Assumption of Rights and Obligations as Declarant:

Substitution of Declarant. Subject to the terms and conditions of this Agreement, Assignor hereby assigns to Assignee all of its rights, title, interest and obligations as "Declarant" under the CC&Rs to Assignee, and Assignee hereby assumes all rights, title, interest and obligations as "Declarant" under the CC&Rs, which assignment and assumption shall be effective as of the Closing under the Purchase Agreement (the "Effective Date"). Assignee hereby covenants and agrees that it shall comply in all respects with all of the obligations of "Declarant" set forth in the CC&Rs, and hereby further agrees and hereby does protect, defend, indemnify and hold Assignor harmless from and against any and all loss, costs, damages, expenses, liabilities, claims or lawsuits arising from, associated with or otherwise in any way related to the CC&Rs or Assignee's fulfillment of any or all such obligations as "Declarant" hereunder. Assignee is hereby substituted in full as the "Declarant" under the CC&Rs, all as if Assignee had been the original entity designated as "Declarant" under the CC&Rs, and all references to "Declarant" hereunder shall, from and after the Effective Date, be deemed to refer to Assignee.

2. Assignee's Review of CC&Rs. Assignee hereby understands, acknowledges and agrees that it has had full and ample opportunity to review the CC&Rs, and to satisfy itself as to (i) the assignability of Assignor's position as "Declarant" hereunder, (ii) any and all requisite consents necessary for the effectiveness of such an assignment and assumption of Assignor's position as "Declarant" hereunder, and (iii) as to the rights and obligations to be obtained and required hereunder following such assignment. Assignee hereby confirms that it is assuming such position as "Declarant" on the basis of its own independent review of the terms and

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IN WITNESS WHEREOF, Assignor and Assignee have executed this Agreement as of
the date first above written.

ASSIGNOR:

RIDGE DEVELOPMENT CO., Ltd., a
Colorado limited partnership

By: T-E-H Developers, Inc., a
Colorado corporation, as
General Partner

By: Thomas E. Hausman
Thomas E. Hausman, President

RIDGE SUBDIVISIONS LLC, a
Colorado limited liability company

By: T-E-H Developers, Inc., a
Colorado corporation, as
Manager

By: Thomas E. Hausman
Thomas E. Hausman, President

ASSIGNEE:

UTE VALLEY LLC, a Colorado limited liability
company by Schuck Communities, Inc., a
Colo. corp., MGA.

By: Michael Schuck
Is: Michael Schuck

WESTSIDE LCC, a Colorado limited liability
company by Schuck Communities, Inc., a
Colo. corp., MGA.

By: Michael Schuck
Is: Michael Schuck

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 31st day of March, 1996, by William J. Standa as President & Chief Executive Officer of WESTSIDE, LLC, a Colorado limited liability company on behalf of such company Lawrence

Witness my hand and official seal.

My commission expires: 10-14-97.

Glenn Louise Meany
Notary Public



COVENANTS

- 4a) Mountain Shadows Filing #2 Book 3737 - Page 714
- 4b) Mountain Shadows Filing #3 Book 3737 - Page 729
- 4c) Mountain Shadows Filing #4 Book 3872 - Page 342
- 4d) Mountain Shadows Filing #5 Book 5135 - Page 0409
Book 5357 - Page 999
Book 5781 - Page 974
- 4e) Mountain Shadows Filing #6 Book 3933 - Page 1252
- 4f) Mountain Shadows Filing #7 Book 5357 - Page 999
- 4g) Mountain Shadows Filing #8 Book 5081 - Page 1158
Book 5155 - Page 752
Book 5211 - Page 1368
- 4h) Mountain Shadows Filing #9 Book 5203 - Page 0921
- 4i) Mountain Shadows Filing #10 Book 5296 - Page 1223
Book 5670 - Page 0780
- 4j) Mountain Shadows Filing #11 Book 5393 - Page 957
- 4k) Mountain Shadows Filing #12 Book 5437 - Page 1430
Book 5503 - Page 564
- 4l) Mountain Shadows Filing #14 Book 5838 - Page 1216
- 4lm) Mountain Shadows Filing #15 Book 5545 - Page 887
Book 5840 - Page 1383
- 4n) Mountain Shadows Filing #16 Book 5464 - Page 1343
- 4o) Mountain Shadows Filing #17 Book 5615 - Page 234
Book 5605 - Page 374
- 4p) Mountain Shadows Filing #18 Book 5880 - Page 483
- 4q) Mountain Shadows Filing #19 Book 5742 - Page 486
- 4r) Mountain Shadows Filing #20 Book 5838 - Page 1232
Book 6353 - Page 1210
- 4s) Mountain Shadows Filing #21 Book 5950 - Page 837
- 4t) Mountain Shadows Filing #22 Book 6257 - Page 1483
- 4u) Mountain Shadows Filing #23 Book 5950 - Page 857