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DECLARATION OF TRUST
for
THE CANDELAS SUSTAINABILITY TRUST
Dated as of June 28, 2011

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DECLARATION OF TRUST

This DECLARATION OF TRUST, dated as of June 28, 2011 (this "Declaration"), by and among Vauxmont Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado, as settlor (together with its permitted successors and assigns hereunder, the "Settlor"), Arvada Residential Partners, LLC, a Colorado limited liability company ("ARP"), and Candelas Special Improvement District No. 1, a quasi-municipal corporation and political subdivision of the State of Colorado (together with its permitted successors and assigns hereunder, the "Trustee").

Recitals

WHEREAS, ARP is the master developer of the Candelas planned community, located in Jefferson County, Colorado ("Candelas"); and

WHEREAS, Candelas is located within the boundaries of the Settlor; and

WHEREAS, ARP is the "Master Developer" under those certain Protective Covenants and Easements of Candelas (as they may be amended from time to time, the "Covenants"); and

WHEREAS, the development of the property within Candelas is being guided by a comprehensive approach for sustainable community development for the benefit of present and future generations through the use and implementation of green building standards, renewable energy systems and programs, and sustainable design guidelines; and

WHEREAS, in furtherance of that approach, the City of Arvada (the "City") approved the Sustainability Development Program for Candelas (the "SDP") and the Covenants; and

WHEREAS, pursuant to Section 32-1-1101.7, C.R.S. (the "SID Statute"), the Settlor organized the Trustee to encourage, accommodate and finance Renewable Energy Improvements and Energy Efficiency Improvements (as defined in the SID Statute); and

WHEREAS, the Settlor desires to create this Trust (defined below) to facilitate and encourage education and implementation of sustainable community development in Candelas in accordance with the provisions of the Covenants, the SDP and the SID Statute; and

WHEREAS, the SDP and the Covenants anticipate a governance structure related to the financing of and education related to renewable energy and energy efficiency technologies, and the parties hereto desire to establish the Candelas Sustainability Trust (the "Trust") to provide this structure; and

WHEREAS, Pursuant to the SDP, 20% of Homes (defined below) in Candelas will be built with QRES Improvements (defined below); and

WHEREAS, the Settlor wishes (i) to facilitate the transfer of funds (through Sustainability Contributions, as defined herein) to the Trust for the purpose of protecting and conserving such funds, (ii) to provide future grants on behalf of Beneficiary (as defined herein)

to the residents of Candelas who purchase as part of a Home, or desire to construct install or modify, QRES Improvements and (iii) to oversee the SDP.

NOW, THEREFORE, in consideration of the premises and of mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions. For all purposes of this Declaration, initially capitalized terms used in this Declaration that are not otherwise defined herein shall have the meanings assigned to them in this Section 1.1.

(a) "Administrative Expenses" mean the expenses, not to exceed in any Fiscal Year twenty-five percent (25%) of the amount of the Trust's total cash receipts for such Fiscal Year, approved by the Trustee in connection with the administration of the Trust, including without limitation educational programs, scholarships and programming costs.

(b) "Administrative Account" means the account to be established by the Trustee in which a portion of the Trust Estate, not to exceed in any Fiscal Year twenty-five percent (25%) of the amount of the Trust's total cash receipts for such Fiscal Year, will be held to be used for Administrative Expenses.

(c) "ARP" shall have the meaning set forth in the Recitals.

(d) "Beneficiary" and "Beneficiaries" shall generally mean the residential property owners in Candelas.

(e) "Candelas" shall have the meaning set forth in the Recitals.

(f) "Covenants" shall have the meaning set forth in the Recitals.

(g) "Distributable Cash" means, with respect to any Fiscal Year or other applicable period as determined by the Trustee, the excess, if any, of (a) all cash receipts generated from all sources, including cash generated by the Trust from Sustainability Contributions, proceeds from the sale of Trust property, loan proceeds, and proceeds from investments, less (b) all Administrative Expenses, capital and investment expenditures of the Trust for such period, payments of principal and interest on account of any Trust indebtedness, any cash pledged by the Trust as security in connection with Trust indebtedness, and such reasonable cash reserves as the Trustee deems necessary for investments or any Trust needs (or those mandated by applicable law, contract or the Trust's indebtedness). Any cash (or equivalents) held by the Trust that is not Distributable Cash solely because it has been pledged by the Trustee in connection with indebtedness shall become Distributable Cash when the lien or similar security right for such cash or cash account is released by the applicable holder.

(h) "Fiscal Year" means the 12-month period ending on December 31st of each year or such other fiscal year as the Trustee may select in its reasonable discretion from time to time.

(i) "Home" shall mean the residential improvements located on a Lot of an Owner.

(j) "Homebuilder" shall mean each Person who (i) is regularly engaged in the ordinary business of constructing residential dwellings on subdivision lots for sale to third-party homeowners; and (ii) has entered into a contract with ARP or an affiliate of ARP to purchase one or more Lots.

(k) "Lot" shall mean a residential lot in Candelas.

(l) "Owner" shall mean the owner of a Lot and the Home.

(m) "Person" shall mean a natural person or an entity in its own or any representative capacity.

(n) "Qualified Community-Wide Sustainability Programs" shall mean, as reasonably determined by the Trustee based upon the recommendation of the Sustainability Committee, Candelas community-wide sustainability programs that satisfy the guidelines set forth on Exhibit B attached hereto, as may be amended from time to time by the Sustainability Committee.

(o) "QRES" shall mean a qualified residential energy system, as reasonably determined by the Trustee according to the processes set forth in this Declaration.

(p) "QRES Account" shall mean the account to be established by the Trustee in which a portion of the Trust Estate, initially not less than seventy-five percent (75%) of the amount of each Sustainability Contribution, will be held to be disbursed pursuant to Article VI of this Declaration.

(q) "QRES Improvements" shall mean, as reasonably determined by the Trustee based upon the recommendation of the Sustainability Committee, QRES and/or energy efficiency system improvements that satisfy the SID Statute, and the guidelines set forth on Exhibit A attached hereto, as may be amended from time to time by the Sustainability Committee. The Sustainability Committee may amend Exhibit A from time to time to reflect changing technology in the field of renewable energy and updated methods in connection with the installation of renewable energy systems. No such amendment shall require any other approval under this Declaration and shall not constitute an amendment to this Declaration.

(r) "Rules and Procedures" shall mean the rules, procedures, processes, guidelines, directions and similar policies, as authorized under this Declaration, to be promulgated by the Sustainability Committee.

(s) "Sustainability Committee" shall have the meaning ascribed thereto in Section 4.1.

- Section 5.1. (t) "Sustainability Contribution" shall have the meaning ascribed thereto in
- Trust. (u) "Trust Estate" means all legal title to all property, real or personal, of the
- (v) "Trustee" shall have the meaning set forth in the Recitals.

ARTICLE II

DISPOSITIVE PROVISIONS

2.1 Creation of Trust. Settlor hereby establishes and creates this Trust. ARP agrees that it shall transfer, or will cause to be transferred, the Sustainability Contributions to this Trust in accordance with Article V of this Declaration. Trustee agrees to hold all estate, right, title and interest of the Trust in the Trust Estate, as Trustee upon the trusts and subject to the terms set forth herein and for the sole use and benefit of the Beneficiary.

2.2 Name. This Trust shall be known as "THE CANDELAS SUSTAINABILITY TRUST."

2.3 Revocation. Settlor may unilaterally revoke the Trust by an instrument in writing signed by the Settlor and delivered to the Trustee; provided, however, that if the Trust is revoked, the Trustee shall, after administering any pending rebates and distributions pursuant to Article VI, promptly deliver and disburse the Trust Estate for the sole benefit of the Beneficiaries to be used in a manner that is generally consistent with the terms of this Declaration and the SDP. In the event of a revocation of the Trust in accordance with this section, and after the final disbursement of the Trust Estate, the Trust shall terminate.

2.4 Grantor Trust. The Trust is intended to be a grantor trust, of which the Settlor is the grantor, within the meaning of Subpart E, Part I, Subchapter J, Chapter 1, Subtitle A of the Internal Revenue Code of 1986, as amended, and shall be construed accordingly. The Settlor shall be responsible for reporting and paying any and all federal, state and local income taxes that may become due as a result of any earnings or realized gain on any Trust assets. No Beneficiary, Homebuilder or any of their beneficiaries, heirs, successors and assigns shall have a claim on, or any beneficial ownership interest in, any assets of the Trust.

ARTICLE III

ADMINISTRATION OF TRUST; AUTHORITY OF TRUSTEE

3.1 Authority of Trustee. Subject in all respects to the applicable provisions, standards and limitations of this Declaration, and any applicable Rules and Procedures that the Sustainability Committee may establish, the Trustee may exercise those powers set forth in the Colorado Fiduciaries' Powers Act, as amended, and each of the following powers:

(i) To establish and open accounts for the deposit and maintenance of the Trust Estate and to enter into all necessary and desirable agreements and relationships in connection therewith.

(ii) To invest and reinvest the Trust Estate in any one or more kind, type, class, item or parcel of property, real or personal, tangible or intangible; or in any one or more kind, type, class, or item of obligation, secured or unsecured; or in any combination of them and to retain the property for the period of time that the Trustee deems appropriate, despite fluctuations in the market price of the property.

(iii) To select and retain a third party investment manager to assist Trustee in carrying out the investment activities specified in Section 2.1(a)(ii) above.

(iv) To sell, convey, transfer, exchange, partition, lease, and otherwise dispose of any of the assets of the Trust at any time held by the Trustee under this Declaration, with or without notice.

(v) To exercise any option, conversion privilege or subscription right given the Trustee as the owner of any security held in the Trust; to vote any corporate stock either in person or by proxy, with or without power of substitution; to consent to or oppose any reorganization, consolidation, merger, readjustment of financial structure, sale, lease or other disposition of the assets of any corporation or other organization, the securities of which may be an asset of the Trust; to take any action in connection therewith and receive and retain any securities resulting therefrom.

(vi) To cause any property of the Trust to be issued, held or registered in the name of the Trustee as the Trustee, or in the name of one or more of its nominees, or one or more nominees of any system for the central handling of securities, or in such form that title will pass by delivery, provided that the records of the Trustee shall in all events indicate the true ownership of such property.

(vii) To renew or extend the time of payment of any obligation due or to become due.

(viii) To commence or defend lawsuits or legal or administrative proceedings; to compromise, arbitrate or settle claims, debts or damages in favor of or against the Trust; to deliver or accept, in either total or partial satisfaction of any indebtedness or other obligation, any property; to continue to hold for such period of time as the Trustee may deem appropriate any property so received; and to pay all costs and reasonable attorneys' fees in connection therewith out of the Administrative Account.

(ix) To manage any real property in the Trust in the same manner as if the Trustee were the absolute owner thereof.

(x) With the approval of the Sustainability Committee, to issue debt in such amounts and upon such terms and conditions and for such purposes as the Trustee may deem appropriate; and in connection therewith or in connection with any similar financing or bond transaction, to pledge or mortgage as security that portion of the Trust Estate produced by

Sustainability Contributions until the 800th certificate of occupancy is issued to a Lot, including interest and earnings thereon.

- (xi) To pay Administrative Expenses.
- (xii) To obtain such policies of insurance that the Trustee deems necessary or desirable under this Declaration and to treat the costs of such policies as Administrative Expenses.
- (xiii) To make distributions in accordance with Article VI hereof.
- (xiv) To expend moneys in the Administrative Account for Qualified Community-Wide Sustainability Programs, scholarships, general education and other uses consistent with the SDP.
- (xv) Generally to do all acts which the Trustee may deem necessary or desirable for the orderly administration or protection of the Trust.

ARTICLE IV SUSTAINABILITY COMMITTEE

4.1 In General, Responsibilities and Powers. There shall be formed a “Sustainability Committee” consisting of individuals appointed as set forth in Section 4.4 below. The Sustainability Committee shall have such powers and authorities as are expressly granted to it pursuant to this Declaration; shall make recommendations to the Trustee; and shall exercise such other functions and specific duties as are delegated to it by this Declaration or by the Trustee. Unless otherwise directed by Trustee, the Sustainability Committee may establish from time to time, as part of the Rules and Procedures, the schedule of, notice for, and the rules and conduct of its meetings.

4.2 Powers. The Sustainability Committee will establish the Rules and Procedures related to the definitions for QRES Improvements, Qualified Community-Wide Sustainability Programs, and the applications for and disbursement of funds consistent with Article VI of this Declaration. Determinations of whether a particular improvement is a QRES Improvement (whether by a Homebuilder or an Owner) shall be in the discretion of the Sustainability Committee. The Sustainability Committee will periodically review the definitions of QRES Improvements and Qualified Community-Wide Sustainability Programs and update as necessary. No updates to such definitions shall constitute an amendment to this Declaration. The power and authority of the Sustainability Committee shall be subject to the power and authority granted to the Trustee by this Declaration.

4.3 Interaction with Design Review Committee. The Sustainability Committee will meet with and advise the Candelas Design Review Committee (“CDRC”), which committee has been, or will be, created under the Covenants, with regard to whether any particular improvement is a QRES, so that the CDRC can review and instruct an Owner with respect to compliance with the Covenants.

4.4 Appointment, Number, Election and Term of Office. The number of participants on the Sustainability Committee shall be five (5) individuals. The Sustainability Committee shall be comprised of one (1) individual appointed in writing by City of Arvada, three (3) individuals appointed in writing by ARP and one (1) representative from, and chosen by the members of, the Candelas Sustainability Development Committee, as defined in and created pursuant to the SDP. Participants on the Sustainability Committee shall hold office until a successor or replacement is duly appointed, or until his or her earlier death, termination, resignation or removal as hereinafter provided.

4.5 Resignation and Removal. Any Sustainability Committee participant may resign at any time by delivering a written resignation to the Trustee. Unless otherwise specified in the notice, such resignation shall take effect upon receipt thereof by the Trustee, and the acceptance of such resignation shall not be necessary to make it effective. Any Sustainability Committee participant may be removed at any time, with or without cause, by the Trustee. Moreover, any Sustainability Committee participant may be removed at any time, with or without cause, by the Person who appointed such participant. If a Sustainability Committee Participant is removed by the Trustee or by the appointing Person as set forth above, then the Person who appointed the removed participant may appoint a new participant in accordance with Section 4.4 above.

4.6 Vacancies. Any vacancy created by resignation or removal of a Sustainability Committee participant shall be filled by appointment of a new Sustainability Committee participant, which appointment shall be made by the Person who appointed the resigned or terminated participant to whom such vacancy relates.

4.7 Place and Time of Sustainability Committee Meetings. Unless otherwise directed by Trustee, a quarterly meeting of the Sustainability Committee shall be held four times per year for the purpose of conducting such other proper business as may come before the meeting. The date, time and place of the quarterly meetings may be determined by the Sustainability Committee. Sustainability Committee participants may participate in and act at any meeting of Sustainability Committee through the use of telephone or other communications, as set forth in Section 4.9. The Trustee may call a special meeting of the Sustainability Committee at any time for any reason.

4.8 Quorum and Vote. A majority of the total number of Sustainability Committee participants represented in person shall constitute a quorum at a meeting of the Sustainability Committee for the transaction of business. Except as expressly provided otherwise in this Declaration, the vote of a majority of Sustainability Committee participants present at a meeting at which a quorum is present shall be the act of the Sustainability Committee; provided, however, that if there shall ever be an equal number of votes in favor and in opposition of a motion, the vote of the participants appointed by ARP shall be the act of the Sustainability Committee. If a quorum shall not be present at any meeting of the Sustainability Committee, the Sustainability Committee participants present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

4.9 Telephonic Meetings. Members of the Sustainability Committee may participate in and act at any meeting of the Sustainability Committee through use of a conference telephone or other communications equipment by means of which all persons participating in the meeting

can hear each other. Participation in the meeting pursuant to this section shall constitute presence in person at the meeting.

ARTICLE V

FUNDING

5.1 Sustainability Contributions. A "Sustainability Contribution" shall be the cash contribution that ARP shall charge to each Homebuilder in connection with the purchase of a Lot, which contribution shall be due and payable when such Homebuilder obtains a building permit for such Lot. The Sustainability Contribution shall be equal to \$3,000 per single-family detached dwelling unit, \$1,500 per single-family attached unit per Lot, and \$1,000 per multi-family attached unit per Lot, subject to adjustment by the Sustainability Committee and approval of such adjustment by the Trustee. The Trustee shall maintain a record of each Sustainability Contribution that is associated with each Lot sold. Each residential Lot in Candelas shall be subject to a Sustainability Contribution.

5.2 No Assessments; No Encumbrances. The Sustainability Contributions shall be evidenced, agreed upon and shall be payable vis-à-vis a contractual agreement between ARP and an individual Homebuilder. The Sustainability Contributions shall not constitute assessments, levies or similar fees of the Settlor or Trustee. No Sustainability Contribution or right or obligation under this Declaration shall constitute an encumbrance on, run with the land, or otherwise appear as a restriction or right on legal title to any Home, Lot, or any property of the Trust, Settlor, Beneficiary or ARP.

5.3 Accounts. The Trustee shall deposit not more than 25% of each Sustainability Contribution into the Administrative Account (the amount to be determined by the Trustee) and the remaining amount of each Sustainability Contribution into the QRES Account. The Trustee may, in its discretion, transfer amounts between the Administrative Account and the QRES Account (and any other account properly created by the Trustee), provided that the maximum amount in the Administrative Fund does not exceed, in any Fiscal Year, 25% of the Trust Estate for such Fiscal Year. Subject to the limitations of this Declaration, if the Trustee deems it necessary or desirable, the Trustee may create other accounts to hold certain amounts of the Trust Estate.

5.4 Other Funding Sources. Subject to the other limitations set forth in this Declaration, the Trust may rely upon other funding sources to increase the Trust Estate and may use the revenue derived from such other funding sources for Administrative Expenses, QRES Improvements, Qualified Community-Wide Sustainability Programs, and/or other uses that are not inconsistent with the SDP and this Declaration. Further, the Trust may issue debt, including, without limitation, Property Assessed Clean Energy bonds and similar arrangements, and, subject to Section 3.1(x) of this Declaration, pledge the Trust Estate as collateral therefore.

5.5 Reports. The Trustee shall maintain the accounting records and financial data of the Trust, and data related to the Lots for which Sustainability Contributions have been collected and distributions have been made. The Trustee shall prepare annual financial statements and reports each Fiscal Year for the Trust, which statements and reports shall include, at a minimum,

a summary of Sustainability Contributions and QRES Disbursements (defined below) for the Fiscal Year, a breakdown and report of investments in which the Trust Estate was invested for the Fiscal Year, a report of Administrative Expenses for the Fiscal Year, and a narrative of all material financial events not set forth in the foregoing. Such statements and reports shall be provided to the Settlor, ARP, the City of Arvada Community Development Department and to any Beneficiary who requests the same.

ARTICLE VI

DISTRIBUTIONS

6.1 Distributions to Benefit Beneficiaries. Except upon the termination of the Trust as provided in this Declaration, all distributions of the Trust Estate shall be made for and on behalf of a Beneficiary. Any distribution made directly to a Homebuilder hereunder, or made to fund Qualified Community-Wide Sustainability Programs in accordance with the terms and conditions of this Declaration, shall be deemed a distribution for and on behalf of the Beneficiaries.

6.2 Distributions for Residential Renewable Energy Systems.

(a) In General. Except as may be restricted by this Article VI, the Trustee shall have the authority, upon the recommendation of the Sustainability Committee or as otherwise determined by the Trustee, and subject to any limitations or conditions set forth in this Declaration, to make distributions to Owners and to provide rebates to Homebuilders for QRES Improvements (in either case, the "QRES Distributions"), as applicable, from the Trust's aggregate Distributable Cash.

(i) Rebates to Homebuilders. A Homebuilder who has purchased a Lot, paid in full the appropriate Sustainability Contribution, and constructed a Home that includes installed QRES Improvements may, upon written application to the Trust in form and substance in accordance with the Rules and Procedures applicable to such rebates, receive a rebate (which rebate shall, for purposes of this Declaration, be considered a "QRES Distribution" and shall reduce the balance of the QRES Account, but shall not be subject to the requirements of Section 6.2(a)(iii)) equal to the lesser of (a) the amount of actual out-of-pocket costs incurred by the Homebuilder when installing QRES Improvements in or on such Home, or (b) sixty-five percent (65%) of the Sustainability Contribution paid by such Homebuilder in connection with such Lot, subject to the following conditions:

(A) determination by the Sustainability Committee and approval by the Trustee in its sole discretion that the applicable expenditures qualify as expenditures for improvements that constitute QRES Improvements;

(B) any limitations set forth in the disbursement strategy established by the Trustee pursuant to Section 6.2(b), and determination by the Trustee in its sole discretion that sufficient Distributable Cash exists to make such a QRES Distribution; and

(C) any other terms, conditions and limitations set forth in this Declaration, adopted by the Sustainability Committee or imposed by the Trustee.

(ii) Distributions to Owners. Subject to Section 6.2(a)(iii), an Owner who does not own a Home having QRES Improvements installed by a Homebuilder, who has installed QRES Improvements subsequent to taking title to such Home, and who has not applied for, and received (or is awaiting receipt of), a QRES Distribution for such Home, may receive a QRES Distribution equal to the lesser of (a) the amount of actual out-of-pocket costs incurred by the Owner when installing QRES Improvements in or on his or her Home, or (b) such Owner's pro rata share of the QRES Account (determined by dividing the amount of available funds in the QRES Account, as of the date of acceptance by the Sustainability Committee of the application described below, by the total number of eligible Owners at such time (i.e., all Owners owning a Home that does not have QRES Improvements installed by a Homebuilder and who have not yet submitted a pending or approved application for a QRES Distribution), and subject to the following conditions:

(A) determination by the Sustainability Committee and approval by the Trustee in its sole discretion that the applicable expenditures qualify as expenditures for improvements that constitute QRES Improvements;

(B) any limitations set forth in the disbursement strategy established by the Trustee pursuant to Section 6.2(b), and determination by the Trustee in its sole discretion that sufficient Distributable Cash exists to make such a QRES Distribution; and

(C) any other terms, conditions and limitations set forth in this Declaration or adopted by the Sustainability Committee.

An Owner shall be required to apply to the Trust for a QRES Distribution in a written application in form and substance in accordance with the Rules and Procedures applicable to such disbursements. An Owner shall not be eligible for a QRES Distribution in connection with QRES Improvements installed by a Homebuilder in or on such Owner's Home. If an eligible Owner's application for a QRES Distribution is not accepted by the Sustainability Committee, whether due to ineligibility, incompleteness or other reasonable cause, such Owner may submit a new application for a QRES Distribution, but such Owner shall again be subject to all of the provisions and processes set forth in this Section 6.2(a)(ii). If an Owner's application for a QRES Distribution is accepted, but not ultimately approved, by the Sustainability Committee, such Owner's pro rata share of the QRES Account (as determined above) shall be added back to the available funds in the QRES Account.

(iii) Conditions on QRES Distributions to Owners. In addition to the other conditions set forth in this Declaration, QRES Distributions to Owners shall be subject to the following:

(A) The Trustee shall make no QRES Distributions to any Owner until such time as 800 certificates of occupancy have been issued by the City of Arvada, State of Colorado for Homes within Candelas.

(B) If an Owner who is eligible for a QRES Distribution sells his or her Home prior to installing QRES Improvements on such home, the subsequent Owner of

such Home shall, subject to the other restrictions and conditions set forth in this Declaration, continue to be eligible for a QRES Distribution.

(b) The Trust may have insufficient resources to pay for all costs and expenses associated with QRES Improvements. Further, QRES Distributions received by Owners and Homebuilders may be less than the maximum amounts such Persons are eligible to receive under this Declaration. The Trustee has the express authority and is authorized, but not required, to establish a disbursement strategy (which strategy the Trustee may modify from time to time) to ensure that QRES Distributions are fairly apportioned among the Owners and Homebuilders, which apportionment may, in the discretion of the Trustee, be made based on first-in-time, pro-rata principles or other method, and is further authorized to limit the amount of any QRES Distributions made in a manner consistent with such strategy.

6.3 Lot Limitations. Notwithstanding any other provision in this Declaration, in no event shall more than one (1) QRES Distribution be allocated or disbursed (whether to an Owner or a Homebuilder) to a particular Lot.

6.4 Distributions for Community Programs. The Trustee may make, allow or direct payments from the Administrative Account in advancement of Qualified Community-Wide Sustainability Programs.

6.5 Re-Allocations between Administrative Account and QRES Account. Subject to the limitations and requirements set forth in this Declaration, the Trustee has the authority to transfer and re-allocate the Trust Estate between the Administrative Account and the QRES Account for distributions and expenditures that are consistent with the terms of this Declaration and the SDP.

6.6 Tax Consequences. Any and all tax consequences with regard to the receipt of a rebate or disbursement under this Declaration shall be sole responsibility of the recipient of such rebate or disbursement; the Trust, the Trustee and the Settlor shall have no liability with regard to any such tax consequences. None of the Trustee, the Settlor or the Trust makes any representations, and all such representation are hereby disclaimed, as to potential tax consequences with regard to the receipt of a rebate or disbursement under this Declaration.

ARTICLE VII TRUST CORPUS

7.1 Investment and Management Standard. The Trustee is under a duty to the Beneficiary to receive, handle, invest and manage the Trust Property as a prudent investor would, in light of the purposes, terms, distribution requirements, and other circumstances of the Trust.

7.2 No Duties Except as Specified in Trust Agreement or Instructions. The Trustee shall have no duty or obligation to manage, control, use, make any payment in respect of, register, record, insure, inspect, sell, dispose of or otherwise deal with any part of the Trust Estate, or to otherwise take or refrain from taking any action under or in connection with any Homeowner document or agreement, except as expressly provided by the terms of this

Declaration; and no implied duties or obligations shall be read into this Declaration against the Trustee.

7.3 No Independent Action. The Trustee agrees that it will not manage, control, use, sell, dispose of or otherwise deal with any part of the Trust Estate, except in accordance with the express terms of this Declaration.

7.4 Delegation to Agents, Etc. The Trustee, in the exercise or administration of the trusts and powers hereunder may, at the reasonable expense of the Trust, employ agents, attorneys, accountants and auditors and enter into agreements with any of them, and the Trustee shall not be liable, either in its individual capacity or in its capacity as trustee, for the default or misconduct of any such agents, attorneys, accountants or auditors if such agents, attorneys, accountants or auditors shall have been selected by it in good faith.

ARTICLE VIII

DUTIES OF THE TRUSTEE; CERTAIN RIGHTS OF TRUSTEE

8.1 Action upon Instructions. Upon the written instructions of the Settlor, the Trustee will take, or refrain from taking, any action or actions as may be specified in such instructions.

8.2 Indemnification. The Trustee shall not be required to take or refrain from taking any action under this Declaration unless the Trustee shall have been indemnified in manner and form reasonably satisfactory to the Trustee, against any liability, fee, cost or expense (including reasonable attorneys' fees and expenses) that may be incurred or charged in connection therewith, provided, that the Beneficiary shall not provide, and the Trustee shall not seek, indemnification for any liability, fee, cost or expense (including reasonable attorneys' fees and expenses) as may result from the failure by the Trustee to perform its duties in substantial compliance with the terms of this Declaration, the negligence or willful misconduct of the Trustee, or from the failure of the Trustee to use prudent care in the receiving, handling and distribution of funds, and further, the Trustee shall be fully liable to the Trust and the Beneficiaries and shall indemnify and hold the Trust and the Beneficiaries harmless from and against any liability, fee, cost or expense (including reasonable attorneys' fees and expenses) that may be incurred or charged in connection therewith. The Trustee may purchase such policies of insurance that provide the indemnification protections set forth in this Section.

ARTICLE IX

TRUSTEE

9.1 Furnishing of Documents. The Trustee will furnish to the Sustainability Committee and to any Beneficiary, and to such other authorized Persons as a Beneficiary shall identify in writing, promptly upon request therefore, duplicates or copies of all reports, notices, requests, demands, opinions, certificates, financial statements and any other instruments or writings furnished to the Trustee hereunder, unless the express terms of any such writing prohibit or restrict the release thereof, or the Trustee determines that the same has already been furnished.

9.2 Segregation of Money. Except as required by this Declaration or by applicable law, any moneys received by the Trustee hereunder need not be segregated in any manner.

9.3 Reliance Upon Advice of Counsel. The Trustee shall not incur any liability to any Person in acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper believed by it to be genuine and believed by it in good faith to be signed by the proper party or parties. The Trustee may in good faith accept and rely upon (a) a certified copy of a resolution of the board of directors or other governing body of any corporate party; (b) a copy, certified by any general partner, of any resolution of any partnership party; or (c) a copy, certified by any manager, of any resolution of any limited liability company party as conclusive evidence that such resolution has been duly adopted by such party and that the same is in full force and effect. As to any fact or matter the manner of ascertainment of which is not specifically prescribed herein, the Trustee may for all purposes hereof rely in good faith upon an officer's or general partner's certificate of the relevant party, as to such fact or matter, and such certificate shall constitute full protection to such Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon. In the administration of the Trust, the Trustee may execute any of the trusts or powers hereof and perform its powers and duties hereunder directly or through agents or attorneys and may consult with counsel, accountants and other skilled Persons to be selected and employed by it, and the Trustee shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled Persons.

9.4 Liability with Respect to Documents. No party hereto shall incur any liability to any Person for or in respect of the recitals herein, the validity or sufficiency of this Declaration or for the due execution hereof by any other party hereto or for the form, character, genuineness, sufficiency, value or validity of any part of the Trust Estate or for or in respect of the validity or sufficiency of the Covenants and no party hereto shall assume or incur any liability, duty or obligation to any other Person except as expressly provided herein.

9.5 Books and Records. Except as may be provided otherwise in Section 8.2 of this Declaration, the Trustee, either in its trust or individual capacity, shall not be under any obligation to appear in, prosecute or defend any action, which in its opinion may require it to incur any out-of-pocket expense or any liability, unless it shall be furnished with such reasonable security and indemnity against such expense or liability as it may require.

ARTICLE X

RESIGNATION AND REMOVAL OF TRUSTEE

10.1 Resignation and Removal of Trustee; Appointment of Successor.

(a) The Trustee may resign at any time without cause by giving at least 30 days' prior written notice to the Sustainability Committee, such resignation to be effective on the acceptance of appointment by a successor Trustee under Section 10.1(b). The Trustee may be removed with or without cause at any time by the Settlor or ARP with 5 days' prior written notice. Any such removal shall be effective in accordance with its terms. In case of the resignation or removal of the Trustee, the Sustainability Committee may appoint a successor

Trustee. If a successor Trustee shall not have been appointed within 30 days after the giving of written notice of a resignation by Trustee, the Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Any successor Trustee so appointed by such court shall immediately and without further act be superseded by any successor Trustee appointed by the Sustainability Committee.

(b) Any successor Trustee, however appointed, shall execute and deliver to the predecessor Trustee an instrument accepting such appointment, and thereupon such successor Trustee, without further act, shall become vested with all the estates, properties, rights, powers, duties and trusts of the predecessor Trustee in the trusts hereunder with like effect as if originally named the Trustee herein; but nevertheless, upon the written request of such successor Trustee such predecessor Trustee shall execute and deliver an instrument transferring to such successor Trustee, upon the trusts herein expressed, all the estates, properties, rights, powers, duties and trusts of such predecessor Trustee, and such predecessor Trustee shall duly assign, transfer, deliver and pay over to successor Trustee all moneys or other property then held by such predecessor Trustee upon the trusts herein expressed.

ARTICLE XI

SUPPLEMENTS AND AMENDMENTS

11.1 Supplements and Amendments. Subject to Section 11.2 hereof, this Declaration may only be amended by a written instrument signed by the parties hereto.

11.2 Conflict with Covenants. In the event of any ambiguity or conflict between the terms and conditions of this Declaration and the Covenants, the terms and conditions set forth in this Declaration shall control. Notwithstanding anything to the contrary contained in this Declaration, no party shall amend this Declaration if such proposed amendment adversely affects the ability of the Trust to perform any obligation of the Trust under the Covenants.

ARTICLE XII

TERM AND TERMINATION

Ten (10) years after the closing of the sale of the last Lot in Candelas to an Owner, no further QRES Disbursements shall be made (excepting QRES Disbursements that have been properly applied for, but have not yet been disbursed) and, subject to the following sentence, the Trustee shall transfer the remaining amount of the Trust Estate to the Settlor to be used to pay down the outstanding public debt of the Settlor or used otherwise by the Settlor for the benefit of Candelas. This Declaration and the Trust created hereby shall terminate upon the disbursement of the entire Trust Estate, except for reasonable reserves, as determined by the Trustee, to be kept in the Administrative Account and used for the purposes of dissolving and winding up the Trust.

ARTICLE XIII

MISCELLANEOUS

13.1 Limitations on Rights of Others. Nothing in this Declaration, whether express or implied, shall be construed to give to any Person other than the parties hereto, any legal or equitable right, remedy or claim under or in respect of this Declaration, any covenants, conditions or provisions contained herein or in the Trust Estate. No creditor of a Beneficiary shall have any right to obtain possession of, or otherwise exercise legal or equitable remedies with respect to, the Trust Estate.

13.2 Notices. Unless otherwise expressly specified or permitted by the terms hereof, notices and communications required or permitted to be given or made under the terms hereof shall be in writing. All notices, requests, demands, and other communications required or permitted under this Declaration shall be deemed to have been duly given if delivered (i) personally, (ii) by facsimile transmission with written confirmation of receipt, (iii) by overnight delivery with a reputable national overnight delivery service, or (iv) by mail or by certified mail, return receipt requested, and postage prepaid. If any notice is mailed, it shall be deemed given five business days after the date such notice is deposited in the United States mail. Notices shall be given at the address for each party set forth below.

ARP: Arvada Residential Partners, LLC
175 Mercado Street, Suite 240
Durango, CO 81301
Attention: Creig Veldhuizen
Telephone: (303) 459-2211

The Settlor: Vauxmont Metropolitan District
141 Union Boulevard, Suite 150
Lakewood, CO 80228
Attention: AJ Beckman
Telephone: (303) 987-0835
Facsimile: (303) 987-2032

The Trustee: Candelas Special Improvement District No. 1
141 Union Boulevard, Suite 150
Lakewood, CO 80228
Attention: AJ Beckman
Telephone: (303) 987-0835
Facsimile: (303) 987-2032

13.3 Severability. If any portion of this Declaration is declared by any court of competent jurisdiction to be void or unenforceable, such decision shall not affect the validity of any remaining portion of this Declaration, which shall remain in full force and effect. If allowed by law, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Declaration a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

13.4 Limitation on the Beneficiary's Liability. The Beneficiary shall not have any liability for the performance of the Trust.

13.5 Separate Counterparts. This Declaration may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

13.6 Successors and Assigns. All covenants and agreements contained herein shall be binding upon, and insure to the benefit of, the parties hereto and their respective successors and assigns, all as herein provided. Any request, notice, or other instrument or action by the Beneficiary shall bind the successors and assigns of the Beneficiary. The defined terms in this Declaration denoting the parties shall include the parties hereto and their respective successors and assigns.

13.7 Headings and Table of Contents. The headings and table of contents of the various articles and sections herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

13.8 Governing Law. This Declaration shall be governed by, and construed in accordance with, the law of the State of Colorado. The Trust created hereby shall be deemed a revocable trust for purposes of Colorado law.

13.9 No Implied Waiver. No term or provision of this Declaration may be changed, waived, discharged or terminated orally, but only by an instrument in writing entered into as provided in Section 9.1; and any such waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

13.10 Further Assurances. The parties to this Declaration shall take such further action and execute and deliver such further documents, instruments, agreements and filings as may be required or desirable to carry out the purposes of this Declaration.

13.11 Time of the Essence. Time is of the essence as to each provision of this Declaration.

13.12 Entire Agreement. This Declaration sets forth the entire agreement and understanding of the parties hereto related to the Trust.

13.13 No Public Utility; No Joint Venture. Nothing in this Declaration shall create or be deemed to create a public utility or similar entity under Colorado or other applicable law.

Nothing in this Declaration shall be construed or deemed to create a partnership, joint venture or similar relationship between the parties hereto.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Declaration of Trust to be duly executed by their respective officers hereunto duly authorized as of the date and year first above written.

SETTLOR:

Vauxmont Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado

By: 

President

Attest: 

Secretary

TRUSTEE:

Candelas Special Improvement District No. 1, a quasi-municipal corporation and political subdivision of the State of Colorado

By: 

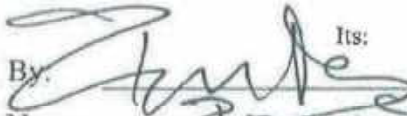
President

Attest: 

Secretary

ARP:

Arvada Residential Partners, LLC, a Colorado limited liability company By: Terra Causa Capital LLC, a Colorado limited liability company

By: 

Name: IRVING SALI
Its: MANAGER

EXHIBIT A

Guidelines for QRES Improvements

QRES IMPROVEMENTS ARE QUALIFIED RESIDENTIAL ENERGY SYSTEMS AND ENERGY EFFICIENCY SYSTEM IMPROVEMENTS THAT FIT WITHIN THE FOLLOWING:

1. An installation or modification that is designed to reduce energy consumption in residential buildings and includes, but is not limited to, the following:
 - a. Insulation in walls, roofs, floors, and foundations and in heating and cooling distribution systems;
 - b. Storm windows and doors, multiglazed windows and doors, heat-absorbing or heat-reflective glazed and coated window and door systems, additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption;
 - c. Automatic energy control systems;
 - d. Heating, ventilating, or air conditioning and distribution system modifications or replacements in buildings or central plants;
 - e. Caulking and weatherstripping;
 - f. Replacement or modification of lighting fixtures to increase the energy efficiency of the system without increasing the overall illumination of a residential building unless such increase in illumination is necessary to conform to the applicable building code for the proposed lighting system;
 - g. Energy recovery systems;
 - h. Daylighting systems; and
 - i. Any other modification, installation, or remodeling approved as a utility cost-savings measure by the Sustainability Committee.
2. A fixture, product, system, or device, or interacting group of devices that produces energy from renewable resources, including photovoltaic systems, solar thermal systems, small wind systems, biomass systems, hydroelectric systems, or geothermal systems, that is installed behind the meter of a residential building.

No QRES Improvement shall be authorized that interferes with a right held by a public utility under a certificate issued by the public utilities commission under article 5 of title 40, C.R.S.

EXHIBIT B

Guidelines for Qualified Community Sustainability Programs

A WIDE VARIETY OF COMPREHENSIVE COMMUNITY-WIDE GENERAL PROGRAMS, GUIDELINES, EVENTS, EDUCATIONAL PROGRAMS AND ACTIONS, INCLUDING, BUT NOT LIMITED TO:

- THE PURCHASE OF RENEWABLE ENERGY CREDITS TO THE OFFSET ENERGY COSTS OF THE RESIDENTS OF CANDELAS
- THE INSTALLATION OF RENEWABLE ENERGY SYSTEMS, INCLUDING IMPROVEMENTS BUILT TO LEED CERTIFIED, ENERGY STAR, BUILT GREEN, AND SIMILAR STANDARDS, THAT BENEFIT THE RESIDENTS OF THE CANDELAS COMMUNITY
- THE IMPLEMENTATION OF AN INTERPRETIVE SIGNAGE PROGRAM OUTLINING AND ENCOURAGING COMMUNITY-WIDE INITIATIVES, SUSTAINABLE DEVELOPMENT, AND RENEWABLE ENERGY PRACTICES
- EDUCATIONAL PROGRAMS, THROUGH THE USE OF NEWSLETTERS, COMMUNITY WEBSITES, CAMPAIGNS, INITIATIVES, EVENTS, FORUMS, DEMONSTRATION PROJECTS, AND STEWARDSHIP PROGRAMS
- EDUCATIONAL SCHOLARSHIPS
- THE ESTABLISHMENT OF ONGOING PARTNERSHIPS WITH SERVICE PROVIDERS, LOCAL AND REGIONAL INITIATIVES, AND EDUCATIONAL AND GOVERNMENTAL ENTITIES
- OTHER PROGRAMS WITHIN THE PARAMETERS OF SDP

QUALIFIED COMMUNITY SUSTAINABILITY PROGRAMS WILL NOT BE USED TO INSTALL RENEWABLE ENERGY IMPROVEMENTS THAT POWER 50% OF COMMUNITY CENTERS LOCATED IN CANDELAS OR FOR SUSTAINABLE ENERGY AND SIMILAR FEATURES AND IMPROVEMENTS OUTLINED IN ANY OF THE OVERALL COMMUNITY DEVELOPMENT PLANS AND THAT ARE SCHEDULED TO BE BUILT BY THE COMMUNITY'S DEVELOPER OR A METROPOLITAN DISTRICT

