

***MASTER DECLARATION
FOR
BRIGHTON CROSSING***

***A Master-Planned Community
located in the City of Brighton, Adams County, Colorado***

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MASTER DECLARATION FOR BRIGHTON CROSSING

THIS MASTER DECLARATION FOR BRIGHTON CROSSING is made on the date hereinafter set forth by CARMA COLORADO, INC., a Nevada corporation, with offices at 9110 E. Nichols Ave., Suite 180, Englewood, Colorado 80112 ("Carma").

RECITALS

A. Carma is the owner of certain real property located in the City of Brighton, Adams County, Colorado, which is more particularly described on Exhibit A attached hereto and incorporated herein by this reference.

B. Carma desires to encumber said real property with the covenants, conditions, restrictions and easements set forth in this Declaration.

C. Carma has caused the Brighton Crossing Master Association, Inc., a nonprofit corporation, to be incorporated under the laws of the State of Colorado for the purpose of exercising the functions to be exercised by the Association as set forth in this Declaration.

D. Whereas, the covenants do create a common interest community as defined in by the Colorado Common Interest Community Act at C.R.S. § 38-33.3-103(8), the limitation on the amount of Common Assessment as set forth in Section 7.5 satisfies the requirements for exemption of the Community from the Colorado Common Interest Ownership Act in accordance with C.R.S. §38-33.3-116.

ARTICLE 1

SUBMISSION OF REAL ESTATE; DEFINED TERMS

Section 1.1 Submission of Real Estate. Declarant, as the owner in fee simple of the real estate described on Exhibit A, hereby submits the real estate, together with all appurtenant rights and easements and the buildings and improvements constructed or to be constructed thereon, together with such additional real property as may now or hereafter be made subject to this Declaration (collectively, the "Real Estate") to the terms and provisions of this Declaration, as the same may be amended from time to time. Declarant further declares that all of the Real Estate shall be held, sold, and conveyed subject to the following easements, covenants, conditions and restrictions, which are for the purpose of protecting the value and desirability of, and which shall run with the Real Estate and shall be binding on all parties having any right, title or interest in the Real Estate or any part thereof, and their respective heirs, legal representatives, successors, and assigns, and shall inure to the benefit of each Owner.

Section 1.2 Defined Terms. For purposes of this Declaration, the following terms and phrases shall have the definitions indicated in this Section 1.2.

Allocated Interests. The Common Expense liability and votes in the Association allocated to each Unit pursuant to the terms of this Declaration.

Articles of Incorporation. The Articles of Incorporation for the Brighton Crossing Master Association, Inc., a Colorado nonprofit corporation, as the same may be amended from time to time.

Assessments. Collectively, Common Expense Assessments and Default Assessments.

Association. The Brighton Crossing Master Association, Inc., a Colorado nonprofit corporation, its successors and assigns.

Bylaws. The Bylaws of the Association as the same may be amended from time to time.

Common Areas. All real and personal property which the Association owns or leases, or in which the Association otherwise holds possessory or use rights for the common use and enjoyment of the Owners, and all areas and facilities within the Community that are intended for the common use and enjoyment of the Owners. The Common Areas may be owned by the Association or by one of the Districts. Without limiting the generality of the foregoing, the "Common Areas" shall include all parks and open spaces within the Community which are dedicated for maintenance to the City of Brighton or to one of the Districts, and shall include any related recreational facilities that may be constructed by Declarant.

Common Expenses. All expenditures made and all liabilities incurred by or on behalf of the Association, together with any allocation to reserves. Default Assessments shall not be deemed to be Common Expenses for purposes of this Declaration.

Common Expense Assessment(s). Assessments made by the Association to the Owners for the Common Expenses, which shall include, without limitation, the following items levied against a particular Owner or Unit: (i) each Owner's allocated share of the Common Expenses, and (ii) each owner's share of any Special Assessments.

Community. The real estate development to be established and developed on the Real Estate, which will be known by the name of Brighton Crossing, or by such other or additional name or names as Declarant may determine.

Covenants. Collectively, all agreements, restrictions, reservations, conditions, terms, easements, and rights-of-way set forth or referenced in this Declaration or otherwise set forth in the Governing Documents, as the same may be adopted and amended from time to time.

Declarant. Carma Colorado, Inc., a Nevada corporation ("Carma"), and any Person or group of Persons which succeeds to all or any portion of the rights and/or duties of Carma or of any successor to Carma duly designated in accordance with this

definition. Any such successor must be so identified by means of an express written assignment executed and acknowledged by Carma or a duly designated successor Declarant and recorded in the real property records of Adams County, Colorado.

Declaration. This Declaration, and any and all duly executed amendments, supplements, or additions to this Declaration recorded in the real property records of Adams County, Colorado, including any maps or subdivision plats from time to time relating to the Real Estate which are recorded in the real property records of Adams County, Colorado.

Default Assessments. Collectively, (i) all late charges, fines, and default interest, at a rate or in an amount determined by the Executive Board, and all costs and attorneys' fees charged by the Association against an Owner who fails to pay his or her share of the Common Expenses in a timely manner; and (ii) all charges imposed against a particular Owner and his or her Unit for the purpose of reimbursing the Association for expenditures and other costs of the Association in curing any violation of the Governing Documents by an Owner or his or her Related Users.

Delegate. The natural person selected by Owners within a Delegate District pursuant to Section 4.5 below to represent such Delegate District and to cast votes on behalf of the Owners within such Delegate District as provided in this Declaration.

Delegate District. A geographical area which may constitute any portion or portions of the Real Estate and from which all Owners in that geographic area shall elect a single Delegate to represent their collective voting power, as further provided in Article 4 below. Parts of a Delegate District need not be contiguous.

Design Guidelines. Collectively, all written design and development guidelines, policies, application and review procedures and fee schedules, and all architectural controls which shall apply to all construction and other improvement activities within the Real Estate, that are enacted by the Design Review Committee in accordance with this Declaration.

Design Review Committee. The Committee created by the Declarant for the purpose of establishing architectural control over the Community to insure the proper, appropriate and harmonious development and improvement of the Community, including enforcing Design Guidelines, Owner's maintenance responsibilities and other provisions of the Governing Documents.

Districts. Bromley Park Metropolitan District No. 4, and any other metropolitan, special improvement or other type of special district organized for the purpose of serving the needs of all or any portion of the Community.

Executive Board. The board of directors of the Association, as the same may be constituted from time to time in accordance with this Declaration, the Articles of Incorporation and the Bylaws.

Expansion Property. The real property described in Exhibit C attached hereto and incorporated herein by this reference, and such other real property as Declarant may, at any time in the future, submit to the terms of this Declaration. Declarant shall have no obligation to submit all or any part of the Expansion Property to the terms of this Declaration, and no such obligation may be implied or imposed.

First Mortgage. A mortgage or deed of trust, or any other form of security instrument affecting title to a Unit (collectively, a "Mortgage"), which is subject only to governmental liens, the lien for real property taxes, and any other liens made senior to such First Mortgage by Colorado law.

First Mortgagee. A bank, savings and loan association, insurance company, real estate mortgage investment trust, pension fund, mortgage banker, agency of the United States Government, the Federal National Mortgage Association ("FNMA"), the Federal Home Loan Mortgage Corporation ("FHLMC") or any other Person, including without limitation Declarant, which holds a First Mortgage.

Governing Documents. Collectively, the documents which govern the operation of the Association and the Community, including without limitation the following: (a) the Articles of Incorporation; (b) the Bylaws; (c) the Rules and Regulations; (d) the Design Guidelines; (e) the Plats; (f) this Declaration, and (g) any other documents adopted by the Association in accordance with this Declaration, the Articles of Incorporation and/or the Bylaws to govern the affairs of the Association, as any of the foregoing may be amended from time to time. Each and every provision of the Governing Documents shall be given the force and effect as if set forth in this Declaration. However, if there is any inconsistency between the provisions of this Declaration and the provisions of any of the other Governing Documents, the provisions of this Declaration shall govern and control.

Owner. Any Person or Persons who hold the fee title to any Unit, as determined from the real property records of Adams County, Colorado, at the time in question.

Participating Builder. Any Person designated which acquires fee title to a portion of the Real Estate for the purpose of constructing improvements thereon for resale to the general public and who or which is designated by Declarant as a Participating Builder. All Participating Builders are also Owners.

Person. A natural person, corporation, partnership, association, trust, or any other entity or combination of entities.

Plats. Collectively, all final subdivision plats or other documents which subdivide any portion of the Real Estate into single family lots, condominium units or which otherwise subdivide a portion of the Real Estate, as the same appear from time to time in the real property records of Adams County, Colorado. The term "Plat" shall mean and refer to any one of such Plats.

Real Estate. The real property described in Exhibit A attached hereto and all additional real property that is now subject to this Declaration or that is hereafter made subject to this Declaration, together with all appurtenant rights and easements and all buildings and improvements constructed or to be constructed thereon.

Related User. Any person who: (a) resides with an Owner within a Unit; (b) is a guest or invitee of an Owner; (c) is an occupant or tenant of a Unit; or (d) is a family member, guest, invitee or cohabitant of the foregoing.

Rules and Regulations. Collectively, all rules, regulations, policies, procedures and guidelines of the Association, as any of said items may be adopted and amended from time to time by the Executive Board pursuant to this Declaration, the Articles of Incorporation and the Bylaws.

Single-Family Residential Unit. A Unit upon which a home or townhome has been or will be constructed which is intended to be owned and occupied by one and only one Person together with such Person's Related Users. Apartment units and condominiums shall not be deemed to be Single-Family Residential Units.

Special Assessments. Assessments imposed by the Association in accordance with Section 7.8 below.

Subassociation. An organization that is formed for the purpose of acting as the homeowners association for a portion of the Real Estate.

Turnover Date. The earliest to occur of the following: (i) the date that is sixty days after the date that 100% of all of the maximum number Units that may be created within the Real Estate in accordance with the applicable ordinances and resolutions of the City of Brighton, as referenced in Section 3.1 below, have been conveyed to Unit Owners other than Declarant; or (ii) the date that is 20 years after the date that this Declaration has been recorded in the real property records of Adams County, Colorado.

Unit. A portion of the Real Estate designated for separate ownership, together with any improvements thereon, as described by reference to lot, block, parcel, tract or other designation for such land as shown on the applicable Plat. The term "Unit" shall include the Units within the Real Estate initially encumbered by this Declaration and any additional Units that may hereafter be annexed into the Community in accordance with Article 14 below.

ARTICLE 2

GENERAL STATEMENT OF COVENANTS

Section 2.1 Covenants Bind the Real Estate. The Real Estate shall be held, sold, and conveyed subject to the Covenants for the purpose of protecting the value and desirability of the Real Estate and any other purposes incidental thereto, and all Covenants shall run with the Real Estate and shall be binding on all parties having any right, title or interest in the Real Estate or

any part thereof from time to time, and shall inure to the benefit of each Owner thereof and the Association.

Section 2.2 Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Areas, subject to the following provisions:

2.2.1 Any restriction or limitations contained in the Governing Documents;

2.2.2 Any restrictions or limitations contained in any deed conveying Common Areas to the Association;

2.2.3 Any restrictions or limitations contained imposed by the Districts, or any one of them, to the extent that the Common Area(s) in question are owned, operated and/or maintained by such District(s);

2.2.4 The right of the Association to exercise all powers and duties pursuant to Article 5 below and pursuant to any other applicable provisions of the Governing Documents;

2.2.5 The right of the Executive Board to adopt and amend, from time to time, Rules and Regulations concerning all or any portion of the Real Estate and any improvements located thereon, as the Association may determine is necessary or prudent;

2.2.6 The right of the Association or of the applicable District(s) to enter into and execute contracts with any party for the purpose of providing management, maintenance or other services for the Common Areas or otherwise governing their use and operation;

2.2.7 The right of the Association or of the applicable District(s) to grant permits, licenses and easements over the Common Areas for utilities, roads, and other purposes deemed appropriate by the Executive Board or the board(s) of directors of the District(s) in question, as applicable;

2.2.8 The right of the Association or of the applicable District(s) to dedicate or transfer all or any part of the Common Areas;

2.2.9 The right of the Association or the applicable District(s) to mortgage or otherwise encumber any or all of the real or personal property owned by it as security for money borrowed or debts incurred, subject to the approval requirements set forth below; and

2.2.10 The right of the Association or the District(s) in question to close or limit the use of the Common Areas while maintaining, repairing and making replacements to the same, or for such other purpose or purposes as the Association or the District(s) may deem appropriate.

Section 2.3 Authorized Users. The Common Areas may be used and enjoyed by each Owner and each Owner's Related Users.

ARTICLE 3

UNITS AND COMMON AREAS

Section 3.1 Number of Units The number of Units initially included in the Community is _____. Declarant reserves the right to create and add, at any time and from time to time, such additional number of Units as Declarant may determine, up to a maximum of _____ (_____) Units or the maximum number of Units that may be created within the Real Estate in accordance with the applicable ordinances and resolutions of the governmental entity having jurisdiction over the Real Estate, whichever is higher. Declarant shall not be obligated to expand the Community beyond the number of Units initially submitted to this Declaration.

Section 3.2 Common Areas. The Common Areas are described on Exhibit B and are also shown on the Plats relating to the Real Estate. Any declaration of annexation pursuant to which any additional property is made a part of the Real Estate in accordance with Article 14 below shall identify any Common Areas located within such portion of the Expansion Property.

ARTICLE 4

OPERATION OF THE ASSOCIATION

Section 4.1 Formation. The Association has been formed as a Colorado non-profit corporation. The Association shall have the duties, powers and rights set forth in this Declaration, the Articles of Incorporation, the Bylaws and the other Governing Documents. The Association's affairs shall be managed by the Executive Board. The Executive Board shall be elected by Delegates representing Delegate Districts within the Real Estate; provided, however, Declarant shall have the sole right to appoint and to remove a majority of the members of the Executive Board until the Turnover Date as provided in Section 4.8 below. Delegates shall be elected by Owners within each Delegate District, acting in their capacity as members of the Association.

Section 4.2 Executive Board. The number, term and qualifications of the members of the Executive Board shall be fixed in the Articles of Incorporation and Bylaws. The Executive Board may, by resolution, delegate portions of its authority to an executive committee or to other committees, to officers of the Association or to agents and employees of the Association, but such delegation of authority shall not relieve the Executive Board of the ultimate responsibility for management of the affairs of the Association. Actions by or on behalf of the Association may be taken by the Executive Board or any duly authorized committee, officer, agent or employee without a vote of the Owners or Delegates, except as otherwise specifically provided in this Declaration.

Section 4.3 Membership in Association. Each Owner shall be a member of the Association. An Owner shall automatically be the holder of the membership appurtenant to such Owner's Unit, and the membership shall automatically pass with the fee simple title to the Unit. Declarant shall hold one membership in the Association for each Unit owned by it. Membership

in the Association shall not be assignable separate and apart from fee simple title to a Unit, except that an Owner may assign some or all of the Owner's rights as an Owner and as a member of the Association to a tenant or First Mortgagee, and may arrange for a tenant to perform some or all of such Owner's obligations as provided in this Declaration, but no such delegation or assignment shall relieve an Owner from the responsibility for performing his or her obligations under this Declaration. The rights acquired by any such tenant or First Mortgagee shall be extinguished automatically upon termination of the tenancy or First Mortgage in question. An assignment of rights by an Owner pursuant to this Section 4.3 shall not be subject to any present or future statutory time limit for the duration of proxy rights.

Section 4.4 Establishment of Delegate Districts. The Real Estate shall be divided into Delegate Districts. Each Delegate District shall elect one Delegate to the Association to exercise the voting power of the Owners in such Delegate District. If a Subassociation is created for any particular portion of the Real Estate, then all of the Real Estate subject to the jurisdiction of such Subassociation shall constitute a Delegate District. If no Subassociation is created for a particular portion of the Real Estate, then the Delegate District for such portion of the Real Estate shall be established by the declaration of annexation pursuant to which the additional property is made a part of the Real Estate as provided in Article 14 below. Such declaration of annexation shall contain the legal description of the applicable portion of the Real Estate that will be or become part of a Delegate District, and a statement that the portion of the Real Estate so described shall be or become part of a designated Delegate District for purposes of this Declaration.

Section 4.5 Voting Rights of Owners. Each Owner shall have the right to cast votes for the election of the Delegate to the Association to exercise the voting power of the Delegate District in which the Owner's Unit is located. If the Delegate District is within the jurisdiction of a Subassociation, then the Owners shall have the same voting rights for the election of the Delegate from that Delegate District as are provided for the election of the Board of Directors of the Subassociation. If the Delegate District is not subject to a Subassociation, then the Owners shall have voting rights for the election of a Delegate to represent the Delegate District as follows: (a) if the Unit is a Single-Family Residential Unit, it shall be allocated one vote; and (b) if the Unit is other than a Single-Family Residential Unit, such Unit shall be allocated the applicable number of votes set forth in the declaration of annexation pursuant to which such Unit was made a part of the Real Estate. The Bylaws of the Association shall provide for the manner, time, place, conduct and voting procedures for Owners' meetings for the purpose of electing a Delegate in any such Delegate District that is not governed by a Subassociation.

Section 4.6 Voting Rights of Delegates. Each Delegate may cast one vote for each Single-Family Residential Unit which is subject to this Declaration and located in the Delegate District represented by such Delegate. For Delegate Districts containing Units that are not Single-Family Residential Units, the voting rights of the Delegates that are attributable to such Units shall be specified in the declaration of annexation pursuant to which the same are made part of the Real Estate. The voting rights of the Delegates shall be subject to Declarant's voting rights as set forth in Section 4.8 below.

Section 4.7 Manner of Voting. Each Delegate shall cast the votes which he or she represents in such manner as the Delegate, in his or her sole discretion, deems appropriate, acting on behalf of all the Owners in the relevant Delegate District; provided, however, that if at least a majority in interest of the Owners in any Delegate District shall determine at any duly constituted meeting to instruct their Delegate as to the manner in which he or she is to vote on any issue, then the Delegate representing such Delegate District shall cast the voting power in such Delegate District in the same proportion, as nearly as possible without counting fractional votes, as the Owners in such Delegate District shall have cast their votes "for" or "against" such issue. A Delegate shall have the authority, in his or her sole discretion, to call a special meeting of the Owners of the Delegate's Delegate District in the manner provided in the Bylaws or, if the Delegate District is governed by a Subassociation, as provided in the Subassociation's bylaws, for the purpose of obtaining instructions as to the manner in which to vote on any issue to be voted on by the Delegates. When a Delegate is voting without instruction from the Owners represented by such Delegate, then all of the votes may be cast as a unit, or the Delegate may apportion some of such votes in favor of a given proposition and some of such votes in opposition to such proposition. It will be presumed for all purposes of Association business that any Delegate casting votes will have acted with the authority and consent of all of the Owners of the Delegate District of such Delegate. All agreements and determinations lawfully made by the Association in accordance with the voting procedures established herein, and in the Bylaws, shall be binding on all of the Owners and their respective heirs, personal representatives, successors and assigns.

Section 4.8 Declarant Control. Notwithstanding any contrary provision contained in this Declaration or the other Governing Documents, until the Turnover Date Declarant shall have the right and power (i) to cast a majority of the votes that may be cast by the Delegates on any matter on which the Delegates vote, (ii) to appoint and remove a majority of the members of the Executive Board, and (iii) to appoint and remove the officers of the Association. At any time prior to the Turnover Date, Declarant may relinquish all or any portion of its right to cast a majority of the votes that may be cast by the Delegates or to appoint and remove the Executive Board members and the officers of the Association, but as a condition to any such relinquishment Declarant may require specific actions of the Delegates, the Executive Board or the officers of the Association to be approved in advance by the Declarant.

ARTICLE 5

ASSOCIATION

Section 5.1 General Purposes and Powers. The Association, acting through the Executive Board except as otherwise by this Declaration or the Governing Documents, shall perform such functions and manage the Community as provided in this Declaration so as to further the interests of the Owners. Specifically, the Association shall manage and control the Common Areas and all improvements thereon (including, without limitation, buildings and other structures, driveways, roads, parking areas and any fences, walls, signs, utility improvements, furnishing, equipment, and landscaping) and shall keep them in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof and in compliance with the applicable requirements of the Design Guidelines and of the City of

Brighton's Design Standards for Brighton Crossing. The Association, however, shall not be responsible for the maintenance, repair, replacement, operation, management or control of those Common Areas for which one or more of the Districts is to provide such services. The Association shall have all power necessary or desirable to effectuate its responsibilities in accordance with this Section 5.1, and in doing so shall act in a manner consistent with the Governing Documents. All Owners shall be deemed to have assented to, ratified and approved such designation of rights, duties, and authority.

Section 5.2 Powers; Duties. The Association, acting in all instances by and through the Executive Board unless specifically reserved to its members, shall have the following specific powers and duties:

5.2.1 The Association shall have all of the powers, authority and duties permitted pursuant to the Colorado Revised Nonprofit Corporation Act, C.R.S. 7-121-101 et seq.

5.2.2 The Association shall have all of the powers, authority and duties necessary and proper to manage the business affairs of the Community, subject to the terms, requirements and limitations contained in the Governing Documents.

5.2.3 The Association shall have all of the powers, authority and duties necessary and proper to own, operate, manage, lease, encumber, maintain, repair, reconstruct, replace, improve, and otherwise deal with the Common Areas for which it is responsible, including the right to acquire additional Common Areas and to construct improvements thereon, and the right to promulgate reasonable Rules and Regulations which do not conflict with any of the provisions of this Declaration or the other Governing Documents.

5.2.4 The Association shall have the right to have access to the Common Areas and, to the extent necessary, to any adjacent Units to the extent necessary for the maintenance, repair or replacement of, or to prevent damage to, the Common Areas.

5.2.5 The Association may undertake any activity, function or service for the benefit, or to further the interests, of the Owners.

5.2.6 The Association may engage a community association manager as more particularly provided in the Bylaws.

5.2.7 The Association may assign its future income, including its rights to receive Common Expense Assessments, upon the affirmative vote of a majority of the voting interests present at a meeting called for that purpose, in accordance with the Bylaws.

5.2.8 The Association shall enforce the requirements of the Design Guidelines and the Rules and Regulations as it deems necessary to ensure the proper use, development, improvement, repair, maintenance and replacement of real and personal property within the Community, and, subject to the provisions of Article 8 below, to appoint persons to serve on the Design Review Committee.

Section 5.3 Enforcement. The Association shall have the power to enforce the provisions and requirements of the Governing Documents, and shall take such action as the Executive Board deems desirable to cause such compliance by each Owner and each Related User, by any of the following means:

5.3.1 By entry upon any Unit after notice and an opportunity to be heard (unless a bona fide emergency exists), without liability to the Owner thereof, for the purpose of enforcement or causing compliance, including by curing any such violation;

5.3.2 Subject to Section 5.9 below, by commencing and maintaining actions and suits: (i) to recover damages; or (ii) to restrain and enjoin any violation or threatened violation of, or compel compliance with, the provisions of the Governing Documents by mandatory injunction or otherwise;

5.3.3 By exclusion of any Owner or Related User from use of any Common Areas for a period of sixty (60) days following any violation, or so long as the violation continues, whichever is longer;

5.3.4 By suspension of the voting rights of an Owner for up to thirty (30) days following any violation, or so long as the violation continues, whichever is longer;

5.3.5 By levying and collecting, after notice and an opportunity to be heard, fines against any Owner for violation by such Owner or a Related User, as a Default Assessment to be secured by a continuing lien, from the date it is levied, and by foreclosure of such lien.

Section 5.4 Association Agreements. The Association shall have the power to execute any agreement for professional management of all or any portion of the Community or any contract providing for services of the Declarant. Any such agreement shall provide for termination by either party without cause and without payment of a termination fee or a penalty upon not more than thirty (30) days written notice.

Section 5.5 Indemnification. To the full extent permitted by law, all of the officers member of the Executive Board of the Association shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon them in any proceeding to which they may be parties, or in which they may become involved, by reason of being or having been an officer or member of the Executive Board of the Association, or any settlements thereof, whether or not they are officers or members of the Executive Board of the Association at the time such expenses are incurred. Such indemnification shall not apply, however, to any officer or Executive Board member that is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties in connection with the particular case or controversy. In the case of a settlement, the foregoing indemnification shall apply only if the Executive Board approves the settlement and reimbursement as being in the best interests of the Association.

Section 5.6 Governmental Interests. Declarant has reserved the right to designate portions of the Real Estate for fire, police, water, drainage, utility facilities, parks, and other

public facilities, as provided below. These sites may include Common Areas, in which case the Association shall take whatever action is required with respect to such site to permit such use, including conveyance of the site if so directed by Declarant. The sites may include other property not owned by the Declarant, provided the owner consents thereto.

Section 5.7 Right to Notice and Comment. Before the Executive Board amends the Bylaws or adopts or amends Rules and Regulations, or whenever the Governing Documents require that an action be taken after "notice and comment," and at any other time the Executive Board determines, the Owner or Owners affected by the action in question shall have the right to receive written notice of the proposed action and the right to comment orally or in writing. Notice shall be given to each affected Owner in writing, delivered either personally or by mail to their respective addresses as the same appear in the records of the Association, and additional notice may be provided in a newsletter or similar publication which is routinely circulated to all Owners. Any required notice shall be given not less than three (3) days before the proposed action is to be taken. The Notice shall invite comment to the Executive Board, orally or in writing, before the scheduled time of any meeting.

Section 5.8 Disclaimer Regarding Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Real Estate that are designed to make occupancy of the Real Estate more secure than it otherwise might be. Neither the Association nor Declarant shall in any way be considered insurers or guarantors of security within the Real Estate, nor shall any of them be held liable for any loss or damage by reason of failure to provide security or by reason of the ineffectiveness of any security measures that might be undertaken. No representation or warranty is made that any fire protection system, burglar alarm system or other security system cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in any case prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform all Related Users of the terms of this Section 5.8. Further, each Owner and Related User, and every other Person entering upon the Real Estate, expressly agrees that he, she or it assumes all risks for loss or damage to persons and to property resulting from the acts or omissions of third parties.

Section 5.9 Compliance with Declaration. Each Owner shall comply strictly with, and shall cause each of such Owner's Related Users to comply strictly with all of the provisions of this Declaration, the Articles of Incorporation, the Bylaws, and the other Governing Documents. Failure to comply with any of the same shall be grounds for an action or actions to recover sums due, for damages and/or for injunctive relief, along with costs of suit and reasonable attorneys' fees, maintainable by the Executive Board in the name of the Association on behalf of the Owners, or, in a proper case, by an aggrieved Owner. Such failure also may result in the imposition of a Default Assessment. Notwithstanding any contrary provision contained in this Declaration, in no event may the Association or the Executive Board commence any action or proceeding seeking equitable relief, or seeking either an unspecified amount of damages or damages in excess of \$25,000.00, unless the following conditions are satisfied: (a) the decision to commence such action or proceeding shall be taken at an annual or special meeting of the Association; (b) a budget for such litigation, including all fees and costs and assuming trial and applicable appeals, shall have been prepared by the attorneys who will be engaged by the

Association for such purpose, and shall have been mailed or delivered to all Owners and posted at the principal office of the Association at least thirty (30) days prior to such meeting; and (c) at such meeting the Owners representing an aggregate of 75% or more of the voting interests of the Units then included within the Real Estate shall approve the decision to commence, and the proposed budget for, such action or proceeding, and shall concurrently approve the imposition of a Special Assessment to fund the costs of such action or proceeding in accordance with the approved budget. The Association shall be authorized to expend funds for such proceeding in excess of the amount contemplated by the approved budget only after an amended budget has been approved in accordance with the procedures specified in the foregoing subparts (a), (b) and (c). The requirements set forth in the preceding two sentences of this Section 5.9, however, shall not apply to any action or proceeding to collect or otherwise enforce Assessments and any related fines, late charges, penalties, interest or costs and expenses, including reasonable attorneys' fees, nor shall said provisions apply to any action to enforce any decision or requirements of the Design Review Committee. All of the costs and expenses of any action or proceeding requiring the approval of the Owners in accordance with this Section 5.9 be funded by means of a Special Assessment, and in no event may the Association use reserve funds or incur any indebtedness in order to pay any costs and expenses incurred for such purpose. Further, if the Association commences any action or proceeding against a particular Owner or particular Owners requiring the approval of the Owners in accordance with this Section 5.9, the Owner or Owners who are being sued shall be exempted from the obligation to pay the Special Assessment levied for the purpose of paying the costs and expenses of such action or proceeding.

ARTICLE 6

MAINTENANCE AND IMPROVEMENT OF THE REAL ESTATE

Section 6.1 Association Responsibilities -- General. Except as otherwise specifically provided in this Declaration, the Executive Board shall determine the specifications, scope, extent, nature and parameters of the Association's maintenance responsibilities. The Association shall maintain the Common Areas for which it is responsible in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof and in compliance with all applicable requirements set forth in the Design Guidelines and in the City of Brighton's Design Standards for Brighton Crossing. The Common Areas to be maintained by the Association include, without limitation, the following areas unless and except to the extent that they have been accepted for maintenance by the City of Brighton, one of the Districts or any other governmental or quasi-governmental authority:

6.1.1 All landscaping and other flora, open space, structures, and improvements, including, without limitation, any driveways, roads, walls, fences, signs, sidewalks, streetlights, signage, and entrance signage and other entrance features, if any, storm water detention facilities or other utility improvements situated upon the Common Areas;

6.1.2 Landscaping and other flora within any right-of-way within the Real Estate (subject to the terms of any easement agreement relating thereto);

6.1.3 Maintenance, winterizing (to the extent that the Executive Board deems winterizing necessary), repair and replacement of the irrigation and sprinkler systems, if any, serving the Common Areas; and

6.1.4 Such portions of any additional property as may be required by this Declaration, any amendment of or supplement to this Declaration, or any contract or agreement for maintenance thereof entered into by the Association.

The Association may maintain other property which it does not own, including, without limitation, property dedicated to the public, if the Executive Board determines that such maintenance is necessary or desirable to assure the proper maintenance of the same to the standards desired by the Association. Except as otherwise specifically provided in Article 7 below, all costs associated with maintenance, repair and replacement (to the extent such is the responsibility of the Association) of the Common Areas shall be a Common Expense to be allocated among all Units as provided in this Declaration.

Section 6.2 Landscaping. The front yard area of each Unit on which has been constructed a detached or attached single residential dwelling shall be landscaped using long-lived ground cover, sod, shrubs and trees. Short-lived and non-living landscape materials may be utilized only as a supplement to long lived elements. The front yard area of each Unit improved with a detached or attached single residential dwelling shall be landscaped by the first Owner thereof (other than Declarant or a Participating Builder), with the prior, written approval of the Design Review Committee, within nine (9) months after acquisition of title to such Unit by such Owner from the Declarant or a Participating Builder or during the first growing season after such Owner acquires title to such Unit from the Declarant or a Builder, whichever occurs later. Each Owner shall then be responsible for maintaining his, her, or its Unit and all structures, driveways, sidewalks, parking areas, landscaping, drainage, and other improvements comprising the Unit, except to the extent that such maintenance responsibility is assigned to and assumed in writing by the Association as provided in Section 6.1. Each Owner also shall be responsible for: (a) irrigating and re-seeding or sodding of lawn areas within the Owner's Unit, as needed; (b) maintaining and replacing landscaping materials, including flower beds; (c) maintaining, winterizing, repairing and replacing, as necessary, the irrigation and sprinkler system, if any, serving the Unit; (d) repairing or replacing any damage to landscaping located on such Owner's Unit resulting from any repair or maintenance activities conducted on such Unit; and (e) maintaining and replacing, as necessary, any of the tree(s) that are located in any landscaped area or parkway within the right-of-way immediately adjacent to the front of such Owner's Unit. The determination of the Design Review Committee as to an Owner's responsibility in accordance with this Section 6.2 shall be final.

Section 6.3 Standard of Performance. Except as otherwise specifically provided herein or in other instruments creating and assigning such maintenance responsibility, responsibility of maintenance shall include responsibility for repair and replacement, as necessary. All maintenance shall be performed in a manner consistent with the quality standard from time to time existing within the Community, and in any event in accordance with the applicable standards and requirements as set forth in the Design Guidelines and in the City of Brighton's Design Standards for Brighton Crossing. Neither the Association nor any Owner

shall be liable for any damage or injury occurring on, or arising out of the condition of property which it does not own, except to the extent that it has been negligent in the performance of its maintenance responsibilities.

Section 6.4 Acceptance of Declarant or District Improvements. If Declarant or any District (the "Responsible Party") constructs or installs any improvements on the Common Areas that are to be maintained, repaired and replaced by the Association in accordance with the provisions of this Declaration, the Responsible Party may require the Association to inspect such improvements upon completion of construction and installation of the same, and to participate in jointly preparing a punchlist of any items requiring correction or repair. If the parties are able to agree upon the punchlist, the Responsible Party will proceed to correct or repair the items set forth on the punchlist. Upon completion of such work, the Association and the Responsible Party again will jointly inspect such work and prepare a punchlist of any items requiring correction or repair. Such process of correction and inspection shall continue until all items on the punchlist have been completed. If at any time Purchaser and Seller are unable to agree on the terms and content of the punchlist, the dispute(s) regarding the same shall be subject to binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association then prevailing. From and after the completion of the corrections and repairs required by the punchlist, the Association shall be responsible for the maintenance, repair and replacement of the improvements in question.

ARTICLE 7

COVENANT FOR COMMON EXPENSE ASSESSMENT

Section 7.1 Creation of Association Lien and Personal Obligation to Pay Common Expense Assessments. Declarant and each Owner, by acceptance of a deed or other document conveying an interest in a Unit, shall be deemed to have covenanted and agreed to pay to the Association such person's allocated share of the Common Expense Assessments, including without limitation Special Assessments, and any Default Assessments as imposed by the Association pursuant to the Governing Documents, irrespective of whether such covenant shall have been set forth in any such deed or other conveyance. The Assessments, as allocated, and including fees, charges, late charges, attorneys' fees, fines and interest charged by the Association, shall be the personal obligation of the Owner of such Unit at the time when the Assessment or other charges became due. The Assessments imposed by the Association, as allocated, and including fees, charges, late charges, attorneys' fees, fines and interest charged by the Association, shall be a charge on each Unit and shall be a continuing lien upon the Unit against which each such Assessment or charge is made. The personal obligation to pay any past due sums shall pass to a successor in title (other than a First Mortgagee acquiring a Unit as a result of foreclosure or proceedings in lieu of foreclosure), unless otherwise expressly agreed by the Association. No Owner may become exempt from liability for payment of such Owner's allocated share of the Common Expense Assessments by waiver of the use or enjoyment of the Common Areas or by abandonment of the Unit against which such allocation is made. All Assessments shall be payable in the amounts specified in the levy thereof, and no offsets from or reduction of such Assessments shall be permitted for any reason including, without limitation,

any claim that the Association or the Executive Board is not properly exercising its duties and powers under this Declaration.

Section 7.2 Apportionment of Common Expenses. Except as provided below and elsewhere in this Declaration, all Common Expense Assessments shall be assessed against all Units in accordance with the formula set forth in Article 16 hereof:

7.2.1 Any Common Expense Assessment for services provided by the Association to an individual Unit pursuant to the Governing Documents or at the request of the Owner of an individual Unit may be assessed against that Unit.

7.2.2 If any costs or expenses are incurred by the Association due to the misconduct of an Owner and/or an Owner's Related Users, the Association may assess that expense exclusively against the Owner and that Owner's Unit as a Default Assessment.

7.2.3 Fees, charges, taxes, impositions, late charges, fines, collection costs and interest charged against an Owner are enforceable as Default Assessments against the Unit of such Owner.

Section 7.3 Purpose of Assessments. All Common Expense Assessments shall be used for the purposes of promoting the health, safety, and welfare of Owners and Related Users, and in particular for the following purposes:

7.3.1 To enforce the provisions of the Governing Documents;

7.3.2 To exercise all rights and powers and to discharge all duties and obligations pursuant to the Governing Documents;

7.3.3 To pay all expenses incurred by the Association for alteration, improvement, construction, reconstruction, repair, maintenance or replacement of the Common Areas and all improvements located thereon, including fixtures and related personal property;

7.3.4 To fund any operating deficits or reserves the Association deems necessary to meet its financial obligations.

Section 7.4 Annual Assessment/Commencement of Common Expense Assessments. The Common Expense Assessment shall be made on an annual basis against all Units and shall be payable as determined by the Executive Board, as provided in this Section 7.4. The Common Expense Assessment shall be based upon the Association's advance budget of the cash requirements estimated by the Association to be required to provide for the administration and performance of its duties during the Assessment year in question. The budget shall be submitted to the Delegates for ratification at the Association's annual meeting or at a special meeting called for such purpose, and the same shall be adopted if it is approved by a majority of the voting interests present at such meeting (provided a quorum is present). If the Owners fail to ratify a budget by the beginning of the Association's fiscal year, the budget that was in effect during the

immediately preceding fiscal year shall remain in effect until such time as a new budget has been approved in accordance with this Section 7.4. Levies of Common Expense Assessments shall be due and payable in a single annual payment or in monthly, quarterly or other periodic installments, or in any other manner, as may be determined by the Executive Board. At the Declarant's option, Common Expense Assessments will begin on the first day of the calendar month following the calendar month in which the conveyance of the first Unit to a person other than Declarant occurs, or at such later date as Declarant determines. The omission or failure of the Executive Board to levy the Assessment for any period shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay their proportional share of the same when and as assessed.

Section 7.5 Limitation on Amount of Common Assessments. Notwithstanding any contrary provision contained in this Declaration, the annual average Common Expense liability of each Unit restricted to residential purposes, exclusive of optional user fees and any insurance premiums paid by the Association, shall not exceed \$400.00, as adjusted annually on July 1, 1999, and on July 1 of each succeeding year for increases in the United States Department of Labor Statistics Final Consumer Price Index for the Denver-Boulder Consolidated Metropolitan Statistical Area for the preceding calendar year, in accordance with C.R.S. § 38-33.3-116(2) and (3). The purpose and intent of the foregoing restriction is to satisfy the requirements for exemption of the Community from the Colorado Common Interest Ownership Act in accordance with C.R.S. § 38-33.3-116, and such purpose and intent shall govern and control any contrary provisions of the Governing Documents. If the aggregate amount assessed against the Units, as limited by this Section 7.5, is insufficient to pay in full amount of the Common Expense Assessment for the year in question, Declarant may loan the amount of the deficiency to the Association upon such terms as may be mutually agreeable to the Association and Declarant; provided, however, in no event shall the payments required by such loan cause the Common Expense Assessments, as proportionally allocated, to exceed the limitation set forth in this Section 7.5.

Section 7.6 Lien Priority. The lien of the Association under this Section shall be prior to all other liens and encumbrances on a Unit except: (1) liens and encumbrances recorded before the recordation of this Declaration; (2) a First Mortgage on the Unit; and (3) liens for real estate taxes and other governmental assessments or charges against the Unit by the State of Colorado, Adams County, the City of Brighton or any political subdivision of any such governmental authority. This Section does not affect the priority of mechanic's or materialmen's liens. The lien of the Association under this Article is not subject to the provisions of any homestead exemption allowed by state or federal law, and all such homestead exemptions shall be deemed waived by an Owner upon such Owner's acceptance of a deed or other conveyance of fee title to such Owner's Unit. Sale or transfer of any Unit shall not affect the lien for said Assessments, except that the transfer of any Unit as a result of the foreclosure of any First Mortgage, or any proceeding in lieu thereof, shall extinguish the Assessment lien as to any amounts that were due and payable prior to the effective date of transfer resulting from such foreclosure or deed in lieu thereof. No transfer resulting from any such foreclosure or proceeding in lieu thereof, however, will relieve any Unit from continuing liability for any Assessments thereafter becoming due, nor from the lien thereof.

Section 7.7 Reserves. The Association shall establish an adequate reserve fund for the maintenance, repair and replacement of those Common Areas that must be periodically maintained, repaired or replaced. Such reserve fund shall be funded through the periodic payments of the Common Expense Assessments.

Section 7.9 Special Assessments. Subject to Section 7.5 above, the Executive Board may at any time and from time to time, determine, levy and assess a Special Assessment applicable to that particular assessment year for the purpose of defraying, in whole or in part, payments for any operating deficit and/or unbudgeted costs, fees and expenses of any construction, reconstruction, repair, demolition, replacement or maintenance of a capital improvement and any fixtures or personal property related thereto, and any acquisition of real property. Any such Special Assessment shall be due and payable as determined by the Executive Board. The term "capital improvements," as used herein, shall mean the acquisition, improvement, development, maintenance, repair or replacement of Common Areas. Notice in writing setting forth the amount of such Special Assessment allocable to any particular Unit and the due date for payment thereof shall be given to the Owners not less than thirty (30) days prior to such due date.

Section 7.10 Effect of Non-Payment of Assessments. Any allocated Assessment provided for in this Declaration, or any installment thereof, which is not fully paid within ten (10) days after the due date thereof, shall bear interest from the due date at the rate of 18% per annum or at such lesser rate as may be set by the Executive Board from time to time, and the Association may assess a monthly late charge thereon as determined by the Executive Board. Failure to make payment within sixty (60) days after the due date thereof shall cause the total amount of such Assessment for the remainder of that fiscal year to become immediately due and payable at the option of the Board. Further, the Association may bring an action at law or in equity, or both, against any Owner personally obligated to pay such overdue Assessment(s), or monthly or other installments thereof, and may also proceed to foreclose its lien against such Owner's Unit. An action at law or in equity by the Association against an Owner to recover a money judgment for unpaid Assessments, or any monthly or other installment thereof, and for any Default Assessments may be commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien therefor. The Association's costs of suit, expenses and reasonable attorneys' fees incurred by virtue of the failure of the Owner to timely pay Assessments when due, including attorneys' fees and costs for preparing and recording any lien notice, and the Association's costs of suit, expenses and reasonable attorneys' fees incurred for any such action and/or foreclosure proceedings, shall be taxed by the court as a part of the costs of any such action or foreclosure proceeding and shall be recoverable by the Association as a Default Assessment from any Owner personally obligated to pay the same and from the proceeds of the foreclosure sale of such Owner's Unit. Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to estop or otherwise preclude the Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent Assessments, or monthly or other installments thereof, which are not fully paid when due. The Association shall have the power and right to bid on or purchase any Unit at foreclosure or other legal sale, and to acquire and hold, lease, mortgage and convey or otherwise deal with the same. The grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid Assessments against the Unit which accrued prior to the conveyance, without

prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor.

Section 7.11 No Waiver or Abandonment. No Owner may be exempt from liability for payment of the Common Expenses by waiver of the use or enjoyment of any of the Common Areas or by abandonment of the Unit against which the Assessments are made.

Section 7.12 Declaration is Notice. Recording of the Declaration constitutes record notice and perfection of the Assessment lien. No further recordation is required. However, the Executive Board may prepare and record in the real property records of Adams County, Colorado, a written notice setting forth the amount of any unpaid indebtedness, the name of the Owner, a description of the Unit, and such other information, if any, as the Association may deem appropriate.

ARTICLE 8

DESIGN REVIEW

Section 8.1 General. No "Improvement" as defined this Section 8.1, shall be made except in compliance with the architectural review procedures and restrictions set forth in this Declaration and in accordance with the Design Guidelines and the City of Brighton's Design Standards for Brighton Crossing. No provision in this Article or in the Design Guidelines, however, shall apply to Improvements to the Common Areas made by or on behalf of the Association or to any Improvements constructed by Declarant. For purposes of the foregoing, the term "Improvement" shall mean and include the following: (a) the construction, installation, alteration, demolition in whole or in part, or expansion of any building, structure or other improvements, including utilities; (b) the staking, clearing, grading, excavation, filling or similar disturbance to the surface of the land, including without limitation any change of grade, change of ground level, change of drainage pattern, or change of stream bed or course; (c) all initial planting of and subsequent material modifications to landscaping, and all planting, clearing or removing of trees, shrubs, grass or perennial plants, but in each instance excluding removal of dead or diseased plants and trees and excluding any replacement that is substantially similar to the item being replaced; (d) any change or alteration to the exterior appearance of Improvements previously approved by the Design Review Committee, including any change in finish material, color or texture; (e) the repainting and resurfacing of exterior surfaces of structures, including roofing materials, gutters, downspouts, drainspouts, exterior siding or stucco finish, entry doors, windows, trim around doors and windows, surfaces of garage doors, external vents and flues and glass surfaces, exclusive of any replacement that is substantially identical to the item being repainted or resurfaced; and (f) reconstruction of any structures. Design Review Committee approval shall not be required for any changes to the interior of any structure constructed on a Unit.

Section 8.2 Design Review Responsibility. The administration of the Design Guidelines and the review of all applications for approval, construction and modification under this Article and the Design Guidelines shall be the responsibility of the Design Review Committee. The Executive Board may establish and charge fees for review of applications

hereunder, and may require such fees to be paid in full prior to review. Additionally, the Executive Board may provide for the employment of such professional consultants as it may deem appropriate to advise and assist the Design Review Committee. The Executive Board may also establish fines and other penalties for failure to comply with the provisions of this Article and the Design Guidelines. In order to expedite the process of review of applications for new construction, the Executive Board may provide for the establishment of a Modifications Committee, which shall have the responsibility for reviewing all applications for modifications to previously constructed Improvements, including material modifications to landscaping. If such a Modifications Committee is established, its members will be appointed by Declarant or the Association, as applicable, to the same extent as Declarant or the Association then has the power to appoint the members of the Design Review Committee. In all other respects the terms of this Article 8 shall apply to the Modifications Committee from and after the date that any such committee is established; provided, however, in no event may the Modifications Committee amend or otherwise alter the Design Guidelines.

Section 8.3 Design Review Committee. The Design Review Committee shall consist of three (3) persons. Until the Turnover Date, or such earlier date as Declarant may elect in writing to relinquish such power, Declarant shall appoint all members of the Design Review Committee, and may remove and replace any such members as it deems appropriate. After expiration or termination of Declarant's appointment rights, the Design Review Committee shall be comprised completely of Owners without regard to special qualifications, and the members of the Design Review Committee shall then be appointed by the Executive Board. Until that date, Declarant, in its sole discretion, may at any time grant all or any portion of its power to appoint the members of the Design Review Committee to any successor Declarant, or to the Association. From and after the Turnover Date, the terms of the members of the Design Review Committee shall be staggered, and shall terminate at different dates, so as to provide reasonable continuity to the design review process.

Section 8.4 General Guidelines and Procedures. Declarant shall prepare the initial Design Guidelines, which thereafter may be amended in whole or in part by a majority of the Design Review Committee. For so long as Declarant owns any Units, any such amendment shall require the written approval of Declarant. Any amendments to the Design Guidelines shall apply to construction and modifications commenced after the date of such amendment only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. The Design Guidelines may contain general provisions applicable to all of the Real Estate, as well as specific provisions which vary from one portion of the Real Estate to another depending upon location, unique characteristics, and intended use. The Design Guidelines may also include the procedures, materials to be submitted and additional factors which will be taken into consideration in connection with the approval of any proposed Improvement. The Design Guidelines may specify circumstances under which the strict application of limitations or restrictions under this Declaration will be waived or deemed waived in whole or in part, and may waive the requirement or exempt Improvements from the requirement for approval if such approval is not reasonably required to carry out the purposes of this Declaration. The Design Guidelines, as the same shall be amended from time to time, need not be recorded, but shall be considered incorporated herein by reference and shall be enforceable as though set forth in full. Additionally, the construction of

improvements within the Real Estate shall be subject to and governed by the requirements set forth in the City of Brighton's Design Standards for Brighton Crossing. Each Owner, by accepting a deed for any Unit, shall be deemed to have agreed to comply with the requirement of said Design Standards, as the same may be interpreted and enforced by the City of Brighton and/or the Design Review Committee.

Section 8.5 Submission of Application. Prior to commencement of work to accomplish any proposed Improvement, the Person proposing to make such Improvement (the "Applicant") shall submit to the Design Review Committee such information, descriptions, surveys, elevations, plans, specifications and samples showing and describing the proposed Improvement (the "Application") as may be required by the Design Guidelines. The Design Review Committee may require submission of additional plans, specifications or other information prior to approving or disapproving the proposed Improvement. Until receipt by the Design Review Committee of all required materials in connection with the proposed Improvement, the Application shall be deemed incomplete, and the Design Review Committee may postpone review of any materials submitted for approval by the Applicant. At its request, the Applicant shall be entitled to receive a receipt from the Design Review Committee or its authorized agent showing the date the complete Application was received.

Section 8.6 Criteria for Approval. The Design Review Committee will approve any proposed Improvement only if it determines that the Improvement in the location indicated will not be detrimental to the appearance of the surrounding areas of the Real Estate as a whole; that the appearance of the proposed Improvement will be in harmony with the surrounding areas of the Real Estate; that the Improvement will not detract from the beauty, wholesomeness and attractiveness of the Real Estate or the enjoyment thereof by the Owners; and that the upkeep and maintenance of the proposed Improvement will not impose any undue burden on the Association. The Design Review Committee may condition its approval of any proposed Improvement upon the making of such changes as the Design Review Committee may require.

Section 8.7 Decision of Committee. The decision of the Design Review Committee shall be made within sixty (60) days after the date that it receives the complete Application and any additional materials required by it, unless such period of time is extended by mutual agreement of the Design Review Committee and the Applicant. The decision shall be in writing and, if the decision is to disapprove the Application, the reasons therefor shall be stated. The decision of the Design Review Committee shall be promptly transmitted to the Applicant at the address furnished by the Applicant to the Committee.

Section 8.8 Failure to Act. Any request for approval of a proposed Improvement shall be deemed approved unless disapproval or a request for additional information or materials is transmitted to the Applicant by the Design Review Committee within sixty (60) days after the date that the Design Review Committee receives the complete Application and any additional materials required by it.

Section 8.9 No Waiver of Future Approvals. Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold

approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

Section 8.10 Prosecution of Work. After approval of any Application, the proposed Improvement shall be constructed with reasonable promptness and diligence in conformity with the Application and any conditions imposed by the Design Review Committee in its approval.

Section 8.11 Notice of Completion. Upon Completion of the Improvement, the Applicant shall give written notice of completion to the Design Review Committee. Until the date of its receipt of such notice, the Design Review Committee shall not be deemed to have received notice that the Improvement has been completed.

Section 8.12 Inspection. The Design Review Committee or its representative shall have the right to inspect any Improvement prior to or after completion. If as a result of its inspections or otherwise the Design Review Committee determines that any Improvement has been commenced without obtaining the approval of the Design Review Committee, or if it determines that the Improvement is not being completed or has not been completed in conformity with the Application and any conditions of approval, the Design Review Committee shall notify the Applicant in writing of such determination. The notice shall specify the particulars of the noncompliance, and shall require the Applicant to take such action as may be necessary to remedy the noncompliance and may, at the election of the Executive Board, be recorded in the real property records of Adams County, Colorado. If for any reason other than the Applicant's act or omission the Design Review Committee fails to notify the Applicant of any noncompliance within thirty (30) days after the Design Review Committee's receipt of a written notice of completion from the Applicant, the Improvement shall be deemed to be in compliance if the Improvement, in fact, was complete as of the date the notice of completion was received by the Design Review Committee.

Section 8.13 Enforcement. Any Improvement placed, installed or constructed, in violation of this Article shall be deemed to be nonconforming. Upon written request from the Design Review Committee, the Owner in violation shall, at his or her own cost and expense, remove the Improvement and restore the Unit in question to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as requested, Declarant and the Association, and their respective designees, shall have the right to remove the Improvement and restore the Unit to substantially the same condition as previously existed, or to pursue all legal and equitable remedies available to enforce the provisions of this Article. All costs and attorneys' fees, together with interest on all sums expended by the Association at such rate as may be charged by it, may be assessed against such Unit and collected as a Default Assessment. Additionally, any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Design Guidelines may be excluded by the Association from the Real Estate upon notice and an opportunity to be heard.

Section 8.14 Nonliability of the Design Review Committee and Executive Board Members. Neither the Design Review Committee, the Executive Board or any member thereof, nor Declarant shall be liable to the Association or to any Owner or other Person for any loss,

damage or injury arising out of or in any way connected with the performance of the Design Review Committee's or Executive Board's respective duties under this Declaration or the other Governing Documents unless arising as a result of an act or omission which is committed in subjective bad faith or which involves intentional misconduct or a knowing violation of law by the Design Review Committee or Executive Board or individual members thereof. The Design Review Committee or Executive Board shall not be responsible for reviewing, nor shall its approval of any Plans and Specifications be deemed approval of, structural safety, engineering soundness, or conformance with building codes or any other laws, requirements or standards.

Section 8.15 Variances. The Design Review Committee may authorize variances from compliance with any of the architectural provisions or Design Guidelines when circumstances so warrant. Such variances must be evidenced in writing and must be signed by at least a majority of the members of the Design Review Committee. If such a variance is granted, no violation of this Declaration or the other Governing Documents shall be deemed to have occurred with respect to the matter for which the variance was granted, provided the Applicant complies with the terms of the variance. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration or the Design Guidelines for any purpose except as to the particular property and particular provision in the instance covered by the variance.

Section 8.16 Scope of Judicial Review. The scope of judicial review of any action taken by the Association, the Executive Board or the Design Review Committee pursuant to this Article 8, including but not limited to the promulgation, interpretation, and enforcement of the Design Guidelines, shall be limited to cases of fraud, willful misconduct or subjective bad faith.

ARTICLE 9

RESTRICTIVE COVENANTS

Section 9.1 Owners' Acknowledgment. All Owners and Related Users of Units are hereby given notice that use of their respective Units is limited by provisions of the Governing Documents as they may be amended from time to time. Each Owner, by acceptance of a deed or other instrument of conveyance, acknowledges and agrees that the use, enjoyment and marketability of his, her, or its Unit may be affected by such provisions, and that the covenants, conditions and restrictions affecting the use and occupancy of a Unit may be amended from time to time in accordance with the terms of this Declaration and the other Governing Documents.

Section 9.2 Rights of Owners. The Executive Board shall not adopt any Rule or Regulation in violation of the following provisions:

9.2.1 Equal Treatment. Similarly situated Owners and occupants shall be treated similarly.

9.2.2 Speech. The rights of Owners to display political signs and symbols in or on their Units of the kinds normally displayed in or outside of residences located in single-family residential neighborhoods shall not be abridged, except that the Association

may adopt reasonable time, place, and manner restrictions for the purpose of minimizing damage and disturbance to other Owners and Related Users.

9.2.3 Religious and Holiday Displays. The rights of Owners to display religious and holiday signs, symbols, and decorations of the kinds normally displayed in residences located in single-family residential neighborhoods shall not be abridged, except that the Association may adopt reasonable time, place, and manner restrictions for the purpose of minimizing damage and disturbance to other Owners and occupants.

9.2.4 Activities Within Dwelling. No rule shall interfere with the activities carried on within the confines of dwellings on the Units, except that the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that may pose a threat to the health or safety of occupants of other Units, that generate excessive noise or traffic, that create unsightly conditions visible outside the Unit, that block the views from other Units, or that create an unreasonable source of annoyance.

9.2.5 Reasonable Rights to Develop. No rule or action by the Association or Executive Board shall unreasonably impede the Declarant's or any Participating Builder's right to develop the Units owned by them in accordance with the Plats and this Declaration.

9.2.6 Abriding Existing Rights. If any rule would otherwise require Owners or Related Users to dispose of personal property which they owned at the time they acquired their interest in the Unit and such ownership was in compliance with all Rules and Regulations in force at that time, such rule shall not apply to any such Owners without their written consent. However, all subsequent Owners and Related Users of that Unit shall comply with such rule.

Section 9.3 Prohibited Activities. The following activities are prohibited within the Community unless expressly authorized (and if authorized, subject to such conditions as may be imposed) by the Executive Board:

9.3.1 Subdivision. Subdivision of a Unit into two or more Units, or changing the boundary lines of any Unit, shall be prohibited without the prior written consent of Declarant prior to the Turnover Date, and without the prior written consent of the Association subsequent to the Turnover Date;

9.3.2 Commercial Activities. Any business, profession, trade, or similar activity shall be prohibited, except that an Owner may conduct business activities within a Unit so long as:

- (a) the existence or operation of the activity is not apparent or detectable by sight, sound, or smell from outside the Unit;

(b) the activity conforms to all zoning and other legal requirements for the activity that are applicable to the Unit in questions;

(c) the activity does not involve regular visitation of the Unit by clients, customers, suppliers, or other business invitees or door-to-door solicitation of Owners or Related Users; and

(d) the activity is consistent with the residential character of the Real Estate and does not constitute a nuisance, hazardous or offensive use, or threaten the security or safety of other Owners or Related Users, as may be determined in the reasonable discretion of the Executive Board.

9.3.3 Leases. The term "lease," as used herein, shall include any agreement for the leasing or rental of a Unit and shall specifically include, without limitation, a month-to-month rental. Owners shall have the right to lease their Units only under the following conditions:

(a) All leases shall be in writing.

(b) All leases shall provide that the terms of the lease and the tenant's occupancy of the Unit shall be subject in all respects to the provisions of this Declaration, the Articles of Incorporation, the Bylaws, Rules and Regulations and Design Guidelines, as the same may be amended from time to time, and shall provide that any failure by such tenant to comply with the provisions of these instruments, in any respect, shall be a default under the lease, said default to be enforceable by either the Association or the Owner/landlord, or both.

9.3.4 Nuisances. Any use, activity, or practice which unreasonably interferes with the peaceful enjoyment or possession of a Unit or any portion of the Common Areas or any portion of the Community shall be prohibited. All valid laws, ordinances and regulations of all governmental bodies having jurisdiction over the Community or any portion thereof shall be observed and may be enforced by the Association as if the same were contained in the Governing Documents. In no event shall the activities of the Declarant or a Participating Builder which are reasonably necessary to the exercise of the rights granted to them by this Declaration or under applicable laws be considered a "nuisance" unless such activities unreasonably interfere with any Owner's use and enjoyment of such Owner's Unit.

9.3.5 Vehicles. Parking, storing, servicing or repairing commercial vehicles, recreational vehicles, mobile homes, boats, campers, trailers, watercraft, or other oversized vehicles, in accordance with applicable motor vehicle registration laws, or any inoperative vehicles, shall be permitted only if the vehicle is completely enclosed within a garage;

9.3.6 Animals. In no event may any Owner engage in the commercial breeding of animals on any portion of the Real Estate, and in no event will any Owner keep any animals other than common household pets within the Real Estate. The Association may

adopt reasonable Rules and Regulations regarding domestic pets designed to minimize damage and disturbance to other Owners and occupants, including Rules and Regulations requiring damage deposits, waste removal, leash controls, noise controls and occupancy limits.

9.3.7 Vegetation. Owners may not engage in any activities that materially disturb or destroy the vegetation, wildlife or air quality within the Community, or which use excessive amounts of water, or which result in unreasonable levels of sound or light. The foregoing shall not prevent an Owner from removing or replacing vegetation on his or her Unit that was installed by the Owner or his or her predecessor in interest as the owner of the Unit in question if the removed landscaping is replaced with a substantially similar item of landscaping, or from removing dead or diseased landscaping on such Owner's Unit, or from taking any similar action with the approval of the Design Review Committee.

9.3.8 Grade. No Owner may obstruct or rechannel drainage flows, or alter the location or installation of drainage swales, storm sewers or storm drains. Declarant and the Association, however, may engage in any of the activities described in this subsection if such activities do not materially diminish the value of, or unreasonably interfere with, the use and enjoyment of any Unit, and may engage in such activities which diminish the value of, or unreasonably interfere with, the use and enjoyment of any Unit with the consent of the Owner of such Unit.

The provision of subsections 9.3.1 and 9.3.2 shall not be deemed to prohibit or restrict the right of the Owner of any Unit that is zoned for apartments, condominiums or similar uses to construct and operate an apartment or condominium development upon such Unit, or to subdivide all or any portion of such development into individual condominium units, nor shall it restrict the operations of any Subassociation created for any part of the Real Estate.

Use Restrictions.

9.3.9 Parking. All parking within the Real Estate shall be subject to any applicable City of Brighton ordinances and to any Rules and Regulations promulgated by the Association, including without limitation any such Rules and Regulations that may be promulgated by the Association for the purpose of governing parking on public streets.

9.3.10 Use. All Units shall be used only for those uses and purposes allowed by applicable City of Brighton zoning ordinances and regulations.

9.3.11 Exterior Lighting. All lighting fixtures installed on or outside the exterior walls of any dwelling or other structure shall be subject to the approval of the Design Review Committee for harmonious development and the prevention of lighting nuisances to other Units and Common Areas in the Community. Such lighting fixtures also shall comply fully with any applicable City of Brighton lighting ordinances, regulations or requirements.

9.3.12 Miscellaneous Improvements. No fences shall be permitted except with the prior, written approval of the Design Review Committee and except such fences as may be constructed, installed or located by the Declarant in its development of, or construction of Improvements in, the Community. None of the fences which are or will be installed by the Declarant and are to be maintained by the Association shall be modified in any way without the prior approval of the Design Review Committee.

ARTICLE 10

EASEMENTS AND RESERVATIONS

Section 10.1 Easements of Encroachment. Reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, are hereby granted and created between each Unit and any adjacent Common Areas and between adjacent Units due to the unintentional placement or the settling or shifting of any improvements constructed, reconstructed, or altered thereon to a distance of not more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, a benefitted Owner.

Section 10.2 Easements for Utilities, Etc. Declarant hereby reserves, for itself and the Association, and for any governmental entities or utility companies providing utility services to Units, access and maintenance easements upon, across, over, and under all of the Common Areas to the extent reasonably necessary for the purpose of replacing, repairing, and maintaining any cable television systems, security and similar systems, roads, walkways, bicycle pathways, wetlands, drainage systems, street lights, signage, and all utilities, including, but not limited to, water and sewer lines and facilities, meter boxes, telephone, gas, and electricity, and for the purpose of installing any of the foregoing within easements designated for such purposes on the Plat. This easement shall not entitle the holders to construct or install any of the foregoing systems, facilities, or utilities over, under or through any structure or other improvement constructed within any Common Area, and any damage to any such structure or other improvement resulting from the exercise of this easement shall promptly be repaired by, and at the expense of, the person exercising the easement. The exercise of this easement shall not unreasonably interfere with the use of any Unit and, except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Owner or occupant.

Section 10.3 Easements to Serve Expansion Property. The Declarant hereby reserves for itself and its duly authorized agents, representatives, and employees, successors, assigns, licensees, and mortgagees, an easement over the Common Areas for the purposes of enjoyment, use, access, and development of all or any portion of the Expansion Property, whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Areas for construction of roads and for connecting and installing utilities on such property. Declarant agrees that it and its successors or assigns shall be responsible for any damage caused by it or its agents or employees to the Common Areas as a result of vehicular traffic connected with development of the Expansion Property. Declarant further agrees that if the easement is exercised for permanent access to the Expansion

Property, and if such property or any portion thereof is not made subject to this Declaration, Declarant, its successors or assigns shall enter into a reasonable agreement with the Association to share the cost of maintenance of any access roadway serving the Expansion Property.

Section 10.4 Right of Entry. In addition to the enforcement rights the Association is granted in Article 8 above, the Association shall have the right, but not the obligation, to enter upon any Unit for emergency, security, and safety reasons, to perform maintenance pursuant to the Governing Documents, and to inspect such Unit for the purpose of ensuring compliance with this Declaration and the other Governing Documents, which right may be exercised by any member of the Executive Board, the Association and its officers, agents, employees, and managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner and any damage caused by entry shall be repaired by the Association as a Common Expense. This right of entry shall include the right of the Association to enter upon any Unit to cure any condition which may increase the possibility of a fire or other hazard if an Owner fails or refuses to cure the condition within a reasonable time after requested by the Executive Board. In no event will the provisions of this Section authorize entry into any dwelling without the prior consent of the Owner.

ARTICLE 11

MORTGAGEE PROVISIONS

Section 11.1 Notices of Action. A First Mortgagee that provides a written request to the Association stating the name and address of such First Mortgagee and the street address of the Unit to which its First Mortgage relates (any such First Mortgagee is referred to as an "Eligible Holder"), will be entitled to timely written notice of:

11.1.1 Any condemnation loss or any casualty loss which affects a material portion of the Real Estate or which affects the First Mortgage held, insured, or guaranteed by the Eligible Holder;

11.1.2 Any delinquency in the payment of assessments or charges owed by the Unit subject to the First Mortgage of such Eligible Holder, where such delinquency has continued for a period of sixty (60) days, or any other violation of the Declaration or Bylaws relating to such Unit or the Owner or occupant which is not cured within sixty (60) days. Notwithstanding this provision, any holder of a First Mortgage is entitled to written notice upon request to the Association of any default in the performance by an Owner of any obligation under the Declaration or Bylaws which is not cured within sixty (60) days; or

11.1.3 Any lapse, cancellation, or material modification of any insurance policy maintained by the Association.

Section 11.2 Special FHLMC Provision. So long as the same may be required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not

in lieu of the foregoing. Unless Members representing at least 67% of the total Association vote entitled to be cast thereon consent, the Association shall not:

11.2.1 by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Areas which the Association owns, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Areas shall not be deemed a transfer within the meaning of this subsection);

11.2.2 change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner (Any action, including contracts, by the Executive Board shall not be subject to this provision if such action is otherwise authorized by this Declaration or the Bylaws);

11.2.3 by act or omission change, waive, or abandon any scheme of regulations or enforcement pertaining to architectural design, exterior appearance or maintenance of Units and the Common Areas (the issuance and amendment of architectural standards, procedures, Rules and Regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provision);

11.2.4 fail to maintain insurance as required by this Declaration; or

11.2.5 use hazard insurance proceeds for any Common Areas losses for other than the repair, replacement, or reconstruction of such property.

First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Areas and may pay any overdue premiums on casualty and liability insurance policies or secure new casualty and liability insurance coverage upon the lapse of an Association policy. First Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

Section 11.3 Other Provisions for First Mortgagees. To the extent permitted under Colorado law:

11.3.1 Any restoration or repair of any of the Common Areas after a partial condemnation or damage due to an insurable hazard shall be performed substantially in accordance with this Declaration and the original plans and specifications unless the approval is obtained of the Eligible Holders to which at least 51% of the votes of Units subject to Mortgages held by such Eligible Holders are allocated.

11.3.2 Any election to terminate the Association after substantial destruction or a substantial taking in condemnation shall require the approval of the Eligible Holders to which at least 51% of the votes of Units subject to Mortgages held by such Eligible Holders are allocated.

Section 11.4 No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the First Mortgagee

of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Areas.

Section 11.5 Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the First Mortgagee or any other person or entity holding a debt which encumbers such Owner's Unit.

Section 11.6 Amendment by Executive Board. Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements as set forth in this Article, or make any such requirements less stringent, the Executive Board, without approval of the Owners, may record an amendment to this Article to reflect such changes.

Section 11.7 Failure of Mortgagee to Respond. Any First Mortgagee who receives a written request from the Executive Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the First Mortgagee within thirty (30) days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

Section 11.8 HUD/VA Approval. To the extent required by said agencies, until the Turnover Date the following actions shall require the prior approval of the Federal Housing Administration or the United States Department of Veterans Affairs, if either such agency is insuring or guaranteeing a Mortgage that encumbers any portion of the Real Estate: annexation of additional property other than the Expansion Property, dedication, conveyance or mortgaging of Common Areas, or material amendment of this Declaration.

ARTICLE 12

INSURANCE/CONDEMNATION

Section 12.1 Insurance Coverage. The Association shall obtain and maintain in full force and effect to the extent reasonably available, and at all times, the insurance coverage set forth in this Article 12:

12.1.1 The Association shall obtain and maintain, to the extent reasonably available, the insurance coverages referenced in C.R.S. § 38-33.3-313, as from time to time amended.

12.1.2 The Rules and Regulations may include nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and any other matters of claims adjustment. To the extent the Association settles claims for damages to real property, it shall have the authority to assess negligent Owners causing such loss or benefiting from such repair or restoration all deductibles paid by the Association. If more than one Unit is damaged by a loss, the Association in its reasonable discretion may assess each Owner a pro rata share of any deductible paid by the Association.

12.1.3 Any portion of the Common Areas for which insurance is required under this Declaration which is damaged or destroyed must be promptly repaired or replaced substantially in accordance with the plans and specifications for the improvement in question. To the extent the insurance proceeds are insufficient to pay for the restoration, the deficiency shall be assessed as Common Expense.

12.1.4 The Association and the manager or managing agent, if any, shall obtain policies of fidelity insurance in the amounts prescribed by C.R.S. § 38-33.3-313, as amended from time to time.

12.1.5 All insurance coverage shall be provided by financially responsible and able companies duly authorized to do business in the State of Colorado.

12.1.6 All policies of insurance shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of an Owner, and shall provide that such policies may not be canceled or modified without at least thirty (30) days' prior written notice to all of the Owners and the Association.

12.1.7 Any insurance obtained by the Association shall name the Association, the Executive Board, the manager or managing agent, if any, the officers of the Association, Declarant, Participating Builders, and the Owners as insureds, as their interests may appear.

12.1.8 All costs and expenses borne by the Association in compliance with this Section, including without limitation insurance premiums, and all costs and expenses borne by the Association in connection with insured and uninsured losses to persons or property within the Community, repairs and replacement of insured and uninsured property, and claims settlement or adjustment shall be considered Common Expenses.

Section 12.2 Condemnation. Condemnation of all or any portion of the Real Estate shall be governed by the provisions of C.R.S. § 38-33.3-107.

ARTICLE 13

RESERVATION OF DECLARANT RIGHTS

Section 13.1 Special Declarant Rights. Declarant hereby reserves the power and authority to exercise and engage in the following rights at any time from the effective date of this Declaration until the Turnover Date:

13.1.1 Conveyance for Governmental Interests. The right to designate sites within any portion of the Real Estate for fire, police, water, drainage, and utility facilities, parks, and other public facilities.

13.1.2 Completion of Improvements. The right to construct and install Improvements on the Common Areas and Units owned by the Declarant.

13.1.3 Exercise of Development Rights. The right to exercise any expansion or other rights reserved in Article 14 of this Declaration.

13.1.4 Sales Management and Marketing. The right of Declarant and each of the Participating Builders to maintain sales and management offices upon any Unit owned by it or, with Declarant's consent, upon any of the Common Areas, and the right to maintain advertising and promotional signs and banners approved in writing by Declarant, the right to maintain model homes and sales and management offices on any Unit owned by the Declarant or the Participating Builder, as applicable.

13.1.5 Construction Facilities. The right of the Declarant and Participating Builders and their respective employees, representatives, agents, and contractors to maintain within the Real Estate temporary construction facilities and construction materials, staging yards, and other facilities required during the construction of improvements to, and sale of, the Units. The location of all such facilities shall be subject to Declarant's written approval.

13.1.6 Construction Easements. The right of Declarant and Participating Builders to use easements through the Common Areas for the purpose of making improvements within the Real Estate, and the right to use, and to permit others to use, easements through the Common Areas as may be reasonably necessary for the purpose of discharging Declarant's obligations under this Declaration, all as more particularly described in Section 14.7 below.

13.1.7 Merger. The right to merge or consolidate the Community with another common interest community.

13.1.8 Control of Association and Executive Board. The right to appoint or remove any Officer of the Association or any Executive Board member as provided by this Declaration.

13.1.9 Amendment of Declaration. The right to amend the Declaration and any Plat in connection with the exercise of any right reserved by Declarant in accordance with this Declaration.

13.1.10 Use Agreements. The right to enter into, establish, execute, amend, and otherwise deal with contracts and agreements for the use, lease, repair, maintenance or regulation of parking, utility and drainage facilities, and any other amenities including, without limitation, recreational facilities or areas which may or may not be a part of the Community for the benefit of the Owners and/or the Association.

13.1.11 Other Rights. The right to exercise any additional right reserved or created by any other provision of this Declaration.

Each of the foregoing rights and activities may be exercised and conducted by Declarant and, as applicable, the Participating Builders, without the requirement of any consent or approval of the Association, the Executive Board, the Design Review Committee, or any other Person

whose consent or approval would be required by the terms of this Declaration or the other Governing Documents in the absence of this Article 13.

Section 13.2 Subject Real Estate. The rights reserved by Declarant pursuant to this Article 13 and Article 14 below shall apply to all of the Real Estate, including without limitation any portion of the Expansion Property that is made subject to the terms of this Declaration.

ARTICLE 14

EXPANSION AND WITHDRAWAL RIGHTS

Section 14.1 Expansion Rights. Declarant expressly reserves the right, at any time from the effective date of this Declaration until the Turnover Date, to subject all or any portion of the Expansion Property to the provisions of this Declaration.

Section 14.2 Development and Withdrawal Rights. Declarant expressly reserves the right, at any time after the effective date of this Declaration until the Turnover Date, to create additional Units and Common Areas, and to subdivide Units, relocate boundaries between Units, convert Units into Common Areas, or to convert Common Areas into Units, on all or any portion of the Real Estate or the Expansion Property. Declarant may exercise its rights in accordance with this Section 14.1 on all or any portion of the property in whatever order or sequence that Declarant, in its sole discretion, determines. Declarant expressly reserves the right to withdraw all or any portion of the property from the Real Estate by recording a document evidencing such withdrawal in the real property records of Adams County, Colorado. The property withdrawn from the Real Estate shall be subject to whatever easements, if any, are reasonably necessary for access to or operation of the Real Estate remaining subject to this Declaration. Declarant shall prepare and record in the real property records of Adams County, Colorado, whatever documents are necessary to evidence such easements.

Section 14.3 Amendment of the Declaration. If Declarant elects to submit all or a portion of the Expansion Property to this Declaration, or to exercise any other rights referred in this Article 14, Declarant shall record an appropriate amendment to this Declaration which shall, among other matters, reallocate the Allocated Interests, as contemplated by Article 16 below, so that the Allocated Interests appurtenant to each Unit will be apportioned according to the total number of Units subject to the Declaration, or on such other basis as may be permitted in accordance with Article 16 below. When Declarant submits a portion of the Expansion Property to this Declaration, the amendment to this Declaration shall contain the legal description of the Expansion Property so submitted, an amendment to Exhibit B to designate any additional Common Areas within such portion of the Expansion Property, a revised schedule of the Allocated Interests appurtenant to the Units in the Community, as so expanded, and a designation of the Delegate District in which the Expansion Property so submitted is located, and shall contain such additional information and provisions as Declarant may deem appropriate. Any such amendment submitting a portion of the Expansion Property to this Declaration may impose on the property described therein such additional covenants, conditions, limitations, reservations, exceptions, equitable servitudes and other provisions, in addition to those set forth in this Declaration, as Declarant deems to be appropriate, taking into account the unique and particular

aspects of the proposed development of the portion of the Expansion Property covered by such amendment.

Section 14.4 Interpretation. Recording of amendments to this Declaration in the real property records of Adams County, Colorado, shall automatically:

14.4.1 Vest in each existing Owner the reallocated Allocated Interests appurtenant to his or her Unit; and

14.4.2 Vest in each existing First Mortgagee a perfected security interest in the reallocated Allocated Interests appurtenant to the encumbered Unit. Upon the recording of an Amendment to the Declaration submitting a portion of the Expansion Property to this Declaration, the definitions used in this Declaration shall automatically be extended to encompass and to refer to the Real Estate and the Community, as expanded. All conveyances of Units after such expansion shall be effective to transfer beneficial rights in the Common Areas as expanded to the Owners, whether or not reference is made to any Amendment to the Declaration or Plat. Reference to the Declaration and Plat in any instrument shall be deemed to include all Amendments to the Declaration and Plat without specific reference thereto.

Section 14.5 Construction. The buildings, structures and types of improvements to be placed within the Expansion Property or any part thereof shall be of a quality equal to or better than the improvements previously constructed within the Community, but need not be of the same size, style or configuration.

Section 14.6 Rights Incidental to the Construction Easement. Declarant expressly reserves the right to perform construction work and to store materials in secure areas, in Units owned by it and in the Common Areas, and the future right to control such work and repairs, and the right of access thereto, until its completion. All work may be performed by Declarant without the consent or approval of any Owner or First Mortgagee. Declarant reserves an easement through the Common Areas as may be reasonably necessary for the purpose of discharging Declarant's obligations and exercising Declarant's reserved rights in this Declaration. Such easement includes the right to construct underground utility lines, pipes, wires, ducts, conduits, and other facilities across the land not designated as reserved for future development in the Declaration or on any Plat for the purpose of furnishing utility and other services to the property so reserved for future development. Declarant's reserved construction easement includes the right to grant easements to public utility companies and to convey improvements within those easements anywhere in the Common Areas. All rights granted to or reserved by Declarant in this Declaration may be assigned to one or more of the Participating Builders by means of an appropriate instrument recorded in the real property records of Adams County, Colorado.

Section 14.7 Reciprocal Easements. If all or part of the Expansion Property is not submitted to this Declaration, or if property is withdrawn from the Real Estate ("Withdrawn Property"):

14.7.1 The owner(s) of the Expansion Property and/or Withdrawn Property shall have whatever easements are necessary or desirable, if any, for access, utility service, repair, maintenance and emergencies over and across the Common Areas within the Real Estate; and

14.7.2 The Owner(s) shall have whatever easements are necessary or desirable, if any, for access, utility service repair, maintenance and emergencies over and across the Common Areas within the Expansion Property and Withdrawn Property.

Declarant shall prepare and record in the real property records of Adams County, Colorado, whatever documents are necessary to evidence such easements. Such recorded easement(s) shall specify that the owners of the Expansion Property and the Withdrawn Property and the Owners shall be obligated to pay a proportionate share of the cost of the operation and maintenance of any easements utilized by any such party on the other's property upon such reasonable basis as the Declarant shall establish in the easement(s). Preparation and recordation by Declarant of an easement pursuant to this Section shall conclusively determine the existence, location and extent of the reciprocal easements that are necessary or desirable as contemplated by this Section.

Section 14.8 Termination of Expansion and Development Rights. The expansion and development rights reserved to Declarant, for itself, its successors and assigns, shall expire on the Turnover Date, unless the expansion and development rights are sooner relinquished in whole or in part by Declarant pursuant to an instrument confirming such relinquishment, and said instrument, with the terms and conditions applicable to the same, is executed, acknowledged and recorded by Declarant in the real property records of Adams County, Colorado.

ARTICLE 15.

AMENDMENT AND TERMINATION

Section 15.1 Technical, Clerical, Typographical or Clarification Amendment. If either the Declarant or the Executive Board shall determine that any amendments to this Declaration or to the map or plat shall be necessary in order to make non-material changes, such as for the correction of a technical, clerical or typographical error or clarification of a statement, then, subject to the following sentence of this Section, Declarant shall have the right and power to make and execute any such amendment at any time prior to the Turnover Date, and thereafter the Executive Board shall have the right and power to make and execute any such amendments, in any event without the need for obtaining the approval of any Owners or First Mortgagees.

Section 15.2 Necessary to Exercise Authority of Association Documents. In addition to the rights granted to the Declarant to execute amendments to this Declaration, the Executive Board shall have the authority to execute amendments to this Declaration or to any Plat which are reasonably necessary in order to perform their respective duties as authorized by this Declaration.

Section 15.3 Attorney in Fact. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to Declarant and the Executive Board to make or consent to an amendment under this Article 15 on behalf of each Owner and holder of a First Mortgage. Each deed, First Mortgage or other evidence of obligation or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of Declarant and the Executive Board to make, execute and record an amendment under this Section.

Section 15.4 Amendment of Declaration by Owners. Except as otherwise provided in this Declaration, and subject to provisions elsewhere contained in this Declaration requiring the consent of others, any provision, covenant, condition, restriction, or equitable servitude contained in this Declaration may be changed or repealed, and any such provision added to this Declaration at any time and from time to time upon approval of the Executive Board and at least sixty-seven percent (67%) of the votes in the Association. Notwithstanding the foregoing, however, no amendment shall be adopted or shall be effective at any time prior to the Turnover Date unless Declarant shall have granted its written approval to the same.

Section 15.5 Amendment Required by Mortgage Agencies. At any time prior to the Turnover Date, Declarant shall have the right to amend this Declaration or any of the other Governing Documents to the extent necessary to comply with the requirements, standards or guidelines of recognized secondary mortgage markets, including without limitation the United States Department of Housing and Urban Development, the Federal Housing Administration, United States Department of Veterans Affairs, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or the Federal National Mortgage Association. After the Turnover Date, the Association shall have the right to execute any such amendments to this Declaration. Any amendment executed pursuant to this Section 15.5 shall be effective upon the recordation, in the real property records of Adams County, Colorado, of a certificate setting forth the amendment or repeal in full.

Section 15.6 Recording of Amendments. To be effective, all amendments to this Declaration must be recorded in the real property records of Adams County, Colorado, and must contain evidence of approval thereof. One method of satisfying the requirement of this Section is the recordation of a certificate of the Secretary of the Association certifying that Owners representing the requisite percentage of the Units have given their written consent to the amendment in question. The Secretary must further certify that originals of such written consents of the Owners, along with a copy of the amendment as executed and recorded, are in the corporate records of the Association and available for inspection. No action to challenge the validity of an amendment adopted by the Association pursuant to this Section may be brought more than one (1) year after the amendment is recorded.

Section 15.7 Association Certification. Amendments to the Declaration required by this Article to be recorded by the Association shall be prepared, executed, recorded, and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association.

Section 15.8 Expenses. All expenses associated with preparing and recording an amendment to the Declaration shall be the sole responsibility of:

15.8.1 In the case of an amendment for the purpose of altering boundaries between adjoining Units, and subdivision of Units, the Owners desiring the amendment;

15.8.2 In the case of an amendment for the purpose of reallocating Allocated Interests, recordation of new plats and maps, and exercise of Development Rights, Declarant; and

15.8.3 In all other cases, by the Association, as a Common Expense.

Section 15.9 Termination. This Declaration may be terminated upon an affirmative vote of the Owners holding 80% of the Allocated Interests, provided such termination shall not be effective at any time prior to the Turnover Date without the prior written approval of Declarant.

ARTICLE 16

ALLOCATED INTERESTS

Section 16.1 Formula for Determining Allocated Interests. The Common Expenses and the votes in the Association shall be allocated to each Unit. The interests allocated to each Unit have been or will be calculated as follows:

16.1.1 the percentage of liability for Common Expenses: (i) in the case of a Single-Family Residential Unit, on the basis of a fraction, the numerator is one and the denominator is the total number of Units within the Community; and (ii) in the case of any Unit containing other than Single-Family Residential Units, on such basis as may be set forth in the document pursuant to which such Unit is submitted to the terms of this Declaration. For purposes of computing the percentage liability for Common Expenses, an apartment or condominium project may be treated as more than one Unit.

16.1.2 the number of votes in the Association: each Unit shall have the a voting percentage equal to its percentage of liability for Common Expenses, as set forth in the preceding subparagraph 16.1.1.

In the Executive Board's discretion, and provided Declarant's consent to such determination is received if such determination is made prior to the Turnover Date, "Improved Units" (i.e., any Unit which has been improved with a completed dwelling for which a temporary or permanent certificate of occupancy has issued) may be assessed differently than "Unimproved Units" (i.e., Unit that are not "Improved Units"), to reflect the fact that such Unimproved Units are not using the Common Areas and to reflect the approximate differential in the cost of services provided by the Association to Unimproved Units as compared with Improved Units. In any event, however, (i) all Unimproved Units shall be assessed on a non-discriminatory manner based upon such portion of their respective Allocated Interests as the Executive Board (with Declarant's consent, as required in accordance with the preceding sentence) may determine; and

(ii) all Improved Units shall be assessed in a non-discriminatory manner based upon their respective Allocated Interests.

Section 16.2 Initial Units. The Allocated Interests of the Units that are subject to this Declaration as of the date of recording of the same are as set forth in Exhibit D attached hereto and incorporation herein by this reference.

Section 16.3 Reallocation. When Units are withdrawn from, or added to, the Community, pursuant to the provisions of this Declaration, the formula set forth in Section 16.1 above shall be used to reallocate the Allocated Interests.

ARTICLE 17

GENERAL PROVISIONS

Section 17.1 Rights Transferable/Rights Transferred. Any rights created or reserved under this Declaration for the benefit of Declarant or Participating Builders may be transferred to any person by an instrument describing the rights transferred recorded in the real property records of Adams County, Colorado. Such instrument shall be executed by the transferor and the transferee. The rights so transferred may be then exercised without the consent of the Association, any Owner or any Mortgagee.

Section 17.2 References to Declaration. Reference to this Declaration in any document or instrument in the real property records shall be deemed to include any supplements or amendments to this Declaration, without specific reference thereto.

Section 17.3 Attorneys' Fees. If an Owner or Related User fails to comply with any provision of the Governing Documents, the Association or any person or class of persons adversely affected by the failure to comply may require reimbursement for collection costs and reasonable attorneys' fees and costs incurred as a result of such failure to comply, without the necessity of commencing a legal proceeding. For each claim, including but not limited to counterclaims, cross-claims, and third-party claims, in any legal proceeding to enforce provisions of the Governing Documents, the court shall award to the party prevailing on such claim the prevailing party's reasonable collection costs and attorneys' fees and costs incurred in asserting or defending the claim. In all instances, however, the court shall award the Association the fees and costs incurred by it in recovering any assessments, as provided in Section 7.9 above.

Section 17.4 Severability. Should any part or parts of this Declaration be declared invalid or unenforceable by any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions.

Section 17.5 Exemption from Act. It is the intent and purpose of this Declaration to provide for and to maintain an exemption from the provisions and requirements of the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101 et seq. pursuant to the exemption granted by Sections 116(2) and (3) of said Act. To the extent that any provision of this Declaration or any action by the Association shall fail to comply with such intent and purpose, the same shall be modified to the extent necessary to maintain the intended exemption. In no

event shall this Declaration be made subject to the provisions of said Act unless in compliance with the statutory procedures set forth in Section 118 of the Act.

Section 17.6 Paragraph Headings. The paragraph headings in this instrument are for convenience only and shall not be construed to be a part of the provisions contained herein or to limit the contents of any paragraph.

Section 17.7 Notice Addresses. Each Owner shall register his mailing address with the Association. All notices or demands affecting the Community may be served upon an Owner by the Association or by other Owners by regular United States Mail, postage prepaid, addressed in the name of the Owner at such registered mailing address or by personal service. All notices or demands intended to be served upon the Association or the Design Review Committee shall be sent by certified United States Mail, postage prepaid, return receipt requested, to the address of the Association as designated in the Articles of Incorporation and Bylaws of the Association or served by personal service on the Association's registered agent for service.

Section 17.8 Gender. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders.

Section 17.9 Jurisdiction and Venue; Applicable Law. This Declaration is filed in the records of Adams County, Colorado and it is agreed that the proper jurisdiction and venue of any action pertaining to the interpretation or enforcement of this Declaration shall be in the District Court for Adams County, Colorado. This Declaration shall be governed by, and shall be construed in accordance with, the laws of the State of Colorado.

Section 17.10 Binding Agreement. It is understood and agreed that this Declaration shall be binding upon and inure to the benefit of the respective heirs, personal representatives, successors, and assigns of Declarant and each Owner.

Section 17.11 Reference to Ownership Interests. Whenever in this Declaration or in the Articles of Incorporation or Bylaws of the Association reference is made to a specific percentage interest of Owners, such reference shall be deemed to mean such percentage of the total aggregate Allocated Interests of such Owners, unless the context otherwise requires, and shall not be deemed to mean a percentage of Owners by number of individual persons, partnerships, corporations or other entities.

Section 17.12 Non-Dedication of Common Areas. Declarant, in recording the Plats and this Declaration, has designated certain areas of land as Common Areas intended for the common use and enjoyment of Owners for recreation and other related activities. The Common Areas are not, by the terms of this Declaration, dedicated for use by the general public.

Dated this 11th day of November, 2002.

CARMA COLORADO, INC., a Colorado
corporation

By: 

Name: THOMAS P. MORTON

Its: VP Colorado

And

By: 

Name: GREGORY W. HALL

Its: Sales and Marketing

STATE OF COLORADO)

COUNTY OF Arapahoe)

) ss.

The foregoing instrument was acknowledged before me this 11th day of November, 2002, by THOMAS J. MORTON, as VICE PRESIDENT of CARMA COLORADO, INC., a Colorado corporation.



Witness my hand and official seal.

My commission expires: _____.

Notary Public

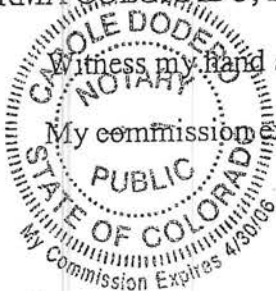
Carol Dodero

STATE OF COLORADO)

COUNTY OF Arapahoe)

) ss.

The foregoing instrument was acknowledged before me this 11th day of November, 2002, by JEFFREY W. HALL, as SALES and MARKETING MGR of CARMA COLORADO, INC., a Colorado corporation.



Witness my hand and official seal.

My commission expires: _____.

Notary Public

Carol Dodero

JOINDER

Each of the undersigned, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby joins in and agrees to be bound by all provisions of the Master Declaration for Brighton Crossing, as fully as though each of the undersigned was a party thereto.

ENGLE HOMES/COLORADO, a
FLORIDA corporation

By: [Signature]

Name: J. Eric Eckhard

Title: Pres.

JOINDER

Each of the undersigned, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby joins in and agrees to be bound by all provisions of the Master Declaration for Brighton Crossing, as fully as though each of the undersigned was a party thereto.

BEAZER HOMES HOLDINGS CORP, a
DELAWARE corporation

By: CE. M. HUBERT

Name: C. M. HUBERT

Title: AUTHORIZED REPRESENTATIVE
COLORADO DIVISION

JOINDER

Each of the undersigned, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby joins in and agrees to be bound by all provisions of the Master Declaration for Brighton Crossing, as fully as though each of the undersigned was a party thereto.

CAPITAL PACIFIC HOLDINGS, LLC, a
DELAWARE limited liability company

By: 

Name: DANIEL J NICKLESS

Title: PRES.

EXHIBIT A

LEGAL DESCRIPTION -- REAL ESTATE

SCHEDULE A

Policy Id: A75-0023545

Case Id: C62883-C2

PREMIUM PAID: \$ 4,212.00

Date of Policy
April 6, 2000
at 12:48 p.m.Insurance Amount
\$ 4,750,000.00

1. Name of Insured:

Carma (Colorado), Inc., a Nevada corporation

2. The estate or interest in the land described herein and which is covered by this Policy is:

Fee Simple

3. The estate or interest referred to herein is at Date of Policy vested in:

Carma (Colorado), Inc., a Nevada corporation

4. The land referred to in this Policy is described as follows:

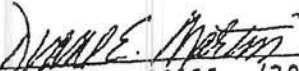
A PARCEL OF LAND LOCATED IN A PORTION OF SECTION 2, TOWNSHIP 1 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF ADAMS, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 2;
THENCE N 00°43'12" W ALONG THE WEST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 2, 50.00 FEET TO THE POINT OF BEGINNING ON THE NORTH RIGHT-OF-WAY LINE OF COLORADO STATE HIGHWAY NO. 7, SAID RIGHT-OF-WAY LINE BEING FIFTY (50) FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 2;
THENCE S 89°48'32" W ALONG SAID LINE, 1536.81 FEET;
THENCE N 00°11'28" W, 510.00 FEET TO A POINT OF CURVE;
THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 255.00 FEET, A CENTRAL ANGLE OF 09°16'37", 41.29 FEET;
THENCE N 45°41'26" W, 837.23 FEET TO A POINT ON A CURVE;
THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 285.00 FEET, A CENTRAL ANGLE OF 38°57'28" (THE CHORD OF WHICH BEARS S 63°47'18" W, 190.07 FEET), 193.78 FEET;
THENCE N 00°41'26" W, 283.42 FEET;
THENCE S 89°18'34" W, 315.00 FEET TO A LINE THIRTY (30) FEET EAST OF AND PARALLEL WITH THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 2;
THENCE N 00°41'26" W ALONG SAID LINE, 756.59 FEET;
THENCE N 89°57'48" E, 2516.18 FEET;
THENCE N 00°02'12" W, 1149.54 FEET;
THENCE N 89°46'33" E, 1546.98 FEET TO THE EAST LINE OF THAT PARCEL OF LAND RECORDED IN BOOK 4190 AT PAGE 630 OF THE ADAMS COUNTY RECORDS;
THENCE S 00°15'10" E ALONG SAID LINE, 2505.12 FEET;

(Continued)

Issued at: ENGLEWOOD, Colorado
on: May 23, 2000

by:



TITLE SERVICES, INC.

6061 S. WILLOW DRIVE # 150, ENGLEWOOD, CO 80111 (303) 779-9555
This Policy is valid only if Schedule B is attached

LEGAL DESCRIPTION

THENCE S 89°46'33" W PARALLEL WITH THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 2, 1099.73 FEET TO THE WEST RIGHT-OF-WAY LINE OF THE SPEER CANAL;
THENCE ALONG SAID WEST RIGHT-OF-WAY LINE THE FOLLOWING FOUR (4) COURSES;

1. THENCE S 24°32'43" W, 53.16 FEET;
2. THENCE S 14°57'14" W, 439.86 FEET TO A POINT OF CURVE;
3. THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 346.60 FEET, A CENTRAL ANGLE OF 25°56'49", 156.96 FEET TO A POINT OF TANGENT;
4. THENCE S 10°59'35" E ALONG SAID TANGENT, 102.99 FEET TO THE NORTH RIGHT-OF-WAY LINE OF SAID COLORADO STATE HIGHWAY NO. 7, SAID NORTH RIGHT-OF-WAY LINE BEING FIFTY (50) FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 2;

THENCE S 89°46'33" W ALONG SAID LINE, 219.98 FEET TO THE POINT OF BEGINNING.

NOTE: LEGAL DESCRIPTION CREATED BY: EMK CONSULTANTS, INC., 7006 S. ALTON WAY, BLDG. F, ENGLEWOOD, CO 80112-2004, LAUREN MCDANIEL, PLS NO. 12406.

OWNERS FORM #113/99

SCHEDULE A

Policy Id: A75-0186878

Case Id: C01-1964 C

PREMIUM PAID: \$ 3,110.00

Date of Policy

April 24, 2001

at 8.00 a m

Insurance Amount

\$ 3,370,000.00

1. Name of Insured:

Carma (Colorado), Inc., a Nevada corporation

2. The estate or interest in the land described herein and which is covered by this Policy is:

Fee Simple

3. The estate or interest referred to herein is at Date of Policy vested in:

Carma (Colorado), Inc., a Nevada corporation

4. The land referred to in this Policy is described as follows:

A parcel of land located in the West half of Section 2, Township 1 South, Range 66 West of the Sixth Principal Meridian, County of Adams, State of Colorado, more particularly described as follows.

Commencing at the Northwest corner of said Section 2,
thence S00°40'32"E along the West line of the Northwest quarter of said Section 2, 30.00 feet;
thence N89°49'25"E along a line thirty (30) feet South of and parallel with the North line of the Northwest quarter of said Section 2, 335.78 feet to the Point of Beginning;
thence continuing N89°49'25"E along said line, 1626.99 feet;
thence S00°15'06"E, 1636.29 feet;
thence N89°46'33"E, 608.39 feet;
thence S00°02'12"E, 1149.54 feet;
thence S89°57'48"W, 2516.18 feet to a line thirty (30) feet East of and parallel with West line of the Southwest quarter of said Section 2,
thence N00°41'26"W along said line, 496.12 feet;
thence N00°40'32"W along a line thirty (30) feet East of and parallel with the West line of the Northwest quarter of said Section 2, 1715.45 feet;
thence N89°19'28"E, 300.85 feet;
thence N00°10'35"W, 565.08 feet to the Point of Beginning

Legal description provided by:

EMK Consultants, Inc.

Jo. No. 11984.

Case No. C02-3200 C

ROBERT A

LEGAL DESCRIPTION

Parcel 1:

A parcel of land located in Section 2, Township 1 South, Range 66 West of the Sixth Principal Meridian, County of Adams, State of Colorado, more particularly described as follows:

Commencing at the Northwest corner of said Section 2;
Thence South $00^{\circ}40'32''$ East along the West line of the Northwest quarter of said Section 2, 30.00 feet to a line thirty (30) feet South of and parallel with the North line of the Northwest quarter of said Section 2;
Thence North $89^{\circ}49'25''$ East along said line, 1962.77 feet to the Point of Beginning;
Thence continuing North $89^{\circ}49'25''$ East along said line, 290.38 feet;
Thence North $89^{\circ}17'18''$ East along a line thirty (30) feet South of and parallel with the North line of the Northwest quarter of said Section 2, 380.79 feet;
Thence North $89^{\circ}44'54''$ East along a line thirty (30) feet South of and parallel with the North line of the Northeast quarter of said Section 2, 1484.18 feet to the East line of that parcel of land recorded in Book 4190 at Page 630 of the Adams County Records;
Thence South $00^{\circ}15'10''$ East along said line, 1540.00 feet;
Thence South $89^{\circ}45'33''$ West, 2155.37 feet;
Thence North $00^{\circ}15'06''$ West, 1636.29 feet to the Point of Beginning.
County of Adams, State of Colorado.

Parcel 2:

A parcel of land located in the North half of Section 10, Township 1 South, Range 66 West of the Sixth Principal Meridian, County of Adams, State of Colorado, more particularly described as follows:

Commencing at the Northeast corner of said Section 10;
Thence South $00^{\circ}18'15''$ East along the East line of the Northeast corner of said Section 10, 50.00 feet to the South right-of-way line Colorado State Highway No. 7, said line being fifty (50) feet South of and parallel with the North line of the Northeast quarter of said Section 10;
Thence South $89^{\circ}42'26''$ West along said line, 1100.01 feet to the Point of Beginning;
Thence South $00^{\circ}17'34''$ East, 560.00 feet to a point of curve;
Thence along said curve to the right having a radius of 295.00 feet, a central angle of $13^{\circ}43'36''$, 70.67 feet;
Thence North $89^{\circ}42'26''$ East, 159.95 feet to a point of curve;
Thence along said curve to the right having a radius of 550.00 feet, a central angle of $40^{\circ}15'41''$, 386.64 feet to a point of reverse curve;
Thence along said curve to the left having a radius of 430.00 feet, a central angle of $40^{\circ}17'22''$, 302.37 feet to a point of tangent;
Thence North $89^{\circ}41'45''$ East along said tangent, 285.00 feet to a line thirty (30) feet West of and parallel with the East line of the Northeast quarter of said Section 10;
Thence South $00^{\circ}18'15''$ East along said line, 390.26 feet;
Thence South $89^{\circ}42'26''$ West parallel with the North line of the Northeast quarter of said Section 10, 2611.89 feet;
Thence South $89^{\circ}42'46''$ West parallel with the North line of the Northwest quarter of said

(Continued)

LEGAL DESCRIPTION

FILE NUMBER: C02-3200

Section 2, 574.48 feet;

Thence North $00^{\circ}17'14''$ West, 1252.55 feet to the South right-of-way line of said Colorado State Highway No. 7;

Thence North $89^{\circ}42'46''$ East along said South right-of-way line being fifty (50) feet South of and parallel with the North line of the Northwest quarter of said Section 10, 574.36 feet;

Thence North $89^{\circ}42'26''$ East along said South right-of-way line being fifty (50) feet South of and parallel with the North line of the Northeast quarter of said Section 10, 1541.63 feet to the Point of Beginning.

County of Adams, State of Colorado.

Legal Description prepared by:

EMK Consultants, Inc.

Job No. 11984

EXHIBIT A

LEGAL DESCRIPTION

Parcel A:

That part of Section 1, Township 1 South, Range 66 West of the Sixth Principal Meridian, County of Adams, State of Colorado, more particularly described as follows:

Beginning at the West quarter corner of said Section 1,

Thence North $89^{\circ}45'54''$ East along the Northerly line of the Southwest quarter of said Section 1 a distance of 778.15 feet;

Thence North $24^{\circ}18'10''$ East a distance of 721.71 feet to the Northerly line of the South half of Government Lot 1 in the fractional Northwest quarter of said Section 1;

Thence North $89^{\circ}42'10''$ East along said Northerly line a distance of 1572.60 feet to the Southeast corner of the North half of Government Lot 1 in the fractional Northwest quarter of said Section 1;

Thence North $89^{\circ}41'18''$ East a distance of 95.26 feet along the Northerly line of the South half of Government Lot 1 in the fractional Northeast quarter of said Section 1 to the Northwesternly line of Interstate 76 as recorded in Book 2441, Page 842, Adams County Clerk and Records Office, State of Colorado;

Thence along said Northwesternly line of Interstate Highway right-of-way the following three (3) courses:

1. Thence South $48^{\circ}00'01''$ West a distance of 1753.12 feet;

2. Thence South $42^{\circ}17'23''$ West a distance of 201.00 feet;

Thence South $48^{\circ}00'01''$ West a distance of 1721.94 feet to the Westerly line of the Southwest quarter of said Section 1;

Thence North $00^{\circ}47'09''$ West along said Westerly line a distance of 1804.30 feet to the Point of Beginning.

County of Adams, State of Colorado.

Parcel B:

A parcel of land located in the East half of Section 3, Township 1 South, Range 66 West of the Sixth Principal Meridian, County of Adams, State of Colorado, more particularly described as follows:

Commencing at the Southeast corner of said Section 3;

Thence North $00^{\circ}41'26''$ West along the East line of the Southeast quarter of said Section 3, 50.00 feet to the North right-of-way line of Colorado State Highway No. 7, said line being fifty (50) feet North of and parallel with the South line of the Southeast quarter of said Section 3;

Thence South $89^{\circ}42'26''$ West along said line, 1404.65 feet to the Point of Beginning;

Thence continuing South $89^{\circ}42'26''$ West along said line, 1236.88 feet to the West line of the Southeast quarter of said Section 3;

Thence North $00^{\circ}32'04''$ West along said West line, 2587.82 feet to the Northwest corner of the Southeast quarter of said Section 3;

Thence North $00^{\circ}32'04''$ West along the West line of the Northeast quarter of said Section 3, 180.67 feet to a line 180.67 feet North of and parallel with the North line of the Southeast quarter of said Section 3;

Thence North $89^{\circ}42'43''$ East along said line, 2604.03 feet to a line thirty (30) feet West of and parallel with the East line of the Northeast quarter of said Section 10;

(Continued)

LEGAL DESCRIPTION

FILE NUMBER: C02-3354

Thence South 00°40'32" East along said line, 180.67 feet;
Thence South 00°41'26" East along a line thirty (30) feet West of and parallel with the East line of the Southeast quarter of said Section 3, 1252.86 feet;
Thence South 89°18'34" West, 315.00 feet;
Thence South 00°41'26" East, 285.00 feet;
Thence South 89°18'34" West, 205.00 feet to a point of curve;
Thence along said curve to the left having a radius of 255.00 feet, a central angle of 43°48'00", 194.94 feet to a point of tangent;
Thence South 45°30'34" West along said tangent, 403.31 feet to a point of curve;
Thence along said curve to the left having a radius of 255.00 feet, a central angle of 45°48'08", 203.85 feet to a point of tangent;
Thence South 00°17'34" East along said tangent, 235.00 feet;
Thence South 89°42'26" West, 305.00 feet;
Thence South 00°17'34" East, 275.00 feet to the Point of Beginning.
County of Adams, State of Colorado.

Parcel C:

A parcel of land located in the Northwest quarter of Section 10, Township 1 South, Range 66 West of the Sixth Principal Meridian, County of Adams, State of Colorado, more particularly described as follows:

Commencing at the Northwest corner of said Section 10;
Thence South 00°25'16" East along the West line of the Northwest quarter of said Section 10, 725.00 feet to the Point of Beginning;
Thence North 89°42'46" East parallel with the North line of the Northwest quarter of said Section 10, 725.00 feet;
Thence North 00°17'14" West, 275.00 feet to the South right-of-way line Colorado State Highway No. 7, said line being fifty (50) feet South of and parallel with the North line of the Northwest quarter of said Section 10;
Thence North 89°42'46" East along said line, 499.24 feet to the West line of that parcel of land recorded in Book 1700 at Page 212 of the Adams County Records;
Thence South 00°17'14" East along said line, 478.70 feet to the boundary of that parcel of land recorded in Book 4424 at Page 6 of the Adams County Records;
Thence along the boundary of said parcel the following five (5) courses:

1. Thence South 89°42'46" West, 532.00 feet;
2. Thence South 00°17'14" East, 760.00 feet;
3. Thence North 89°42'46" East, 1049.59 feet;
4. Thence North 00°25'25" West, 760.00 feet;
5. Thence South 89°42'46" West, 485.78 feet to the East line of said parcel of land recorded in Book 1700 at Page 212 of the Adams County Records;

Thence North 00°17'14" West along said East line, 478.70 feet to the South right of way line of said Colorado State Highway No. 7;
Thence North 89°42'46" East along said line, 812.29 feet;
Thence South 00°17'14" East, 1252.55 feet;
Thence South 89°42'46" West parallel with the North line of the Northwest quarter of said Section 10, 324.73 feet to a line 1739.51 feet East of and parallel with the West line of the Northwest quarter of said Section 10;
Thence South 00 deg. 25 min. 16 sec. East along said line, 1336.25 feet to the South line of the

(Continued)

LEGAL DESCRIPTION

FILE NUMBER: C02-3354

Northwest quarter of said Section 10;
Thence South $89^{\circ}43'58''$ West along said line, 1739.52 feet to the Southwest corner of the
Northwest quarter of said Section 10;
Thence North $00^{\circ}25'16''$ West along said line, 2313.20 feet to the Point of Beginning.
County of Adams, State of Colorado.

