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After recording return to:
Rechlitz Law Firm, P.C.
116 Inverness Drive East, Suite 275
Englewood, CO 80112
Attention: Anthony J. Rechlitz II

PROTECTIVE COVENANTS AND EASEMENTS OF CANDELAS

THESE PROTECTIVE COVENANTS AND EASEMENTS OF CANDELAS ("**Covenants**", as hereinafter more fully defined) are made and entered into the date and year hereinafter set forth by ARVADA RESIDENTIAL PARTNERS, LLC, a Colorado limited liability company ("**Master Developer**", as hereinafter more fully defined).

WITNESSETH:

WHEREAS, Master Developer is the owner of that certain real property in the County of Jefferson, City of Arvada ("**City**"), State of Colorado, which is described on **Exhibit A**, attached hereto and incorporated herein by this reference ("**Property**", as hereinafter more fully defined);

WHEREAS, the Master Developer desires to subject and place upon the Property certain covenants, conditions, restrictions, easements, reservations, rights-of-way, obligations, liabilities and other provisions;

WHEREAS, these Covenants do not create a Common Interest Community, as defined by the Colorado Common Interest Ownership Act at C.R.S. §38-33.3-103(8); therefore, these Covenants shall not be governed by the Colorado Common Interest Ownership Act; and

WHEREAS, pursuant to C.R.S. § 32-1-1004(8), it is the intention of the Master Developer, in imposing these covenants and easements on the Property, to empower the Metropolitan District (as defined herein), a metropolitan district that provides service to and governs the Property, to furnish covenant enforcement, easement services, and design review services, as is more particularly described herein, and to use revenues therefor that are derived from the Property.

NOW, THEREFORE, Master Developer hereby declares that the Property shall be held, sold, and conveyed subject to the following covenants, conditions, restrictions, easements, reservations, rights-of-way, obligations, liabilities, and other provisions set forth herein.

ARTICLE 1. DEFINITIONS

Section 1.1. ***Builder.***

"**Builder**" means (i) any Person who acquires one or more parcels of the Property for the purpose of constructing a Unit on each such parcel for sale, and/or rental, to the public, and (ii) any Person who acquires one or more parcels of the Property for sale to any Person fitting the description in Section 1.1(i) and/or for constructing a Unit on each such parcel for sale, and/or rental, to the public.

Land Title GUARANTEE COMPANY 70296864

Section 1.2. ***Covenants.***

"**Covenants**" means these Protective Covenants and Easements of Candelas, as amended and supplemented.

Section 1.3. ***Candelas Design Review Committee or CDRC.***

"**Candelas Design Review Committee**" or "**CDRC**" means the advisory committee appointed by the Master Developer until termination of the Master Development Period, and thereafter appointed by the Metropolitan District, all as provided in Section 2.1 of these Covenants. The CDRC shall review requests for design review approval and make recommendations, for their approval or disapproval, to the Master Developer until termination of the Master Development Period, and thereafter to the governing board of the Metropolitan District, as more fully provided in these Covenants.

Section 1.4. ***Improvements.***

"**Improvements**" means all exterior improvements, structures, and any appurtenances thereto or components thereof of every type or kind, and all landscaping features, including buildings, outbuildings, environmental sustainability improvements, including geothermal systems, solar systems, swimming pools, hot tubs, satellite dishes, tennis courts, patios, patio covers, awnings, solar collectors, painting or other finish materials on any visible structure, additions, walkways, sprinkler systems, garages, driveways, fences, including gates in fences, basketball backboards and hoops, swingsets or other play structures, screening walls, retaining walls, stairs, decks, landscaping, hedges, windbreaks, plantings, trees, shrubs, flowers, vegetables, sod, gravel, bark, exterior light fixtures, poles, signs, exterior tanks, and exterior air conditioning, cooling, heating and water softening equipment, if any.

Section 1.5. ***Master Developer.***

"**Master Developer**" means Arvada Residential Partners, LLC, a Colorado limited liability company, and/or any other Person to whom the Master Developer may assign one or more of the Master Developer's rights under these Covenants (which shall be the extent of the Master Developer's rights to which such assignee succeeds); provided, that no assignment of any Master Developer rights shall be effective unless such assignment is duly executed by the assignor Master Developer and recorded in Jefferson County, Colorado. In lieu of such an assignment, at any time(s) during the Master Development Period, the Master Developer may determine to contract with the Metropolitan District in order for the Metropolitan District to provide covenant enforcement services related to the Master Developer's rights hereunder.

Section 1.6. ***Master Development Period.***

"**Master Development Period**" means the period of time commencing on recordation of these Covenants in Jefferson County, Colorado, and expiring upon conveyance by Master Developer of seventy-five percent (75%) of the Units to Owners other than Master Developer or Builders.

Section 1.7. ***Metropolitan District.***

"**Metropolitan District**" means Vauxmont Metropolitan District, and/or any other metropolitan district, to whom the then-Metropolitan District may transfer or assign any or all of the rights and duties of the Metropolitan District under these Covenants. Each such assignment or transfer, if any, shall be effective upon recording in Jefferson County, Colorado, of a document of transfer or assignment, duly executed by the then–Metropolitan District.

Section 1.8. ***Owner.***

"**Owner**" means each fee simple title holder of a Unit, including Master Developer, any Builder and any other Person who owns a Unit, but does not include a Person having an interest in a Unit solely as security for an obligation.

Section 1.9. ***Person.***

"**Person**" means a natural person, a corporation, a limited liability company, a partnership, a trust, a joint venture, an unincorporated association, or any other entity or any combination thereof and includes each Owner, the Master Developer, each Builder, the Metropolitan District, the governing body of the Metropolitan District, the Candelas Special Improvement District No. 1, the governing body of the Candelas Special Improvement District No. 1, and the CDRC.

Section 1.10. ***Property.***

"**Property**" means the real estate described on the attached **Exhibit A**, as supplemented and amended, as the same may now or hereafter be improved, and as the Master Developer may now or hereafter subdivide or resubdivide any portion thereof; provided, however, that the Property shall not include any property that has been withdrawn as provided in Section 6.6 hereof.

Section 1.11. ***Unit.***

"**Unit**" means any unit within the Property which is shown upon any recorded plat or recorded condominium map, or any parcel of land that may be sold or conveyed without violation of the provisions of Colorado law pertaining to the subdivision of land. The foregoing shall include each platted lot, each condominium unit, and each parcel of real estate on which one or more apartment units may now or hereafter be located.

Section 1.12. ***Use Easement Premises.***

"**Use Easement Premises**" means that portion of a Unit that is granted to or reserved for the perpetual, exclusive use of the adjacent Unit, in accordance with and subject to the provisions of Article 4 hereof (Use Easements on Some Units). However, not all Units will have a Use Easement Premises thereon. Some of the Units in the Community on which a Use Easement Premises is planned to be located, and some of the Units in the Community which are planned to benefit from such Use Easement Premises, are listed on **Exhibit B** attached hereto and incorporated herein by this reference. The location of some planned Use Easement Premises is shown on **Exhibit C** attached hereto and incorporated herein by this reference. However, the attached **Exhibit B** and the

attached **Exhibit C**, are subject to change by Master Developer, as provided in Article 4 hereof (Use Easements on Some Units).

ARTICLE 2. DESIGN REVIEW

Section 2.1. ***Composition of CDRC.***

The CDRC shall consist of five (5) or more people. Until termination of the Master Development Period, as provided in Section 1.6 of these Covenants, the Master Developer has the right to appoint the CDRC; subsequent to such date, the CDRC shall be appointed by the governing board of the Metropolitan District. The appointments of all then-current members of the CDRC who were appointed by the Master Developer shall automatically terminate at such time as the Master Developer's power to appoint members of the CDRC expires.

Section 2.2. ***Design Review Requirements.***

2.2.1. Subject to Section 2.3 of these Covenants, no Improvements shall be constructed, erected, placed, altered, planted, applied, installed or modified, upon any Unit, unless said Improvements are in full compliance with the provisions of these Covenants and the Guidelines (as hereinafter defined). Environmental sustainability Improvements shall also be in compliance with the design standards and guidelines applicable thereto, as provided in that certain Declaration of Trust for the Candelas Sustainability Trust, dated June 28, 2011, as it may be amended from time to time (collectively, "**Trust**"). Finally, all Improvements shall also be in compliance with all City requirements, as more fully provided in Section 2.2.3 hereof, including all applicable City-approved Final Development Plans, as amended (each such Final Development Plan, as amended, may hereinafter be referred to as an "**FDP**"). At least two (2) sets of complete plans and specifications of proposed Improvements (said plans and specifications to show exterior design, height, materials, color, and location of the Improvements, plotted horizontally and vertically, location and size of driveways, location, size, and type of landscaping, fencing, walls, windbreaks and grading plan, as well as such other materials and information as may be required by the CDRC), shall have been first submitted to the CDRC for review, and then approved in writing (after recommendation by the CDRC) by the entity with design approval rights under these Covenants, which is the Master Developer until expiration of the Master Development Period and thereafter the governing board of the Metropolitan District (hereinafter, the entity with design approval rights under these Covenants is referred to as the "**Authorized Entity**"). However, no changes in the environmental sustainability features of any Improvements approved by the SID (as defined in Section 2.3 hereof, and as therein provided), shall be required by the entity with design approval rights under these Covenants.

2.2.2. The CDRC and the Authorized Entity shall exercise their reasonable judgment to the end that all Improvements conform to and harmonize with the existing surroundings, residences, landscaping and structures. However, neither the CDRC nor the Authorized Entity will review or approve any proposed Improvement regarding whether the same complies with governmental requirements, such as those of the City. Rather, as

provided in Section 2.2.3, below, the applicant is also required to submit proposed Improvements to the applicable governmental entities for a determination of compliance with governmental requirements. In its review of such plans, specifications and other materials and information, the CDRC may require, as a condition to its considering an approval request, that the applicant(s) pay and/or reimburse the CDRC and/or the Authorized Entity, as applicable, for the expenses incurred in the process of review and approval or disapproval.

2.2.3. In addition to the foregoing review and approvals, and notwithstanding anything to the contrary in these Covenants, the construction, erection, addition, deletion, change or installation of any Improvements shall also require the applicant to obtain the approval of all governmental entities with jurisdiction thereover, including the City, and issuance of all required permits, licenses and approvals by all such entities. Without limiting the generality of the preceding sentence, issuance of building permit(s) by the City, if required, shall be a precondition to commencement of any construction of, alteration of, addition to or change in any Improvement.

2.2.4. The Authorized Entity may, at any time, appoint a representative to act on its behalf. If so, then the actions of such representative shall be the actions of its assignor, subject to the right of appeal as provided below. However, if such a representative is appointed, then the entity with design approval rights under these Covenants shall have full power over such representative, including the power to at any time withdraw from such representative any of such representative's authority to act on behalf of the assignor and the power to at any time remove or replace such representative.

Section 2.3. ***Environmental Sustainability.***

It is the Master Developer's intent to provide for, through the Candelas Special Improvement District No. 1, and/or any other special improvement district, or other district to whom the aforesaid special improvement district, its successors and assigns, may transfer or assign any or all of its rights and duties under these Covenants (herein, collectively, "**SID**"), and to encourage, construction, improvement, additions, and changes, to residences in the Property, to provide for environmental sustainability through renewable energy technologies. Therefore, notwithstanding anything to the contrary contained in these Covenants, Improvements that are reasonably expected to provide for such environmental sustainability through renewable energy technologies shall be approved in accordance with the Trust, before the same are submitted for review and approval as provided in Section 2.2, above.

Section 2.4. ***Guidelines.***

The Authorized Entity has the authority to promulgate architectural standards, rules, regulations and/or guidelines (collectively the "**Guidelines**") to interpret and implement the provisions of this Article and these Covenants; but the Guidelines shall not be in conflict with any requirement of applicable law or regulation, nor shall the Guidelines be in conflict with these Covenants, nor shall the Guidelines single out environmental sustainability measures because environmental sustainability measures are addressed elsewhere. Such provisions may include:

clarifying the designs and materials that may be considered in design approval, requirements for submissions, procedural requirements, specification of acceptable Improvement(s) that may be installed without prior review or approval; and permitting the Authorized Entity, with respect to any violation(s) or alleged violation(s) of any of these Covenants and/or the Guidelines, to send demand letters and notices, levy and collect fines, and negotiate, settle and take any other actions. In addition, such provisions may provide for blanket approvals, interpretations, or restrictions. By way of example, and not by way of limitation, such provisions may state that a certain type of screen door will be acceptable and will not require approval, or may state that only one or more types of fences are acceptable and no other types will be approved. All Improvements proposed to be constructed, and any Guidelines that are adopted, shall be done and used in accordance with these Covenants. In addition, Improvements that are reasonably expected to provide for environmental sustainability through renewable energy technologies, shall be subject to separate design standards and guidelines, as the same may be amended, which are referenced in the Trust.

Section 2.5. ***Procedures.***

The CDRC shall review each request for approval and make recommendations to the Authorized Entity within forty-five (45) days after the complete submission of the plans, specifications and other materials and information which the CDRC may require in conjunction therewith. If the CDRC fails to review and make such recommendations on any request within forty-five (45) days after the complete submission of the plans, specifications, materials and other information with respect thereto, the applicant may submit its request for approval directly to the Authorized Entity.

Section 2.6. ***Vote.***

After consideration of the recommendations of the CDRC on any Improvement submitted for design approval, the affirmative, majority vote of the Authorized Entity shall constitute approval of such matter, unless the Authorized Entity has appointed a representative to act for it, in which case the decision of such representative shall control. That is, under these Covenants, the CDRC is directed to review Improvements submitted for design approval, and make recommendations to the Authorized Entity, who decides with respect to such application.

Section 2.7. ***Prosecution of Work After Approval.***

After approval of any proposed Improvement, the proposed Improvement shall be accomplished as promptly and diligently as possible and in complete conformity with all conditions and requirements of the approval. Except for the Master Developer or Builders, failure to complete the proposed Improvement within one (1) year after the date of approval of the application or to complete the Improvement in complete conformance with the conditions and requirements of the approval, shall constitute noncompliance; provided, however, that the Authorized Entity may grant extensions of time for completion of any proposed Improvements. Non-compliance with any provision of these Covenants may result in any of the remedies that are provided for in Section 6.1 of these Covenants.

Section 2.8. ***Notice of Completion.***

Upon the completion of any Improvement, the applicant for approval of the same shall give a written "**Notice of Completion**" to the CDRC. Until the date of receipt of such Notice of Completion, the CDRC shall not be deemed to have notice of completion of any Improvement on which approval has been sought and granted as provided in this Article.

Section 2.9. ***Inspection of Work.***

The CDRC, or its duly authorized representative, shall have the right to inspect any Improvement prior to or after completion in order to determine whether or not the proposed Improvement is being completed or has been completed in compliance with the approval granted pursuant to this Article. However, such right of inspection shall terminate sixty (60) days after the CDRC has received a Notice of Completion from the applicant.

Section 2.10. ***Notice of Noncompliance.***

If, as a result of inspections or otherwise, the CDRC determines that any Improvement has been done without obtaining the required approval, or was not done in substantial compliance with the approval that was granted, or was not completed within one (1) year after the date of approval (except for the Master Developer and Builders, who are not subject to such time requirement), subject to any extensions of time granted pursuant to Section 2.7 hereof, the CDRC shall notify the applicant in writing of the noncompliance; which notice of noncompliance shall be given within sixty (60) days after the CDRC receives a Notice of Completion from the applicant. The notice of noncompliance shall specify the particulars of the noncompliance.

Section 2.11. ***Correction of Noncompliance.***

If the CDRC determines that a noncompliance exists, the Person responsible for such noncompliance shall remedy or remove the same, and return the subject property or structure to its original condition, within a period of not more than forty-five (45) days from the date of receipt of the notice of noncompliance. If such Person does not comply with the ruling within such period, the CDRC, or the Authorized Entity may, at their option, record a notice of noncompliance against the Unit on which the noncompliance exists, may remove the non-complying Improvement or may otherwise remedy the noncompliance, and the Person responsible for such noncompliance shall reimburse the CDRC or the Authorized Entity, as applicable, upon demand, for all costs and expenses incurred with respect thereto.

Section 2.12. ***Cooperation.***

The CDRC and the Authorized Entity each have the right and authority to enter into agreements and otherwise cooperate with any other architectural review committees, or one or more other boards or committees that exercise architectural or design review functions, or any other Person, in order to increase consistency or coordination, reduce costs, or as may otherwise be deemed appropriate or beneficial by the CDRC or the Authorized Entity. The costs and expenses for all such matters, if any, shall be shared or apportioned between such Persons and the Authorized

Entity, as the Authorized Entity may determine. The foregoing shall include collection, payment, and disbursement of fees, charges, or other amounts.

Section 2.13. ***Access Easement to CDRC and Authorized Entity.***

Each Unit shall be subject to an easement in favor of the CDRC and the Authorized Entity, including the agents, employees and contractors thereof, for performing any of the actions contemplated in this Article. If damage is inflicted, or a strong likelihood exists that it will be inflicted, on any other property or any Unit, the Person responsible for the damage or expense to avoid damage, or the CDRC, or the Authorized Entity, if either of the latter is responsible for such damage, is liable for the cost of prompt repair. Further, the rights and easements granted in this Section may be exercised only during reasonable hours after reasonable notice to the Owner(s) or occupant(s) of any affected Unit; except that no such notice shall be required in connection with any exterior, non-intrusive maintenance; and except that in emergency situations entry upon a Unit may be made at any time, provided that the Owner(s) or occupant(s) of each affected Unit shall be notified of emergency entry as early as is reasonably possible. The interior of any residence shall not be subject to the easements provided for in this Section.

Section 2.14. ***No Liability.***

The CDRC, and the Authorized Entity, shall not be liable in equity or damages to any Person by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove, in regard to any matter. In reviewing or approving any matter, the CDRC, and the Authorized Entity, shall not be responsible for the safety, whether structural or otherwise, of the Improvements submitted for review, nor the conformance with applicable building codes or other governmental laws or regulations, nor compliance with any other standards or regulations, and any approval of an Improvement by the Authorized Entity shall not be deemed an approval of any such matters. No Owner or other Person shall be a third party beneficiary of any obligation imposed upon, rights accorded to, action taken by, or approval granted by the Authorized Entity.

Section 2.15. ***Variance.***

The Authorized Entity may grant reasonable variances or adjustments from any conditions and restrictions imposed by these Covenants, in order to overcome practical difficulties or prevent unnecessary hardships arising by reason of the application of any such conditions and restrictions. Such variances or adjustments shall be granted only in case the granting thereof shall not be materially detrimental or injurious to the other property or improvements in the neighborhood and shall not militate against the general intent and purpose hereof. However, any variance that may be granted under this Section is only a variance from the requirements of these Covenants, and is not a variance from the requirements of the City or any other governmental or quasi-governmental agency or entity.

Section 2.16. ***Waivers; No Precedent.***

The approval or consent of the entity with design approval rights under these Covenants, or any representative thereof, to any application for approval shall not be deemed to constitute a

waiver of any right to withhold or deny approval or consent by such Person, as to any application or other matters whatsoever as to which approval or consent may subsequently or additionally be required. Nor shall any such approval or consent be deemed to constitute a precedent as to any other matter.

ARTICLE 3. RESTRICTIONS

Section 3.1. ***City Requirements; Additional Restrictions.***

Notwithstanding anything in these Covenants to the contrary, the Property is subject to all requirements, covenants, restrictions, ordinances, regulations, and other matters of the City, including those stated on the recorded plats of the Property, or any portion thereof, as well as on all other documents recorded in the office of the Clerk and Recorder of Jefferson County, Colorado, as amended. In addition to, and not in substitution of, City requirements, the Master Developer declares that all of the Units shall be held and shall henceforth be sold, conveyed, used, improved, occupied, owned, resided upon and hypothecated, subject to the following provisions, conditions, limitations, restrictions, agreements and covenants, as well as those contained elsewhere in these Covenants.

Section 3.2. ***Residential Use; Professional or Home Occupation.***

Subject to Section 6.8 of these Covenants, Units shall be used for residential use only, including uses which are customarily incident thereto, and shall not be used at any time for business, commercial or professional purposes, except as otherwise provided in the City-approved Outline Development Plan. Notwithstanding the foregoing, however, Owners may conduct business activities within their homes provided that all of the following conditions are satisfied:

3.2.1. the business conducted is clearly secondary to the residential use of the home and is conducted entirely within the home;

3.2.2. the existence or operation of the business is not detectable from outside of the home by sight, sound, smell or otherwise, or by the existence of signs indicating that a business is being conducted;

3.2.3. the business does not result in an undue volume of traffic or parking within the Property;

3.2.4. the business conforms to all zoning requirements and is lawful in nature; and

3.2.5. the business conforms to the Guidelines as well as any rules and regulations that may be imposed by the entity with design approval rights under these Covenants.

Section 3.3. ***Household Pets.***

No animals, livestock, birds, poultry, reptiles or insects of any kind shall be raised, bred, kept or boarded in or on the Units; provided, however, that the Owners and residents of each Unit may keep a reasonable number of bona fide household pets (including dogs, cats or other domestic animals), so long as such pets are not kept for any commercial purpose and are not kept in such number or in such manner as to create a nuisance to any resident of the Units. All household pets shall be controlled by their Owner and shall not be allowed off the Owner's Unit except when properly leashed and accompanied by the Owner or his or her representative, who shall be responsible for collecting and properly disposing of any animal waste. The entity with design approval rights under these Covenants has the right and authority to determine that dogs, cats or other household pets are being kept for commercial purposes or are being kept in such number or in such manner as to be unreasonable or to create a nuisance; or that an Owner or resident is in violation of the leash laws of the applicable jurisdiction or other applicable governmental laws, ordinances, or other provisions related to household pets; or that an Owner or resident is otherwise in violation of the provisions of this Section. In any such case, the entity with design approval rights under these Covenants may take such action(s) as it may deem appropriate. An Owner's right to keep household pets shall be coupled with the responsibility to pay for any damage caused by such pets, as well as any costs incurred as a result of such pets.

Section 3.4. ***Temporary Structures; Unsightly Conditions.***

Except as hereinafter provided, no structure of a temporary character, including a house trailer, tent, shack, storage shed, or outbuilding shall be placed or erected upon any Unit; provided, however, that during the actual construction, alteration, repair or remodeling of a structure or other Improvements, necessary temporary structures for storage of materials may be erected and maintained by the Person doing such work. The work of constructing, altering or remodeling any structure or other Improvements shall be prosecuted diligently from the commencement thereof until the completion thereof. Further, no unsightly conditions, structures, facilities, equipment or objects shall be so located on any Unit as to be visible from a street or from any other Unit.

Section 3.5. ***Miscellaneous Improvements.*** In addition to complying with City requirements:

3.5.1. No advertising or signs of any character shall be erected, placed, permitted, or maintained on any Unit other than a name plate of the occupant and a street number, and except for a "**For Sale**," "**Open House**," "**For Rent**," or security sign of not more than five (5) square feet in the aggregate; except that signs advertising garage sales, block parties, or similar community events, or political signs, may be permitted if the same are in accordance with the Design Guidelines or have been submitted to the CDRC for review, and approved by the Authorized Entity, prior to posting of such signs. Notwithstanding the foregoing, signs, advertising, or billboards used by the Master Developer (or by any Builder with the express written consent of the Master Developer, not to be unreasonably withheld) in connection with the sale or rental of the Units, or otherwise in connection with development of or construction on the Units, shall be permissible.

3.5.2. No wood piles or storage areas , shall be so located on any Unit as to be visible from a street or from the ground level of any other Unit.

3.5.3. Other than sustainability Improvements approved in accordance with the Trust, including solar panels, no types of refrigerating, cooling or heating apparatus shall be permitted on a roof. Further, no such apparatus shall be permitted elsewhere on a Unit except when appropriately screened and approved by the entity with design approval rights under these Covenants. Without limiting the foregoing, conventional air conditioning units located on the ground of a Unit are permissible when approved in accordance with the preceding sentence.

3.5.4. No exterior radio antenna, television antenna, or other antenna, satellite dish, or audio or visual reception device of any type shall be placed, erected or maintained on any Unit, except inside a residence or otherwise concealed from view; provided, however, that any such devices may be erected or installed by the Master Developer or by any Builder during its sales or construction upon the Units; and provided further, however, that the requirements of this subsection shall not apply to those "**antenna**" (including certain satellite dishes) which are specifically covered by the Telecommunications Act of 1996 and/or applicable regulations, as amended. As to "**antenna**" (including certain satellite dishes) which are specifically covered by the Telecommunications Act of 1996 and/or applicable regulations, as amended, the governing board of the Metropolitan District shall be empowered to adopt rules and regulations governing the types of "**antenna**" (including certain satellite dishes) that are permissible hereunder and, to the extent permitted by the Telecommunications Act of 1996 and/or applicable regulations, as amended, establish reasonable, non-discriminatory restrictions relating to appearance, safety, location and maintenance.

3.5.5. Other than fences which may be constructed, installed or located by the Master Developer (or by a Builder as part of Improvements approved in accordance with Article 2 hereof) in its development of, or construction of, Improvements in the Property, no fences shall be permitted except with the prior written approval of the Authorized Entity, as well as compliance with all City requirements and issuance of all City-required permits. Any fences constructed on a Unit shall be maintained by the Owners of that Unit.

Section 3.6. ***Vehicular Parking, Storage and Repairs.***

3.6.1. Except as may otherwise be provided in the Guidelines, vehicles may be parked only in the garages, in the driveways, if any, serving the Units, or in appropriate spaces or areas which may be designated by the entity with design approval rights under these Covenants, except that, any vehicle may be otherwise parked as a temporary expedient for loading, delivery, or emergency.

3.6.2. Except as may otherwise be provided in the Guidelines, commercial vehicles, vehicles with commercial writing on their exteriors, vehicles primarily used or designed for commercial purposes, tractors, mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft,

recreational vehicles, golf carts and boat trailers, shall be parked only in enclosed garages or specific areas, if any, which may be designated by the entity with design approval rights under these Covenants. This restriction, however, shall not restrict trucks or commercial vehicles which are necessary for construction or for the maintenance of any portion of the Property or any Improvements located thereon, nor shall such restriction prohibit vehicles that may be otherwise parked as a temporary expedient for loading, delivery or emergency. Stored vehicles and vehicles which are inoperable or do not have current operating licenses shall not be permitted in the Property except within enclosed garages. For purposes of this Section, a vehicle shall be considered "**stored**" if, for example, it is up on blocks or covered with a tarpaulin and remains on blocks or so covered for seventy-two (72) consecutive hours without the prior approval of the entity with design approval rights under these Covenants.

3.6.3. In the event the Authorized Entity determines that a vehicle is parked or stored in violation of subsections 3.6.1 or 3.6.2 hereof, then a written notice describing said vehicle shall be personally delivered to the owner thereof (if such owner can be reasonably ascertained) or shall be conspicuously placed upon the vehicle (if the owner thereof cannot be reasonably ascertained), and if the vehicle is not removed within a reasonable time thereafter, as determined by the Authorized Entity, then the Authorized Entity may have the vehicle removed at the sole expense of the owner thereof.

3.6.4. No activity, including maintenance, repair, rebuilding, dismantling, repainting or servicing of any kind of vehicles, trailers or boats, may be performed or conducted in the Property unless it is done within completely enclosed structure(s) which screen the sight and sound of the activity from the street and from adjoining property. Any Owner or other Person undertaking any such activities shall be solely responsible for, and assumes all risks of, such activities, including adoption and utilization of any and all necessary safety measures, precautions and ventilation. MASTER DEVELOPER AND EACH BUILDER HEREBY DISCLAIM ANY AND ALL OBLIGATIONS REGARDING, RELATING TO OR ARISING OUT OF THE PERFORMANCE OF ANY MAINTENANCE, SERVICING, REBUILDING, REPAIR, DISMANTLING, OR REPAINTING OF ANY TYPE OF VEHICLE, BOAT, TRAILER, MACHINE OR DEVICE OF ANY KIND WITHIN ANY UNIT BY ANY OWNER OR OTHER PERSON. The foregoing restriction shall not be deemed to prevent washing and polishing of any motor vehicle, boat, trailer, motor-driven cycle, or other vehicle on a Unit, together with those activities normally incident and necessary to such washing and polishing.

Section 3.7. ***Nuisances.***

No nuisance shall be permitted which is visible within or otherwise affects any portion of the Property, nor any use, activity or practice which interferes with the peaceful enjoyment or possession and proper use of any Unit, or any portion thereof, by its residents. As used herein, the term "**nuisance**" shall include each violation of these Covenants and the Guidelines, if any, but shall not include any activities of the Master Developer or of a Builder. No noxious or offensive activity shall be carried on upon any Unit nor shall anything be done or placed on any Unit which is or may become a nuisance or cause embarrassment, disturbance or annoyance to others. Further, no

unlawful use shall be permitted or made of the Property or any portion thereof. All laws, ordinances and regulations of all governmental bodies having jurisdiction over the Property, or any portion thereof, shall be observed.

Section 3.8. ***No Hazardous Activities; No Hazardous Materials or Chemicals.***

No activities shall be conducted on any Unit or within Improvements constructed on any Unit which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any Unit and no open fires shall be lighted or permitted on any Unit except in a contained barbecue unit while attended and in use for cooking purposes or within an interior fireplace or within an outdoor fire pit powered by natural gas, propane, or something similar. Further, no hazardous materials or chemicals shall at any time be located, kept or stored in, on or at any Unit except such as may be contained in household products normally kept at homes for use of the residents thereof and in such limited quantities so as to not constitute a hazard or danger to person or property.

Section 3.9. ***No Annoying Lights, Sounds or Odors.***

No light shall be emitted from any Unit which is unreasonably bright or causes unreasonable glare; no sound shall be emitted from any Unit which is unreasonably loud or annoying; and no odor shall be permitted from any Unit which is noxious or offensive to others. Further, no annoying light, sound or odor shall be permitted which may be seen, heard or smelled from any Unit. In addition to the foregoing, no electromagnetic, light or any physical emission which might interfere with aircraft, avigation, communications or navigational aids shall be permitted.

Section 3.10. ***Restrictions on Trash and Materials.***

No refuse, garbage, trash, lumber, grass, shrubs or tree clippings, plant waste, metal, bulk materials, scrap or debris of any kind shall be kept, stored, or allowed to accumulate except inside the residence on any Unit nor shall such items be deposited on a street, unless placed in a suitable, tightly-covered container that is suitably located solely for the purpose of garbage pickup. Further, no trash or materials shall be permitted to accumulate in such a manner as to be visible from any Unit. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. No garbage or trash cans or receptacles shall be maintained in an exposed or unsightly manner.

Section 3.11. ***Units to be Maintained.***

Subject to Section 3.4 hereof, each Unit shall at all times be kept in a clean and sightly condition by the Owner(s) thereof.

Section 3.12. ***Leases.***

The term "**lease**," as used herein, shall include any agreement for the leasing or rental of a Unit, or any portion thereof, and shall specifically include month-to-month rentals and subleases. Any Owner shall have the right to lease his Unit, or any portion thereof, as long as all leases

provide that the terms of the lease and lessee's occupancy of the leased premises shall be subject in all respects to the provisions of these Covenants and the Guidelines; and that any failure by the lessee to comply with any of the aforesaid documents, in any respect, shall be a default under the lease.

Section 3.13. ***Landscaping.***

Landscaping shall be installed on the side and back yards of each Unit by the Owner thereof (other than the Master Developer or a Builder), on the earlier of: (a) as required by all applicable FDPs; or (b) within one hundred eighty (180) days after acquisition of title to such Unit by the first Owner of such Unit (other than the Master Developer or a Builder) and occupancy of such Unit; subject to delays for any applicable moratorium(s) imposed by the City or any other governmental entity. Landscaping plans must be submitted to the CDRC for review, and the approval of such plans by the Authorized Entity shall be obtained, prior to the installation of landscaping, except where installed by the Master Developer or a Builder. Each Owner shall maintain all landscaping on such Owner's Unit in a neat and attractive condition, including periodic and horticulturally correct pruning, removal of weeds and debris, and replacement of landscaping.

Section 3.14. ***Grade and Drainage; Irrigation Recommendations; Drainage Easement; Maintenance of Surface Drainage Improvements and Underdrains.***

3.14.1. Each Owner shall maintain the grading upon his Unit, and grading around the building foundation, at the slope and pitch fixed by the final grading thereof, so as to maintain the established drainage. Each Owner agrees that he will not in any way interfere with the established drainage pattern over his Unit. In the event that it is necessary or desirable to change the established drainage over any Unit, then the Owner thereof shall submit a plan to the CDRC for review, and shall obtain approval by the Authorized Entity, in accordance with Article 2 of these Covenants, and any such change shall also be made in accordance with all laws, regulations, requirements and resolutions of the City and other applicable governmental entities. For purposes of this Section, "**established drainage**" is defined as the drainage which exists at the time final grading of a Unit by the Master Developer, or by a Builder, is completed.

3.14.2. The Owner of a Unit should <u>not</u> plant flower beds (especially annuals), vegetable gardens and other landscaping which requires regular watering, within five (5) feet of the foundation of the dwelling unit or any slab on the Unit. If evergreen shrubbery is located within five (5) feet of any foundation wall or slab, then the Owner of the Unit should water such shrubbery by "**controlled hand-watering**," and should avoid excessive watering. Further, piping and heads for sprinkler systems should not be installed within five (5) feet of foundation walls and slabs.

3.14.3. Master Developer hereby reserves to itself, and grants to the Metropolitan District, easements for drainage and drainage facilities, including Slope Stability Drains (as hereinafter defined), across the five (5) rear and five (5) side feet of each Unit; provided, however, that if a residence is located upon any of the areas described in this sentence, then such easement shall be reduced in width to the width of the distance from the

nearest lot line to the exterior wall of the residence on such Unit that is nearest to such lot line. Except for residences as provided in the preceding sentence, no Improvements shall be placed or permitted to remain on any Unit nor shall any change in grading be permitted to exist which may change the direction of flow or obstruct or retard the flow of water or other moisture through channels or swales within such rear and side yard drainage easements. Master Developer reserves to itself and to the Metropolitan District the right to enter in and upon each such rear and side yard drainage easements, at any time, to construct, repair, replace or change drainage pipes, structures or drainage ways, or to perform such grading, drainage or corrective work as Master Developer or the Metropolitan District may determine; provided, however, that such right and authority in the Master Developer terminates at such time as the Master Development Period terminates, as provided in Section 1.6 of these Protective Covenants, at which time said reserved right and easement shall vest solely in the Metropolitan District.

3.14.4. The Metropolitan District shall provide maintenance, repair and replacement of all surface drainage Improvements and appurtenances, including detention ponds, channels, swales, and infiltration beds, now or hereafter installed in, on or under the Property, by or for the Master Developer, for or incidental to surface drainage. The Metropolitan District, including the agents, employees and contractors thereof, is hereby granted an easement on, over and across the Property, and each Unit therein, in order to perform such maintenance, repair and replacement.

3.14.5. As to underdrains:

3.14.5.1. There are underdrain main lines (collectively, "**Underdrain Mainlines**"), which are (and will be) installed, for the most part, underneath the sanitary sewer system, and which serve as the main lines of the underdrain system that runs through the Property. The Underdrain Mainlines do deviate from the sewer mains in certain areas, so that the Underdrain Mainlines gravity feed to an area where they eventually daylight. Often, the Underdrain Mainlines will daylight in drainage tracts or in detention pond areas. The Metropolitan District will take ownership and maintenance responsibility for all of the Underdrain Mainlines

3.14.5.2. There are underdrain service lines and appurtenances (collectively "**Underdrain Services**"), which stub off of the Underdrain Mainlines and run to each Unit underneath the sewer lateral to such Unit. The Underdrain Services are private facilities that are to be owned and maintained by the Owner of the Unit, at such Owner's sole cost and expense. That is, the Metropolitan District will not own and maintain the Underdrain Services.

3.14.5.3. There is planned to be a network of underdrain lines that are intended to provide for slope stability measures, based on the recommendations of the soils engineer (collectively, the "**Slope Stability Drains**"). Portions of the Slope Stability Drains may be constructed under and across Units, and may include "**interceptor drains**", "**toe drains**" and/or "**burrito drains**". The Slope Stability Drains will be owned and maintained by the Metropolitan District.

3.14.6. The rights, obligations and easements granted in this Section 3.14 may be exercised only during reasonable hours after reasonable notice to the Owner(s) or

occupant(s) of any affected Unit; except that no such notice shall be required in connection with any exterior, non-intrusive maintenance; and except that in emergency situations entry upon a Unit may be made at any time, provided that the Owner(s) or occupant(s) of each affected Unit shall be notified of emergency entry as early as is reasonably possible.

Section 3.15. ***Certain Geothermal Technologies.***

3.15.1. In furtherance of the Master Developer's intent to provide for and encourage environmental sustainability technologies, it is the intent of the Master Developer to establish an optional program to encourage the installation and maintenance of geothermal (aka ground source exchange) systems ("**Geothermal Systems**") in, on, over, under, across and through, each Unit in the Property ("**Geothermal Programs**"). Geothermal Programs that are provided for in this Section 3.15, shall be administered and enforced by the Metropolitan District in accordance with this Section 3.15. Notwithstanding the foregoing, nothing in Section 3.15 shall require that the use of geothermal technologies be done solely pursuant to the Geothermal Programs, through a Geothermal Supplemental Opt-In Covenant (as hereinafter defined), or otherwise pursuant to Section 3.15. Builders and Owners shall be permitted to utilize geothermal technologies without opting into the Geothermal Programs. This Section 3.15, and all subsections hereof, shall apply only to Geothermal Opting Units (as hereinafter defined).

3.15.2. The Master Developer hereby reserves to itself and, in order to allow the Metropolitan District adequate access rights to enforce these Covenants and any Geothermal Supplemental Opt-In Covenants (as hereinafter defined), grants to the Metropolitan District and all delegees, transferees, and assignees of any of such rights, a right to construct, erect, install, locate, maintain, repair and replace, Improvements and appurtenances for Geothermal Systems (collectively, the "**Geothermal Services**"), and/or to delegate, transfer, or assign, in writing, the right to provide any or all of such Geothermal Services to one or more Persons who provide Geothermal System(s) to a Geothermal Opting Unit (as hereinafter defined) (individually, a "**Geothermal Services Provider**" and collectively, the "**Geothermal Services Providers**"). In such context, the physical apparatus (such as pipes) that are now or hereafter fixed within the Geothermal Easement (as hereinafter defined), are collectively referred to as the "**Geothermal Equipment**".

3.15.3. The Master Developer hereby reserves to itself and, in order to allow the Metropolitan District adequate access rights to enforce these Covenants and any Geothermal Supplemental Opt-In Covenants (as hereinafter defined), grants to the Metropolitan District and all delegees, transferees, and assignees of any of the exclusive rights that are provided for in Section 3.15.2, and to their members, managers, partners, officers, directors, agents, and employees (all of the aforesaid recipients of this easement are hereinafter collectively referred to as the "**Geothermal Easement Holders**"), a right and easement in, on, over, under, across and through the Units, for access, construction, erection, installation, location, inspection, review, maintenance, repair, and replacement, of Improvements and appurtenances for Geothermal System(s), and a right and easement in, on, over, under, across and through the Units, to shut off any equipment relating to loop

fields, in the event of non-payment of any of the charges that are directly or indirectly associated with such loop fields (collectively, the "**Geothermal Easement**").

3.15.4. An Owner may elect to have a Geothermal System installed and Geothermal Services provided to his Unit by opting into the Geothermal Program, if all then-Owners of such Unit complete and sign, with notary acknowledgements, the then-current opt-in form in use by the Metropolitan District for opting into the Geothermal Program (each a "**Geothermal Supplemental Opt-In Covenant**"), which completed Geothermal Supplemental Opt-In Covenant shall be recorded in the office of the Clerk and Recorder of Jefferson County, Colorado. In such case, each such Owner, and his/her/its successors in ownership of the Unit that was owned by such Owner, may be referred to as a "**Geothermal Opting Owner**," with the obligations set forth in Section 3.15.5. Each Unit that is owned by Geothermal Opting Owner(s) may be referred to as a "**Geothermal Opting Unit**".

3.15.5. As to opting in:

3.15.5.1. The Geothermal Opting Owners of each Geothermal Opting Unit shall pay to the applicable Geothermal Easement Holder, a total amount sufficient to pay for the right to use the Geothermal Easement for the installation, operation and use of a Geothermal System (such total amount may hereinafter be referred to as the "**Geothermal Easement Fee**"), which shall be paid in periodic installments. In each case, the amount of the Geothermal Easement Fee, as well as the frequency and amount of the periodic installments of the Geothermal Easement Fee, shall all be as set forth in the applicable Geothermal Supplemental Opt-In Covenant. The obligations of each Geothermal Opting Owner of each Geothermal Opting Unit to pay to the applicable Geothermal Easement Holder, the Geothermal Easement Fee, plus fines, fees, interest, and late charges, as well as the periodic installments of the Geothermal Easement Fee, all as set forth in the applicable Geothermal Supplemental Opt-In Covenant, is an independent covenant, with all amounts due, payable in full when due without notice or demand, and without set-off or deduction.

3.15.5.2. All Geothermal Opting Owners of each Geothermal Opting Unit shall be jointly and severally liable to the applicable Geothermal Easement Holder for the payment of all Geothermal Easement Fees, and other charges incidental thereto, which are attributable to their Geothermal Opting Unit. Each amount, together with interest, late charges, costs, and reasonable attorney's fees, shall be the personal obligation of all Persons who were a Geothermal Opting Owner of such Geothermal Opting Unit at the time when the amount became due and, in addition, the applicable Geothermal Opting Unit shall be subject to a lien as provided in the Section 3.15.6 of these Covenants.

3.15.5.3. After payment in full of the Geothermal Easement Fee applicable to a Geothermal Opting Unit, the applicable Geothermal Easement shall be owned by the then-Geothermal Opting Owners of such Geothermal Opting Unit.

3.15.6. The applicable Geothermal Easement Holder has a lien on the applicable Geothermal Opting Unit for the Geothermal Easement Fee charged to the Geothermal

Opting Owners of such Geothermal Opting Unit, plus fines, fees, interest, and late charges. The amount of each lien hereunder shall include interest, costs, late charges, and reasonable attorneys' fees incurred in collection of any of the foregoing amounts, from the time such items become due, but shall not include any Geothermal Easement Fees or other amounts, including installments, not due when such lien is enforced. Recording of the applicable Geothermal Supplemental Opt-In Covenant constitutes record notice and perfection of the lien. No further recordation of any claim of lien under these Covenants is required. However, the applicable Geothermal Easement Holder may prepare, and record in the county in which the applicable Geothermal Opting Unit is located, a written notice setting forth the amount of the unpaid indebtedness, the name of the then-Geothermal Opting Owners of the Geothermal Opting Unit, and a description of the Geothermal Opting Unit. If a lien is filed, the costs and expenses thereof shall be added to and become part of the lien for the Geothermal Easement Fee for the Geothermal Opting Unit against which it is filed and collected as part and parcel thereof.

3.15.7. A Geothermal Easement Holder may install any Geothermal Equipment, other Improvements and appurtenances, that are incidental to any of the Geothermal Systems, including geothermal loop fields. Each Geothermal Opting Owner is the owner, for all purposes, of all Geothermal Equipment installed in or on the Geothermal Easement for the use of such Geothermal Opting Owner.

3.15.8. If damage is inflicted, or a strong likelihood exists that it will be inflicted, on any Improvements or any other property, as a direct or indirect result of any actions or omissions under this Section 3.15, the Person responsible for the damage, or expense to avoid damage, including any of the Geothermal Easement Holders, is liable for the cost of prompt repair. The rights and easements granted in this Section may be exercised only during reasonable hours after reasonable notice to the Owners or occupants of any affected Unit; except that no such notice shall be required in connection with any entry that is not inside a residence; and except that in emergency situations, entry upon a Unit may be made at any time, provided that the Owner or occupants of each affected Unit shall be notified of emergency entry as early as is reasonably possible.

3.15.9. If one or more Colorado statutes is hereafter enacted to cover any of the matters provided for in this Section 3.15, then such statutes shall be deemed to be supplemental to this Section 3.15, rather than a substitution for this Section 3.15 or any provisions hereof; except that, in case of any conflict between such statutes and this Section 3.15, such statutes shall control and govern, to the extent such statutes perpetuate the intent of this Section 3.15, as set forth in 3.15.1, above.

Section 3.16. ***Certain Solar Technologies.***

3.16.1. In furtherance of the Master Developer's intent to provide for and encourage environmental sustainability technologies, it is the intent of the Master Developer to establish an optional program to encourage the installation and maintenance of solar technologies, such as solar panels and solar photovoltaic systems (collectively, "**Solar**

Systems") in, on, over, under, across and through, each Unit in the Property ("**Solar Programs**"). Solar Programs that are provided for in this Section 3.16, shall be administered and enforced by the Metropolitan District, in accordance with this Section 3.16. Notwithstanding the foregoing, nothing in Section 3.16 shall require that the use of solar technologies be done solely pursuant to the Solar Programs, through a Solar Supplemental Opt-In Covenant (as hereinafter defined), or otherwise pursuant to Section 3.16. Builders and Owners shall be permitted to utilize solar technologies without opting into the Solar Programs. This Section 3.16, and all subsections hereof, shall apply only to Solar Opting Units (as hereinafter defined).

3.16.2. The Master Developer hereby reserves to itself and, in order to allow the Metropolitan District adequate access rights to enforce these Covenants and any Solar Supplemental Opt-In Covenants (as hereinafter defined), grants to the Metropolitan District and all delegees, transferees, and assignees of any of such rights, a right to construct, erect, install, locate, maintain, repair and replace, Improvements and appurtenances for Solar Systems (collectively, the "**Solar Services**"), and/or to delegate, transfer, or assign, in writing, the right to provide any or all of such Solar Services to one or more Persons who provide Solar System(s) to a Solar Opting Unit (as hereinafter defined) (individually, a "**Solar Services Provider**" and collectively, the "**Solar Services Providers**"). In such context, the physical apparatus (such as solar panels) that are now or hereafter fixed within the Solar Easement (as hereinafter defined), are collectively referred to as the "**Solar Equipment**".

3.16.3. The Master Developer hereby reserves to itself and, in order to allow the Metropolitan District adequate access rights to enforce these Covenants and any Solar Supplemental Opt-In Covenants (as hereinafter defined), grants to the Metropolitan District and all delegees, transferees, and assignees of any of the exclusive rights that are provided for in Section 3.16.2, and to their members, managers, partners, officers, directors, agents, and employees (all of the aforesaid recipients of this easement are hereinafter collectively referred to as the "**Solar Easement Holders**"), a right and easement in, on, over, under, across and through the Units, for access, construction, erection, installation, location, inspection, review, maintenance, repair, and replacement, of Improvements and appurtenances for Solar System(s), and a right and easement in, on, over, under, across and through the Units, to shut off any equipment, in the event of non-payment of any of the charges that are directly or indirectly associated with such equipment (collectively, the "**Solar Easement**").

3.16.4. An Owner may elect to have a Solar System installed and Solar Services provided to his Unit by opting into the Solar Program, if all then-Owners of such Unit complete and sign, with notary acknowledgements, the then-current opt-in form in use by the Metropolitan District for opting into the Solar Program (each a "**Solar Supplemental Opt-In Covenant**"), which completed Solar Supplemental Opt-In Covenant shall be recorded in the office of the Clerk and Recorder of Jefferson County, Colorado. In such case, each such Owner, and his/her/its successors in ownership of the Unit that was owned by such Owner, may be referred to as a "**Solar Opting Owner**," with the obligations set

forth in Section 3.16.5. Each Unit that is owned by Solar Opting Owner(s) may be referred to as a "**Solar Opting Unit**".

3.16.5. As to opting in:

3.16.5.1. The Solar Opting Owners of each Solar Opting Unit shall pay to the applicable Solar Easement Holder, a total amount sufficient to pay for the right to use the Solar Easement for the installation, operation and use of a Solar System (such total amount may hereinafter be referred to as the "**Solar Easement Fee**"), which shall be paid in periodic installments. In each case, the amount of the Solar Easement Fee, as well as the frequency and amount of the periodic installments of the Solar Easement Fee, shall all be as set forth in the applicable Solar Supplemental Opt-In Covenant. The obligations of each Solar Opting Owner of each Solar Opting Unit to pay to the applicable Solar Easement Holder, the Solar Easement Fee, plus fines, fees, interest, and late charges, as well as the periodic installments of the Solar Easement Fee, all as set forth in the applicable Solar Supplemental Opt-In Covenant, is an independent covenant, with all amounts due, payable in full when due without notice or demand, and without set-off or deduction.

3.16.5.2. All Solar Opting Owners of each Solar Opting Unit shall be jointly and severally liable to the applicable Solar Easement Holder for the payment of all Solar Easement Fees, and other charges incidental thereto, which are attributable to their Solar Opting Unit. Each amount, together with interest, late charges, costs, and reasonable attorney's fees, shall be the personal obligation of all Persons who were a Solar Opting Owner of such Solar Opting Unit at the time when the amount became due and, in addition, the applicable Solar Opting Unit shall be subject to a lien as provided in the Section 3.16.6 of these Covenants.

3.16.5.3. After payment in full of the Solar Easement Fee applicable to a Solar Opting Unit, the applicable Solar Easement shall be owned by the then-Solar Opting Owners of such Solar Opting Unit.

3.16.6. The applicable Solar Easement Holder has a lien on the applicable Solar Opting Unit for the Solar Easement Fee charged to the Solar Opting Owners of such Solar Opting Unit, plus fines, fees, interest, and late charges. The amount of each lien hereunder shall include interest, costs, late charges and reasonable attorneys' fees incurred in collection of any of the foregoing amounts, from the time such items become due, but shall not include any Solar Easement Fees or other amounts, including installments, not due when such lien is enforced. Recording of the applicable Solar Supplemental Opt-In Covenant constitutes record notice and perfection of the lien. No further recordation of any claim of lien under these Covenants is required. However, the applicable Solar Easement Holder may prepare, and record in the county in which the applicable Solar Opting Unit is located, a written notice setting forth the amount of the unpaid indebtedness, the name of the then-Solar Opting Owners of the Solar Opting Unit, and a description of the Solar Opting Unit. If a lien is filed, the costs and expenses thereof shall be added to and become part of the lien for the Solar Easement Fee for the Solar Opting Unit against which it is filed and collected as part and parcel thereof.

3.16.7. A Solar Easement Holder may install any Solar Equipment, other Improvements and appurtenances, that are incidental to any of the Solar Systems, including solar panels. Each Solar Opting Owner is the owner, for all purposes, of all Solar Equipment installed in or on the Solar Easement for the use of such Solar Opting Owner.

3.16.8. If damage is inflicted, or a strong likelihood exists that it will be inflicted, on any Improvements or any other property, as a direct or indirect result of any actions or omissions under this Section 3.16, the Person responsible for the damage, or expense to avoid damage, including any of the Solar Easement Holders, is liable for the cost of prompt repair. The rights and easements granted in this Section may be exercised only during reasonable hours after reasonable notice to the Owners or occupants of any affected Unit; except that no such notice shall be required in connection with any entry that is not inside a residence; and except that in emergency situations, entry upon a Unit may be made at any time, provided that the Owner or occupants of each affected Unit shall be notified of emergency entry as early as is reasonably possible.

3.16.9. If one or more Colorado statutes is hereafter enacted to cover any of the matters provided for in this Section 3.16, then such statutes shall be deemed to be supplemental to this Section 3.16, rather than a substitution for this Section 3.16 or any provisions hereof; except that, in case of any conflict between such statutes and this Section 3.16, such statutes shall control and govern, to the extent such statutes perpetuate the intent of this Section 3.16, as set forth in 3.16.1, above.

Section 3.17. ***Access Easement to Owners of Units with Zero Lot Line Residences.***

Each Unit that contains a residence that is now or hereafter located on a lot line ("**Zero Lot Line Unit**") is granted an easement by the Owner of the adjacent Unit, for performing maintenance, repair and replacement of the Zero Lot Line Unit and all Improvements now or hereafter thereon. If damage is inflicted, or a strong likelihood exists that it will be inflicted, on any other property or any Unit, the Person responsible for the damage or expense to avoid damage, is liable for the cost of prompt repair. Further, the rights and easements granted in this Section may be exercised only during reasonable hours after reasonable notice to the Owner(s) or occupant(s) of any affected Unit; except that no such notice shall be required in connection with any exterior, non-intrusive maintenance; and except that in emergency situations entry upon a Unit may be made at any time, provided that the Owner(s) or occupant(s) of each affected Unit shall be notified of emergency entry as early as is reasonably possible. The interior of any residence shall not be subject to the easements provided for in this Section.

ARTICLE 4. USE EASEMENTS ON SOME UNITS.

Section 4.1. ***General Description of Use Easements.***

Each Unit may be benefitted, and/or be burdened and/or be neither benefitted nor burdened, by a Use Easement. A Unit that contains a Use Easement Premises will be burdened by such Use

Easement Premises as provided in this Article ("**Burdened Unit**"). As to a Unit that is adjacent to a Use Easement Premises ("**Benefitted Unit**"), the Master Developer intends to expand the general area for use and enjoyment of such Benefitted Unit by providing such Use Easement Premises, so that the useable area of such Benefitted Unit will essentially be expanded to include use of such Use Easement Premises. As a result, each Benefitted Unit will have an expanded use area for its general use, enjoyment, and improvement, all as provided in this Article.

Section 4.2. ***Grant and Reservation of Use Easements.***

Master Developer grants (effective upon initial conveyance of each Unit by Master Developer), and hereby reserves, a perpetual, exclusive (except as otherwise provided in this Article) easement, on, over, under and across each Use Easement Premises for the benefit of the Benefitted Unit that is adjacent to such Use Easement Premises. The listing provided on the attached **Exhibit B**, and the Use Easement Premises shown on the attached **Exhibit C**, constitute the present plans for the Units that are listed on the attached **Exhibit B**, but the Master Developer may change any of such designations as to Units owned by the Master Developer (or by a Builder, with such Builder's prior, written consent), which are listed on the attached **Exhibit B** and/or shown on the attached **Exhibit C**. Notwithstanding the foregoing, as to any Units owned by the Master Developer (or owned by one or more Builders, with the prior, written consent of such Builders), the Master Developer may add, remove, or otherwise change any Use Easement Premises or the designations of Benefitted Unit or Burdened Unit, including those listed on the attached **Exhibit B** and/or shown on the attached **Exhibit C**. Without limiting or restricting the authority granted to the Master Developer in the preceding sentence: Master Developer may attach to each deed whereby Master Developer conveys a Burdened Unit, a drawing, plot plan or survey which shows the Unit which is being conveyed thereby and the Use Easement Premises located thereon, if any, and the designation of the Burdened Unit and the Benefitted Unit; or the Master Developer may record a separate plot plan or survey of one (1) or more Units which shows thereon one (1) or more Use Easement Premises. Failure of the Master Developer to record any such document, plot plan, or survey, or failure of the Master Developer to designate Units as Benefitted Units or Burdened Units prior to conveyance to another Owner, shall not terminate or negate the designation of the Use Easement Premises listed on the attached **Exhibit B** and shown on the attached **Exhibit C**.

Section 4.3. ***Use of Use Easement Premises.***

The Owner of the Benefitted Unit that is immediately adjacent to a Use Easement Premises, and also the family members, tenants, guests and invitees of such Owner, shall have the right to use the adjacent Use Easement Premises in a manner that is consistent with these Covenants, to the exclusion of the Owner of the Burdened Unit on which such Use Easement Premises is located, except as otherwise provided in this Article. Subject to compliance with all terms and provisions of these Covenants, including design review and approval, as required, such permitted uses of each Use Easement Premises include those uses permitted by applicable zoning and may also include grass, shrubs, plants, flowers, vegetables and trees, construction, location, and use of hot tubs, patios, decks, dog houses, trellises, chairs and tables, and similar Improvements. Each Use Easement Premises may be used as a general recreational, picnic, social and garden area, as though such Use Easement Premises were owned by the Owner of the Benefitted Unit that has a right to

use such Use Easement Premises; provided that such Use Easement Premises shall not be used in any manner to unreasonably disturb any occupants of the Burdened Unit on which such Use Easement Premises is located, and nothing shall be attached to the exterior wall of the residence, or other structure, located on such Burdened Unit. However: the Owner of the Benefitted Unit which has a right to use such Use Easement Premises shall not plant flower beds (especially annuals), vegetable gardens, other landscaping which requires regular watering, or locate piping or heads for sprinkler systems, within five feet (5') of the foundation of the residence or any structure located on the Burdened Unit or within five feet (5') of any slab on or adjacent to a Use Easement Premises; and if evergreen shrubbery is located within five feet (5') of any foundation wall or slab on or adjacent to a Use Easement Premises, then the Person with the right to use such Use Easement Premises shall water such shrubbery by "controlled hand-watering" only, and should avoid excessive watering.

Section 4.4. ***Side Yard Fencing.***

Side yard fencing is not allowed on the side lot line between structures on those Lots now or hereafter listed on the attached Exhibit B, due to the use easements provided for in this Article.

Section 4.5. ***Right of Entry.***

The Owner of each Burdened Unit shall have the right, at all reasonable times, to enter upon the Use Easement Premises located on such Burdened Unit, for the purpose of performing work related to maintenance of the residence or any other structure now or hereafter located on such Burdened Unit.

Section 4.6. ***Right of Drainage.***

Each Burdened Unit shall have the right of drainage over, across and upon the Use Easement Premises that is located on such Burdened Unit, for normal precipitation upon and irrigation of such Burdened Unit, as long as such is done in accordance with the approved drainage plan, and no occupant of the Benefitted Unit that is adjacent to such Use Easement Premises shall do or permit to be done any act which interferes with such drainage.

Section 4.7. ***Right of Support.***

Each Burdened Unit shall have the right of lateral and subjacent support for the residence and all Improvements now or hereafter constructed upon such Burdened Unit, and no use of the Use Easement Premises located thereon shall adversely affect such right of support.

Section 4.8. ***Window Wells.***

The residence that is now or hereafter located on a Burdened Unit may have one or more window wells in a Use Easement Premises. The Owner of the Benefitted Unit that is adjacent to such Use Easement Premises has the right, but not the obligation, to cover such window well(s), but only if the Owner of the Burdened Unit on which such window wells are located gives his/her prior, written approval and only if such cover, and its installation, are in compliance with all governmental requirements. However, sprinklers shall not spray into window wells.

Section 4.9. ***Indemnity of Owner of Benefitted Unit.***

The Owner of the Burdened Unit that contains a Use Easement Premises, shall indemnify and hold harmless, the Owner of the Benefitted Unit that is adjacent to such Use Easement Premises, from damage to any Improvements, shrubs, plants, flowers, vegetables, trees and other landscaping, including the permitted Improvements and items listed in Section 4.3 of these Covenants, to the extent the damages result from the right of access reserved to the Owner of such Burdened Unit.

Section 4.10. ***Indemnity of Owner of Burdened Unit.***

The Owner of the Benefitted Unit that is adjacent to a Use Easement Premises, shall indemnify and hold harmless, the Owner of the Burdened Unit on which such Use Easement Premises is located, from damage to any Improvements now or hereafter constructed, located or erected on such Use Easement Premises, and from any personal injury (including death), to the extent that any such damage or injury is caused by use of the Use Easement Premises by the Owner of such Benefitted Unit, or by such Owner's family members, tenants, guests and invitees, including any injury or damages that occur as a direct or indirect result of any window well(s) in the residence adjacent to the Use Easement Premises. The Owner of such Benefitted Unit shall acquire and keep in force adequate hazard and liability insurance covering such Use Easement Premises.

Section 4.11. ***Maintenance of Use Easement Premises.***

The Owner of the Benefitted Unit which has the right to use a Use Easement Premises, shall be responsible for maintenance, repair and replacement of such Use Easement Premises, and of all Improvements that are located thereon by or for the benefit of such Benefitted Unit, to the same extent as if such Use Easement Premises were located on such Benefitted Unit and owned by the Owner of such Benefitted Unit. The foregoing shall be done in compliance with Section 4.3 of these Covenants, including, watering of landscaping on the Use Easement Premises and maintenance, repair and replacement of any Improvements located on such Use Easement Premises.

Section 4.12. ***Burdened Unit Owner's Right to Maintain Use Easement Premises.***

If any Owner of a Benefitted Unit that has the right to use a Use Easement Premises, shall fail to perform his maintenance, repair and/or reconstruction obligations in a manner reasonably satisfactory to any Owner of the Burdened Unit on which such Use Easement Premises is located, any Owner of such Burdened Unit may, if said failure continues for a twenty (20) day period after written notice by the Owner of such Burdened Unit to the Owner of such Benefitted Unit, enter upon said Use Easement Premises subsequent to the expiration of said twenty (20) day period to perform any or all of such maintenance, repair or reconstruction. Notwithstanding the foregoing, no notice shall be required in emergency situations. The cost of such maintenance, repair or reconstruction shall be the personal obligation of the Owner of the Benefitted Unit that has the right to use such Use Easement Premises.

ARTICLE 5. ALTERNATIVE DISPUTE RESOLUTION

Section 5.1. ***Intent of Article; Applicability of Article; and Applicability of Statutes of Limitation.***

4.1.1. Each Bound Party (as defined below) agrees to encourage the amicable resolution of disputes, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit any Claims (as defined below) to the procedures set forth in Section 5.5 hereof.

4.1.2. By acceptance of a deed for a Unit, each Owner agrees to abide by the terms of this Article.

4.1.3. Any applicable statute of limitation shall apply to the alternative dispute resolution procedures set forth in this Article.

Section 5.2. ***Definitions Applicable to this Article.***

For purposes of this Article only, the following terms have the meanings set forth in this Section:

5.2.1. "**JAG**" means the Judicial Arbiter Group or any other Person agreed to by the Claimant and Respondent in writing for the purpose of performing the functions of the Judicial Arbiter Group under these Covenants.

5.2.2. "**Bound Party**" means each of the following: Master Developer, its officers, directors, employees and agents; any Builder or contractor, and their respective directors, officers, members, partners, employees and agents, who construct or place residences or other Improvements on the Property; the Metropolitan District, its officers, directors, members and agents; all Persons subject to these Covenants; and any Person not otherwise subject to these Covenants who agrees to submit to this Article. Notwithstanding the foregoing, "**Bound Party**" shall not include any of the parties identified in this Section 5.2.2, if such parties have jointly entered into a separate written agreement providing for dispute resolution applicable to the Claim; in such circumstance, the dispute resolution mechanism set forth in such separate written agreement between such parties shall apply with respect to such Claim unless the parties mutually agree to submit such Claim to the provisions of this Article.

5.2.3. "**Claimant**" means any Bound Party having a Claim.

5.2.4. "**Claim**" means, except as exempted by the terms of this Article, any claim, grievance or dispute between one Bound Party and another, regardless of how the same may have arisen or on what it might be based, including those arising out of or related to (i) the interpretation, application or enforcement of any of the Governing Documents or the rights, obligations and duties of any Bound Party under any of the Governing Documents; (ii) the design or construction of Improvements; (iii) any statements,

representations, promises, warranties, or other communications made by or on behalf of any Bound Party.

5.2.5. "**Governing Documents**" means these Covenants and the Guidelines, if any.

5.2.6. "**Notice**" means the written notification given by a Claimant to a Respondent and which shall comply with the requirements of Section 5.5.1 hereof.

5.2.7. "**Party**" means the Claimant and the Respondent individually; "**Parties**" means the Claimant and the Respondent collectively.

5.2.8. "**Respondent**" means any Bound Party against whom a Claimant asserts a Claim.

5.2.9. "**Termination of Mediation**" means a period of time expiring thirty (30) days after submission of the matter to mediation (or within such other time as determined by the mediator or agreed to by the Parties) and upon the expiration of which the Parties have not settled the Claim.

5.2.10. "**Termination of Negotiations**" means a period of time expiring thirty (30) days after the date of the Notice (or such other period of time as may be agreed upon by the Parties) and upon the expiration of which the Parties have not resolved a Claim.

Section 5.3. ***Commencement or Pursuit of Claim Against Bound Party.***

5.3.1. A Bound Party may not commence or pursue a Claim against any other Bound Party except in compliance with this Article.

5.3.2. Prior to any Bound Party commencing any proceeding to which another Bound Party is a party, the Respondent shall have the right to be heard by the Claimant, and to access, inspect, correct the condition of, or redesign any portion of any Improvement as to which a defect is alleged or otherwise correct the alleged dispute.

Section 5.4. ***Claims.***

Unless specifically exempted below, all Claims between any of the Bound Parties shall be subject to the provisions of Section 5.5 hereof. Notwithstanding the foregoing, unless all Parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 5.5 hereof:

5.4.1. any suit by the governing board of the Metropolitan District or Master Developer to obtain a temporary restraining order or injunction (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to enforce any of the provisions of these Covenants;

5.4.2. any suit between or among Owners, which does not include Master Developer, Builder, or the governing board of the Metropolitan District as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents; and

5.4.3. any suit in which any indispensable party is not a Bound Party.

Section 5.5. ***Mandatory Procedures.***

5.5.1. *Notice*. Prior to proceeding with any claim against a Respondent, each Claimant shall give a Notice to each Respondent, which Notice shall state plainly and concisely:

5.5.1.1 the nature of the Claim, including all Persons involved and Respondent's role in the Claim;

5.5.1.2 the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);

5.5.1.3 the proposed remedy; and

5.5.1.4 the fact that Claimant will give the Respondent an opportunity to inspect all Property and Improvements potentially involved with the Claim, and that Claimant will meet with Respondent not sooner than thirty (30) days after such inspection to discuss in good faith ways to resolve the Claim.

5.5.2. Negotiation and Mediation.

5.5.2.1. The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the governing board of the Metropolitan District may appoint a representative to assist the Parties in negotiation.

5.5.2.2. Upon a Termination of Negotiations, Claimant shall have thirty (30) days to submit the Claim to mediation under the auspices of JAG in accordance with the rules of JAG in effect on the date of the notice that is provided for in Section 5.5.1 of these Covenants.

5.5.2.3. If Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to any Person other than the Claimant.

5.5.2.4. Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the Parties. If a Termination of Mediation occurs, the mediator shall issue a notice of Termination of Mediation. The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.

5.5.2.5. Each Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall share equally all charges rendered by the mediator.

5.5.2.6. If the Parties agree to a resolution of any Claim through negotiation or mediation in accordance with Section 5.5.2 and any Party thereafter fails to abide by the terms of such agreement, then any other Party may file suit or initiate arbitration proceedings to enforce such agreement without the need to again comply with the procedures set forth in Section 5.5 hereof. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement, including attorneys' fees and court costs.

5.5.3. Binding Arbitration.

5.5.3.1. Upon Termination of Mediation, if Claimant desires to pursue the Claim, Claimant shall thereafter be entitled to initiate final, binding arbitration of the Claim under the auspices of JAG in accordance with the rules of JAG in effect on the date of the Notice that is provided for in Section 5.5.1 of these Covenants. Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction over such Claim. Unless otherwise mutually agreed to by the Parties, there shall be one arbitrator who, to the extent feasible, shall have expertise in the area(s) of dispute, which may include legal expertise if legal issues are involved.

5.5.3.2. Each Party shall bear its own costs and expenses and an equal share of the arbitrator's and administrative fees of arbitration. Notwithstanding the foregoing, if a Party unsuccessfully contests the validity or scope of arbitration in a court of law, the arbitrator shall award reasonable attorneys' fees and expenses incurred in defending such contests, including those incurred in trial or on appeal, to the non-contesting Party. All decisions respecting the arbitrability of any Claim shall be decided by the arbitrator.

5.5.3.3. The award of the arbitrator shall be accompanied by detailed written findings of fact and conclusions of law. Except as may be required by law or for confirmation of an award, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration without the prior written consent of all Parties.

ARTICLE 6. GENERAL PROVISIONS

Section 6.1. ***Enforcement.***

6.1.1 This subsection is subject to Article 5 of these Covenants (Alternative Dispute Resolution). Enforcement of the covenants, conditions, restrictions, easements, reservations, rights-of-way, liens, charges and other provisions contained in these Covenants, as amended, may be by any proceeding at law or in equity against any Person(s) violating or attempting to violate any such provision, and possible remedies include all of those available at law or in equity. The Master Developer, Metropolitan District, and any aggrieved Owner, shall have the right, but not the duty, to institute, maintain and prosecute any such proceedings. No remedy shall be exclusive of other remedies that may be available. Except as otherwise provided in Article 5 hereof, in any action instituted or maintained under these Covenants or any other such documents, the prevailing party shall be entitled to recover its costs and attorney fees incurred in asserting or defending the claim, as well as any and all other sums. Failure by the Master Developer, the Metropolitan District, or any Owner, to enforce any covenant, restriction or other provision herein contained, shall in no event give rise to any liability, nor shall such non-enforcement be deemed a waiver of the right to thereafter enforce any covenant, restriction or other provision of these Covenants.

6.1.2 The foregoing shall include the right of the Metropolitan District, except with respect to the Master Developer or any Builder, to send demand letters and notices, to levy and collect fines, to negotiate, settle and to take any other actions, with respect to any violation(s) or alleged violation(s) of any of these Covenants, the Guidelines, and/or any rules and regulations, or other regulations or requirements, of the Metropolitan District.

Section 6.2. ***Severability.***

All provisions of these Covenants are severable. Invalidation of any of the provisions, including any provision(s) of Article 5 of these Covenants (Alternative Dispute Resolution), by judgment, court order or otherwise, shall in no way affect or limit any other provisions, which shall remain in full force and effect.

Section 6.3. ***Duration, Revocation and Amendment.***

6.3.1. Each and every provision of these Covenants shall run with and bind the land perpetually from the date of recording of these Covenants. Except as otherwise provided in these Covenants, these Covenants may be amended by a vote or agreement of the Owners of at least sixty-seven percent (67%) of the Units; provided that, until 25 years after recording of these Covenants in the office of the Clerk and Recorder of Jefferson County, Colorado, no amendment of these Covenants shall be effective without the prior, written consent of the Master Developer.

6.3.2. Notwithstanding anything to the contrary contained in these Covenants, these Covenants or any map or plat, may be amended in whole or in part, at any time, by the Master Developer without the consent or approval of any other Owner or any other Person, in order to correct clerical, typographical, or technical errors, or to clarify these Covenants

or any provision hereof. The Master Developer's right of amendment set forth in the preceding sentence shall terminate 25 years after recording of these Covenants in the office of the Clerk and Recorder of Jefferson County, Colorado.

6.3.3. Notwithstanding anything to the contrary contained in these Covenants, these Covenants, or any map or plat, may be amended in whole or in part, at any time, by the Master Developer without the consent or approval of any other Owner or any other Person, in order to comply with the requirements, standards, or guidelines of the Government National Mortgage Association, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, including the Federal Housing Administration, the Veterans Administration, or any other governmental or quasi-governmental agency, or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by any of such entities. The Master Developer's right of amendment set forth in the preceding sentence shall terminate 25 years after recording of these Covenants in the office of the Clerk and Recorder of Jefferson County, Colorado.

Section 6.4. ***Minor Violations of Setback Restrictions.***

If upon the erection of any structure, it is disclosed by survey that a minor violation or infringement of setback lines has occurred, such violation or infringement shall be deemed waived by the Owners of each Unit immediately adjoining the structure which is in violation of the setback, and such waiver shall be binding upon all other Owners. However, nothing contained in this Section shall prevent the prosecution of a suit for any other violation of these Covenants or the Guidelines, if any. A "**minor violation**," for the purpose of this Section, is a violation of not more than four (4) feet beyond the required setback lines or Unit lines. This provision shall apply only to the original structures and shall not be applicable to any alterations or repairs to, or replacements of, any of such structures. In addition to the foregoing, setback requirements are set by the City, such that any violation of the same is subject to review by, and approval of, the City.

Section 6.5. ***Subdivision or Replatting of Units.***

The Master Developer hereby reserves the right to subdivide or replat any Unit(s) owned by the Master Developer, provided that each subdivision or replatting is subject to review and approval by the City. Each such subdivision or replatting may change the number of Units in the Property. The foregoing reservation includes the right to move any lot line(s) on Unit(s) for the purpose of accommodating Improvements which are, or may be constructed. The rights provided for in this Section shall terminate 25 years after recording of these Covenants in the office of the Clerk and Recorder of Jefferson County, Colorado.

Section 6.6. ***Withdrawal.***

During the Master Development Period, the Master Developer reserves the right to withdraw the Property, or any portion thereof, including one or more Units, from these Covenants, so long as the Master Developer owns the portion of the Property to be withdrawn. Each withdrawal, if any, may be effected by the Master Developer recording a withdrawal document in

the office of the Clerk and Recorder of the county in which such withdrawn property is located. A withdrawal as contained in this paragraph constitutes a divestiture, withdrawal, and de-annexation of the withdrawn property from these Covenants so that, from and after the date of recording a withdrawal document, the property so withdrawn shall not be part of the Property. Notice of any such withdrawal shall be given to the City.

Section 6.7. ***Annexation.***

The Master Developer may, at any time, annex to the Property additional property, including any property which may previously have been withdrawn from the Property. Each such annexation, if any, shall be accomplished by recording of an annexation document that expressly and unequivocally provides that the property described therein shall be subject to these Covenants and all terms and provisions hereof. However, any such annexation may include provisions which, as to the property described therein, adds to or changes the rights, responsibilities and other requirements of these Covenants. Any such additional or changed provisions may be amended with the consent of the Owners of 67% of the Units to which those provisions apply. Notice of any such annexation shall be given to the City.

Section 6.8. ***Master Developer's and Builder's Use.***

Notwithstanding anything to the contrary contained in these Covenants, it shall be expressly permissible and proper for Master Developer, its employees, agents, and contractors, as well as any Builder (but only with the express written consent of the Master Developer, such consent not to be unreasonably withheld), to perform such reasonable activities, and to maintain upon portions of the Units as Master Developer or Builder deems reasonably necessary or incidental to the construction and sale of Units and development and construction of Improvements. The foregoing includes locating, maintaining and relocating management offices, signs, model units and sales offices, in such numbers, of such sizes, and at such locations as it determines. Further, nothing contained in these Covenants shall limit the rights of Master Developer or any Builder (but only with the express written consent of the Master Developer, such consent not to be unreasonably withheld) or require the Master Developer or any Builder (but only with the express written consent of the Master Developer, such consent not to be unreasonably withheld) to obtain approvals:

6.8.1. to excavate, cut, fill or grade any property (with the consent of the Owner thereof) or to construct, alter, demolish or replace any Improvements;

6.8.2. to use any Improvements on any property (with the consent of the Owner thereof) as a construction, management, model home or sales or leasing office in connection with the development, construction or sale of any property; and/or

6.8.3 to seek or obtain any approvals under these Covenants for any such activity.

Section 6.9. ***Notices.***

Any notice permitted or required in these Covenants shall be deemed to have been given and received upon the earlier to occur of (a) personal delivery upon the Person to whom such notice

is to be given; or (b) two (2) days after deposit in the United States mail, registered or certified mail, postage prepaid, return receipt requested, addressed to the Owner at the address for such Owner's Unit.

Section 6.10. ***Limitation on Liability.***

The Master Developer, any Builder, the Metropolitan District, the SID, the CDRC, and their respective directors, officers, shareholders, members, partners, agents or employees, shall not be liable to any Person for any action or for any failure to act arising out of these Covenants and the Guidelines, if any, unless the action or failure to act was not in good faith and was done or withheld with malice. Further, neither the Metropolitan District nor the SID waives, and no provision of these Covenants shall be deemed a waiver of, the immunities and limitations to which the Metropolitan District and the SID are entitled as a matter of law, including the Colorado Governmental Immunity Act, §24-10-101, et seq. C.R.S., as amended. The release and waiver set forth in Section 6.14 (Waiver) shall apply to this Section.

Section 6.11. ***No Representations, Guaranties or Warranties.***

No representations, guaranties or warranties of any kind, express or implied, shall be deemed to have been given or made by Master Developer, any Builder, the Metropolitan District, the SID, the CDRC, or by any of their officers, directors, shareholders, members, partners, agents or employees, in connection with any portion of the Property, or any Improvement, its physical condition, structural integrity, freedom from defects, zoning, compliance with applicable laws, fitness for intended use, or view, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes or regulation thereof, unless and except as specifically set forth in writing. The release and waiver set forth in Section 6.14 (Waiver) shall apply to this Section.

Section 6.12. ***Disclaimer Regarding Safety.***

MASTER DEVELOPER, THE BUILDERS, THE METROPOLITAN DISTRICT, THE SID, THE CDRC, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, SHAREHOLDERS, MEMBERS, PARTNERS, AGENTS AND EMPLOYEES, HEREBY DISCLAIM ANY OBLIGATION REGARDING THE SECURITY OF ANY PERSONS OR PROPERTY WITHIN THE PROPERTY. BY ACCEPTING A DEED TO A UNIT WITHIN THE PROPERTY, EACH OWNER ACKNOWLEDGES THAT MASTER DEVELOPER, THE BUILDERS, THE METROPOLITAN DISTRICT, THE SID, THE CDRC, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, SHAREHOLDERS, MEMBERS, PARTNERS, AGENTS AND EMPLOYEES, ARE OBLIGATED TO DO THOSE ACTS SPECIFICALLY ENUMERATED HEREIN OR IN THE GUIDELINES, IF ANY, AND ARE NOT OBLIGATED TO DO ANY OTHER ACTS WITH RESPECT TO THE SAFETY OR PROTECTION OF PERSONS OR PROPERTY WITHIN THE PROPERTY. THE RELEASE AND WAIVER SET FORTH IN SECTION 6.14 (WAIVER) SHALL APPLY TO THIS SECTION.

Section 6.13. ***Development Within and Surrounding the Property.***

Each Owner acknowledges that development within and surrounding the Property may continue for an indefinite period, and that plans for the density, type and location of improvements, developments or land uses may change over time. Such development may entail changes to or alterations in the access to the Property, views of or from the Property or the Units, surrounding land uses, open space or facilities, traffic volumes or patterns, privacy or other aspects or amenities. Development also may entail noise, odors, unsightliness, dust and other inconveniences or disruptions. By accepting a deed to a Unit, each Owner accepts title to such Unit subject to the foregoing, and waives and releases any claim against the Master Developer, any Builders, the Metropolitan District, the SID, the CDRC, and their respective officers, directors, members, partners, agents and employees, heirs, personal representatives, successors and assigns, arising out of or associated with any of the foregoing. The release and waiver set forth in Section 6.14 (Waiver) shall apply to this Section.

Section 6.14. ***Waiver.***

By acceptance of a deed to a Unit, each Owner hereby releases, waives, and discharges the Master Developer, each Builder, the Metropolitan District, the SID, the CDRC, and their respective officers, directors, members, partners, agents and employees, heirs, personal representatives, successors and assigns, from all losses, claims, liabilities, costs, expenses, and damages, arising directly or indirectly from any hazards, disclosures or risks set forth in these Covenants, including those contained in Sections 6.10, 6.11, 6.12 and 6.13.

Section 6.15. ***Headings.***

The Article, Section and subsection headings in these Covenants are inserted for convenience of reference only, do not constitute a part of these Covenants, and in no way define, describe or limit the scope or intent of these Covenants or any of the provisions hereof.

Section 6.16. ***Gender.***

Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular and the use of any gender shall be applicable to all genders.

Section 6.17. ***Action.***

Any action that has been or may be taken by the Master Developer, any Builder, the Metropolitan District, the SID, the Authorized Entity, the CDRC, or any other Person, may be taken "**at any time, from time to time**". Each provision that authorizes, directs or permits action shall be deemed to include such language.

Section 6.18. ***Sole Discretion.***

All actions which are to be taken by, or on behalf of, the Master Developer, any Builder, the Metropolitan District, the SID, the Authorized Entity, the governing body of the Metropolitan

District, the governing body of the SID, the CDRC, or any other Person, shall be deemed to be taken "**in the sole discretion**" of such Person.

Section 6.19. ***Use of "Include," "Includes," and "Including".***

All uses, in these Covenants, of the words "**include**," "**includes**," and "**including**," shall be deemed to include the words "**without limitation**" immediately thereafter.

Section 6.20. ***Runs with the Land; Binding Upon Successors.***

The benefits, burdens, and all other provisions contained in these Covenants shall be covenants running with and binding upon the Property and all Improvements which are now or hereafter become a part of the Property. The benefits, burdens, and all other provisions contained in these Covenants shall be binding upon, and inure to the benefit of the Master Developer, the Builders and all Owners, and upon and to their respective heirs, personal representatives, successors and assigns.

IN WITNESS WHEREOF, the undersigned, being the Master Developer herein and the Owner of the Property, has hereunto set its hand and seal this 23rd day of March, 2012.

MASTER DEVELOPER:

ARVADA RESIDENTIAL PARTNERS, LLC,
a Colorado limited liability company

By: Terra Causa Capital LLC,
a Colorado limited liability company
Its: Manager

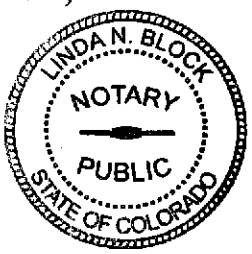
By: _____
Creig Veldhuizen, Manager

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 23rd day of March, 2012, by Creig Veldhuizen, as Manager of Terra Causa Capital LLC, a Colorado limited liability company, Manager of Arvada Residential Partners, LLC, a Colorado limited liability company.

Witness my hand and official seal.

{S E A L}



My Commission Expires 11/18/2014

Linda N. Block
Notary Public
My Commission expires: November 18, 2014

EXHIBIT A
TO
PROTECTIVE COVENANTS AND EASEMENTS
OF CANDELAS

(Property)

PARCELS OF LAND LOCATED IN THE NORTH HALF OF SECTION 21 AND SECTIONS 22, 23, AND 24, ALL IN TOWNSHIP 2 SOUTH, RANGE 70 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY OF ARVADA, COUNTY OF JEFFERSON, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE FOLLOWING BLOCKS, LOTS, AND TRACTS OF CANDELAS FILING NO. 1 PLAT AS RECORDED AT RECEPTION NUMBER 2011039877:

- BLOCK 1, LOTS 1-28; BLOCK 1, TRACT A1; BLOCK 1, TRACT A2; BLOCK 1, TRACT B; BLOCK 1, TRACT C; BLOCK 1, TRACT D; BLOCK 1, TRACT E; BLOCK 1, TRACT F; BLOCK 1, TRACT G; BLOCK 1, TRACT H; BLOCK 1, TRACT W; BLOCK 1, TRACT W W; BLOCK 1, TRACT FFF;
- BLOCK 2, LOTS 1-10; BLOCK 2, TRACT I;
- BLOCK 3, LOTS 1-16; BLOCK 3, TRACT R;
- BLOCK 4, LOTS 1-13; BLOCK 4, TRACT J; BLOCK 4, TRACT K; BLOCK 4, TRACT L; BLOCK 4, TRACT M; BLOCK 4, TRACT XX;
- BLOCK 5, LOTS 1-20; BLOCK 5, TRACT N; BLOCK 5, TRACT O; BLOCK 5, TRACT P; BLOCK 5, TRACT Q;
- BLOCK 6, LOTS 1-19; BLOCK 6, TRACT S; BLOCK 6, TRACT T; BLOCK 6, TRACT U; BLOCK 6, TRACT V;
- BLOCK 7, LOTS 1-19; BLOCK 7, TRACT X; BLOCK 7, TRACT Y; BLOCK 7, TRACT Z; BLOCK 7, TRACT AA; BLOCK 7, TRACT BB; BLOCK 7, TRACT EEE;
- BLOCK 8;
- BLOCK 9;
- BLOCK 10;
- BLOCK 11;
- BLOCK 12, LOTS 1-13; BLOCK 12, TRACT DD;
- BLOCK 13, LOTS 1-9; BLOCK 13, TRACT GG;
- BLOCK 14, LOTS 1-12; BLOCK 14, TRACT CC;
- BLOCK 15, LOTS 1-12; BLOCK 15, TRACT FF;
- BLOCK 16, LOTS 1-12; BLOCK 16, TRACT HH;
- BLOCK 17, LOTS 1-16; BLOCK 17, TRACT II;
- BLOCK 18, LOTS 1-35; BLOCK 18, TRACT A3; BLOCK 18, TRACT A4;
- BLOCK 19, LOTS 1-16; BLOCK 19, TRACT JJ
- BLOCK 20, LOTS 1-13; BLOCK 20, TRACT MM;
- BLOCK 21;
- BLOCK 22;
- BLOCK 23, LOTS 1-8; BLOCK 23, TRACT NN;
- BLOCK 24, LOTS 1-22, BLOCK 24, TRACT A5;
- BLCOK 25, LOTS 1-46; BLOCK 25, TRACT OO1;

- BLOCK 26, LOTS 1-11; BLOCK 26, TRACT PP;
- BLOCK 27, LOTS 1-50; BLOCK 27, TRACT QQ; BLOCK 27, TRACT RR; BLOCK 27, TRACT AAA;
- BLOCK 28, LOTS 1-11; BLOCK 28, TRACT A6; BLOCK 28, TRACT BBB;
- BLOCK 29, LOTS 1-6; BLOCK 29, TRACT A7;
- BLCOK 30, LOTS 1-19; BLOCK 30, TRACT OO2;
- BLCOK 31, TRACT UU; BLOCK 31, TRACT V V;
- BLOCK 32, LOTS 1-15; BLOCK 32, TRACT A8; BLOCK 32, TRACT SS; BLOCK 32, TRACT CCC;
- BLOCK 33, LOTS 1-21; BLOCK 33, TRACT TT;
- BLOCK 34;
- BLOCK 35;
- BLOCK 36; LOTS 1-3; BLOCK 36, TRACT A9;
- BLOCK 37, TRACT KK; BLOCK 37, TRACT LL; BLOCK 37, TRACT ZZ;
- BLOCK 38
- BLOCK 38, TRACT EE; BLOCK 38, TRACT YY;

SAID BLOCKS, LOTS, AND TRACTS CONTAIN 553.816 ACRES (24,124,219 SQ. FT.), MORE OR LESS.

TOGETHER WITH (PORTION OF BLOCK 1A):

A PORTION OF BLOCK 1A OF VAUXMONT MINOR SUBDIVISION NO. 2 AS RECORDED AT RECEPTION NO. 2007042669, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF STATE HIGHWAY 72 AS RECORDED AT BOOK 421, PAGE 86 FROM WHENCE THE NORTHEAST CORNER OF SAID SECTION 21 BEARS N27°55'14"W A DISTANCE OF 2610.62 FEET; THENCE ALONG SAID NORTHERLY RIGHT-OF-WAY LINE N83°48'07"W A DISTANCE OF 570.04 FEET TO A POINT ON THE EASTERLY LINE OF THE MARUYAMA PARCEL; THENCE ALONG THE BOUNDARY LINE OF SAID MARUYAMA PARCEL THE FOLLOWING THREE (3) COURSES AND DISTANCES: 1) N00°47'22"W A DISTANCE OF 931.99 FEET; 2) THENCE S89°25'35"W A DISTANCE OF 627.87 FEET; 3) THENCE S00°38'35"E A DISTANCE OF 857.14 FEET TO A POINT ON SAID NORTHERLY RIGHT-OF-WAY LINE OF STATE HIGHWAY 72; THENCE ALONG SAID NORTHERLY RIGHT-OF-WAY LINE N84°06'06"W A DISTANCE OF 1329.95 FEET TO A POINT ON THE EASTERLY LINE OF THE ENGWIS PARCEL; THENCE ALONG THE BOUNDARY LINE OF SAID ENGWIS PARCEL THE FOLLOWING TWO (2) COURSES AND DISTANCES: 1) N00°31'36"W A DISTANCE OF 708.75 FEET; 2) THENCE S89°30'36"W A DISTANCE OF 383.81 FEET; THENCE DEPARTING SAID ENGWIS BOUNDARY LINE N20°17'41"W A DISTANCE OF 1154.83 FEET TO A POINT ON THE EASTERLY LINE OF TRACT 1, VAUXMONT MINOR SUBDIVISION AS RECORDED AT RECEPTION NO. 2006000891 (SMART RESERVOIR); THENCE ALONG SAID EASTERLY LINE N31°19'14"E A DISTANCE OF 278.62 FEET TO A POINT ON THE NORTH LINE OF SAID SECTION 21; THENCE ALONG SAID NORTH LINE N89°36'20"E A DISTANCE OF 1944.33 FEET TO THE NORTHWEST CORNER OF SAID SECTION 22; THENCE N88°55'16"E ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 22 A DISTANCE OF 921.97 FEET TO A POINT ON THE WESTERLY BOUNDARY LINE OF BLOCK 34 OF SAID CANDELAS FILING NO. 1 PLAT; THENCE DEPARTING SAID SECTION LINE ALONG SAID BOUNDARY LINE THE FOLLOWING THREE (3) COURSES AND DISTANCES: 1) S00°08'51"W A DISTANCE OF 691.76 FEET; 2) THENCE S25°59'48"W A DISTANCE OF 641.48 FEET; 3) THENCE 1298.96 FEET ALONG

THE ARC OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 972.79 FEET, A CENTRAL ANGLE OF 76°30'24" AND A CHORD WHICH BEARS N28°47'01"W A DISTANCE OF 1204.59 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINS 117.940 ACRES (5,137,483 SQ. FT.), MORE OR LESS.

SAID PARCELS CONTAIN A TOTAL OF 671.756 ACRES, MORE OR LESS

BASIS OF BEARING

BASIS OF BEARING ARE BASED ON THE PLATTED BEARING OF N89°58'12"E ALONG THE NORTH LINE OF THE NORTHEAST QUARTER OF SECTION 22, AS SHOWN ON VAUXMONT MINOR SUBDIVISION NO. 2 AS RECORDED AT RECEPTION NO. 2007042669, AND AS DETERMINED BY MONUMENTS BEING A FOUND NO. 6 REBAR WITH A 2-1/2" ALUMINUM CAP STAMPED LS 31169 AT THE NORTH QUARTER CORNER AND BEING A FOUND NO. 6 REBAR WITH A 2-1/2" ALUMINUM CAP STAMPED LS 31169 AT THE NORTHEAST CORNER OF SECTION 22.

PREPARED BY DAVID A KUNTZ, PE
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(303) 431-4028 FAX
SEPTEMBER 26, 2011

EXHIBIT B
TO
PROTECTIVE COVENANTS AND EASEMENTS
OF CANDELAS

(Use Easements)

None at the time of recording of these Covenants.

EXHIBIT C
TO
PROTECTIVE COVENANTS AND EASEMENTS
OF CANDELAS

(Map of Use Easement Premises)

None at the time of recording of these Covenants.