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THE
DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS

OF

PELICAN POINTE AT THE BREAKERS,
A PLANNED RESIDENTIAL TOWNHOME COMMUNITY

PREAMBLE

THIS DECLARATION made as of the 1st day of July, 1998, by Breakers Single Family, L.L.C., a Colorado limited liability company, who with its successors and assigns is hereinafter referred to as "Declarant."

WHEREAS, Declarant is the owner of certain real property (the "Property") situate in the City and County of Denver (the "County"), State of Colorado, more particularly described in Exhibit A; and

WHEREAS, Declarant has zoned and organized the Property as Pelican Pointe, a Planned Building Group, pursuant to the Planned Building Group recorded in the records of the County; and

WHEREAS, Declarant intends to establish a Common Interest Community under Colorado law and to own, improve and convey the Property in accordance with the terms of this Declaration.

NOW THEREFORE, Declarant hereby declares as follows:

ARTICLE I
DEFINITIONS

As used in this Declaration, unless the context otherwise requires, the terms hereinafter set forth shall have the following meanings:

Section 1.1 ACT means the Colorado Common Interest Ownership Act, as it may be amended from time to time.

Section 1.2 ADDITIONAL PARCEL or PARCEL means any of the parcels described on the Community Plat as Parcel 2 through Parcel 7. According to the Community Plat, Additional Parcels 2 through 6 contain a designated number of Units and a portion of Common Area. Parcel 7 may be added to the Community at a later time or in portions thereof from time to time, and one or more supplements to the Community Plat will show the Units and Common Area on this Parcel 7. The Declarant reserves a Development Right to add one or more of the Additional Parcels to the Community. The legal descriptions of Parcels 2 through 6 are attached hereto as Exhibit B. The legal description of Parcel 7 is included on the Community Plat.

Section 1.3 AGENCIES means and collectively refers to, the Federal National Mortgage Association (FNMA), the Government National Mortgage Association (GNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Department of Housing and Urban Development (HUD), the Veterans Administration (VA), the Colorado Housing and Finance Authority (CHFA) or any other governmental or quasi-governmental agency or any other public, quasi-public or private entity which performs (or may perform in the future) functions similar to those currently performed by any of such entities.

Section 1.4 ANNUAL ASSESSMENT is defined in Section 5.3(a).

Section 1.5 ARTICLES means the Articles of Incorporation of the Association.

Section 1.6 ASSESSMENTS means all monies due to the Association from Members which are duly assessed by the Board as Annual Assessments, Special Assessments, Reserve Fees, and Individual Purpose Assessments and all fines levied hereunder by the Board together with interest, late fees, costs and reasonable attorney's fees for collection.

Section 1.7 ASSOCIATION means The Pelican Pointe Homeowners Association, a Colorado nonprofit corporation, its successors and assigns.

Section 1.8 BOARD OF DIRECTORS or BOARD means the Board of Directors of the Association. The Board of Directors is the governing body of the Association.

Section 1.9 BYLAWS means the Bylaws adopted by the Board of Directors as amended from time to time.

Section 1.10 COMMON AREA means the Property (including any improvements thereon) except the Dwelling Units. The Common Area shall be owned and maintained by the Association for the common use and enjoyment of the Owners. If Declarant exercises its Development Right to add one or more Additional Parcels to the

Community, then Common Area shall also include the Common Area contained in such Additional Parcel(s). The Property does not include any limited common areas for the use of fewer than all Owners, other than limited common areas specified in C.R.S. § 38-33.3-202(1)(d) which are shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, and patios and all exterior doors and windows or other fixtures designed to serve a single Unit, but located outside the Unit's boundaries ("Limited Common Area").

Section 1.11 COMMON EXPENSES means expenditures made or liabilities incurred by or on behalf of the Association together with any allocations to reserve funds.

Section 1.12 COMMUNITY means the portion of Pelican Pointe at the Breakers which is subject to this Declaration. If Declarant exercises its Development Right to submit one or more Additional Parcels or portions thereof to the terms and conditions of this Declaration, then the Community shall also include such Additional Parcel(s).

Section 1.13 COMMUNITY PLAT means that Colorado Common Interest Ownership Act Community Plat/Map prepared in accordance with C.R.S. § 38-33.3-209 recorded in the County which shows the Property and the Additional Parcels; the identifying numbers of the Units and boundaries thereof; and the information relating thereto which is required by the Act.

Section 1.14 COUNTY means City and County of Denver, State of Colorado.

Section 1.15 DECLARANT means Breakers Single Family, L.L.C., a Colorado limited liability company, its successors and assigns.

Section 1.16 DECLARATION means this DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF PELICAN POINTE AT THE BREAKERS, A PLANNED RESIDENTIAL TOWNHOME COMMUNITY, as it may be amended from time to time.

Section 1.17 DEVELOPMENT PERIOD is defined in Section 4.6.

Section 1.18 DEVELOPMENT RIGHTS is defined in Section 2.4.

Section 1.19 DWELLING UNIT or UNIT means each townhome Residence constructed within the Community, any replacement thereof, the easements appurtenant to each Unit, its Limited Common Area, and the land upon which such Residence is located, all as identified on the Community Plat. If Declarant exercises its Development Right to add one or more Additional Parcels or portions thereof to the Community, then Dwelling Unit or Unit shall include the Dwelling Units or Units contained in such Additional Parcel(s) as set forth on any one or more supplements to the Community Plat.

TOTAL PERMITTED UNITS means 327 Units which is the maximum number of Units permitted by the PBG zoning if all Additional Parcels are made subject to this Declaration and all Units are constructed. This is the maximum number of Units that the Declarant reserves the right to create and develop.

Section 1.20 FIRST MORTGAGEE means any Person which owns, holds, insures or is a governmental guarantor of a mortgage or deed of trust, which is a first and prior lien (subject only to the lien of the Association pursuant to C.R.S. § 38-33.3-316 and to the lien for general taxes) encumbering a Lot or Dwelling Unit within the Property.

Section 1.21 GUEST means (a) any person who resides with an Owner within a Unit; (b) a guest, licensee or invitee of an Owner; (c) an occupant or tenant of a Unit and any members of his or her household, invitee or co-habitant of any such Person; or (d) a contract purchaser of a Unit.

Section 1.22 LIMITED COMMON AREA is defined above in Section 1.10.

Section 1.23 MANAGING AGENT means any one or more Persons employed by the Association and engaged to perform any of the duties, powers or functions of the Association.

Section 1.24 MEMBER means a Person who is a member of the Association as provided in Section 4.4.

Section 1.25 OWNER means the record Owner(s) of the fee simple title or a seller under a land installment contract of any Dwelling Unit excluding, however, those having an interest merely as security for the performance of any obligation.

Section 1.26 PARTY WALL means a wall which is part of the original construction of the Residences (as such wall may be repaired or reconstructed from time to time) and which separates two Residences as a common wall. To the extent not inconsistent with the specific provisions of this Declaration, the general rules of law regarding party walls shall apply to Party Walls within the Community.

Section 1.27 PERSON means a natural person, corporation, partnership, association, trustee or any other entity recognized as being capable of owning real property under Colorado law.

Section 1.28 PBG means the Planned Building Group of Pelican Pointe recorded in the real estate records of the County.

Section 1.29 PROPERTY means such real property and the improvements located thereof as more fully described on Exhibit A (the Legal Description). The Property initially contains or will

contain thirteen (13) Units. If Declarant exercises its Development Right to add one or more Additional Parcels or portions thereof, then Property shall also include the Property descriptions of such Additional Parcel(s) or portions thereof.

Section 1.30 RESIDENCE means each townhome dwelling constructed at the Property together with its exterior surfaces, roofs, basement, garage and Limited Common Area, as applicable, but excluding the land on which it sits.

Section 1.31 RULES includes without limitation the rules and regulations adopted by the Board and any other rules and regulations adopted in accordance with this Declaration or the Bylaws, all as amended from time to time.

Section 1.32 SPECIAL DECLARANT RIGHTS is defined in Section 2.3.

ARTICLE II DECLARATION

Section 2.1 Conveyances Subject to Declaration. The Property shall be held, sold, improved and conveyed subject to this Declaration which is declared and agreed to be for the protection of the value of the Property and for the benefit of the Owners and which shall be deemed to run with the land and shall be a burden and benefit to any Persons hereafter acquiring interests in the Property, their grantees, successors, heirs, legal representatives and assigns. Any instrument recorded subsequent to this Declaration and purporting to establish and effect any interest in the Property shall be subject to the provisions of this Declaration despite any failure to make reference thereto.

Pelican Pointe at the Breakers is the name of this planned community created pursuant and subject to the Act. The Act is incorporated herein by this reference except where specific provisions of this Declaration conflict with the Act and such conflict is permissible under the Act; in such event this Declaration shall prevail over the Act. In all other cases the Act shall prevail over this Declaration.

The identification number of each Unit is shown on the Community Plat. Every contract for sale, deed, lease, encumbrance or other legal instrument may legally describe a Unit by its identifying Unit number followed by the name of the Community, with reference to the Community Plat and this Declaration. An illustrative description is as follows:

Building _____, Unit _____, Pelican
Pointe at the Breakers, a Planned Residential
Townhome Community, according to the

Declaration of Covenants, Conditions and Restriction of Pelican Pointe at the Breakers, A Planned Residential Townhome Community, recorded on _____, in the office of the Clerk & Recorder of the City and County of Denver, State of Colorado, at Reception No. _____ and Community Plat/Map of Pelican Pointe at the Breakers, recorded on _____ at Reception No. _____.

Section 2.2 Common Area Dedication. The Declarant, by recording the Declaration, the PBG and the Community Plat in the records of the County, has designated all of the Property, except the Dwelling Units as Common Area. The PBG and Community Plat are incorporated herein and made a part of this Declaration. In the event of any inconsistency between the terms of this Declaration and the PBG or the PBG as it may be amended in the future, the PBG or amended PBG shall control. In the event of any inconsistency between the terms of this Declaration and the Community Plat or the Community Plat as it may be amended in the future, the Community Plat or amended Community Plat shall control. In the event of any inconsistency between the PBG and the Community Plat, the PBG or amended PBG shall control.

Section 2.3 Special Declarant Rights.

Declarant reserves the following Special Declarant Rights as this term is defined in the Act:

(1) To complete improvements indicated on the PBG or Community Plat including roadways, sidewalks, curbs, gutters, utilities, drainage, landscaping, amenities and any other improvements which Declarant deems necessary or desirable for the Community;

(2) To maintain sales offices, management offices, models and signs advertising the Community; one (1) sales office, one (1) management office and no more than ten (10) models may be built at the Property. The sales office and management office may be combined. The sales office and/or management office may be a trailer located on any portion of the Common Area. The models will be constructed as individual Units. Sales and management offices may also be located off the Property or in one or more model homes, as deemed necessary by Declarant. The Declarant reserves the right to relocate the offices from time to time to any portion of the Property;

(3) To grant and use easements through the Common Area for the purposes of making improvements within the Community;

(4) To appoint or remove any officer of the Association or any executive board member during the Development Period subject to the provisions of Section 4.6.

(5) To exercise Development Rights and any and all other Special Declarant Rights which may be reserved by Declarant pursuant to the Act.

Section 2.4 Development Rights. Declarant reserves Development Rights to add real estate to the Community, including the right to create new Units and Common Areas, all as follows:

(a) Declarant reserves the right to add the Additional Parcels or portions thereof or unspecified real estate to the Community. Declarant may exercise its Development Right with respect to each Additional Parcel or portion thereof at different times, and the Declarant may elect the order in which the Additional Parcels or portions thereof are added to the Community. As to Parcels 2 through 6, if a Development Right is exercised in any portion of an Additional Parcel, the Development Right must be exercised in all of such Additional Parcel; however, any remaining Additional Parcels not included within the Community shall be unaffected. As to Parcel 7, a Development Right may be exercised in a portion of Parcel 7 and may or may not be exercised in all of Parcel 7 at the same time.

Each Additional Parcel shall contain the number of Units as set forth on the Community Plat or in the case of Parcel 7, as will be set forth on one or more supplements to the Community Plat. The Common Area contained within an Additional Parcel, if any, shall be all of the real estate (including any improvements thereon) except the Dwelling Units.

Declarant may exercise its Development Right to add an Additional Parcel 2 through 6, or all or a portion of Parcel 7 from time to time, or other real estate to the Community by execution of an amendment to this Declaration in accordance with the Act. From and after the date that such amended Declaration is recorded in the real estate records of the County together with any amendment to the Community Plat required by the Act, the Additional Parcel including the Common Area, if any, and Dwelling Units constructed thereon shall be part of the Community. Thereafter, the obligation for the payment of Assessments shall be reallocated among the Owners in accordance with the provisions of Section 5.3. The Declarant shall be the initial Owner of the Units within an Additional Parcel which is added to the Community. Declarant's Development Rights as to such Additional Parcel added to the Community shall terminate, except as set forth in subsection (b) below. In order to pay for the expenses of an Additional Parcel added to the Community, the Board may adopt a new budget pursuant to Section 5.3(c) hereof.

(b) Declarant reserves a Development Right to convert the vacant land on which a Residence is to be constructed to Common Area. This right shall continue until such unimproved land is improved with a Residence and sold to a third party. This Development Right may be exercised at different times, from time to time, and in any order.

ARTICLE III THE COMMON AREA

Section 3.1 Title to the Common Area. Prior to the conveyance of a Unit to a third party, the Declarant shall convey to the Association fee simple title to the Common Area within the Community. If Declarant exercises its Development Right to add one or more Additional Parcels to the Community, then Declarant shall convey to the Association the Common Area located within such Additional Parcel(s), if any, prior to the conveyance of a Unit within such Additional Parcel.

Section 3.2 Duty to Own and Maintain. The Association agrees to own and maintain any property, including all improvements and personal property transferred to it by the Declarant as Common Area. Property interests transferred to the Association by Declarant may include fee simple title, easements, and contractual rights to use the Property. Any property or interest in the Property transferred to the Association by Declarant shall be transferred subject to this Declaration, easements, restrictions, reservations and rights-of-way of record and the lien of real estate taxes not then due and payable.

Section 3.3 Duty to Manage and Care for the Common Area. Following completion of improvements by Declarant, the Association shall manage, operate, care for, insure, maintain, repair and reconstruct all of the Common Area and keep the same in a safe, attractive and desirable condition for the use and enjoyment of all of the Owners subject to the Owner's rights to approve budgets for such purposes as set out below.

Section 3.4 Recreational Facilities. No recreational facilities are planned in the Community. However, Owners may elect to join the Catamaran Club at their sole option. Owners who elect to join the Catamaran Club shall sign a separate membership agreement and shall pay their monthly dues to the Association which shall remit the dues to the Catamaran Club. In the event an Owner is more than ten (10) days late in paying dues for any month, the Owner's membership rights in the Catamaran Club shall terminate. Following a termination, a reinstatement fee equal to two months dues shall be paid to the Association if the Owner wishes to reinstate the membership.

ARTICLE IV THE ASSOCIATION

Section 4.1 General Purposes and Powers. The Association is responsible for the operation and management of the Community, the implementation and enforcement of this Declaration, and the maintenance, repair, replacement and operation of the Common Area and other portions of the Property as set out in this Declaration, all so as to further the interests of the Members of the Association. Any purchaser or occupant of a Unit and any purchaser or occupant of a Unit shall be deemed to have assented to, ratified and approved such designations and management. The Association acting through the Board shall have all the power necessary or desirable to effectuate such purposes. In addition, the Board shall have the specific powers granted in the Bylaws which shall not be derogated by amendment to the Bylaws inconsistent with this Declaration.

Section 4.2 Board of Directors. The affairs of the Association shall be managed by the Board which may delegate authority to a Managing Agent for the Association as more fully described in the Bylaws, provided no such delegation shall relieve the Board of final responsibility.

Section 4.3 Articles and Bylaws. The purposes and powers of the Association and the rights and obligations with respect to Members set forth in this Declaration may and shall be amplified by provisions in the Articles of Incorporation and Bylaws of the Association. In the event either the Articles or Bylaws conflict with the Declaration, the Declaration shall control.

Section 4.4 Membership. Every Person who is a record Owner of a fee interest in any Unit shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Unit. Ownership of such Unit shall be the sole qualification for such membership. Where more than one person holds an interest in any Unit, all such persons shall be Members subject to the voting limitations set forth below.

Section 4.5 Voting Rights. The Association shall have one class of voting membership. All Members shall be entitled to one vote for each Unit owned. The vote for a Unit, the ownership of which is held by more than one Person, may be exercised by any one of them, unless an objection or protest by any other holder of an interest in the Unit is made prior to the completion of the vote, in which case the vote for such Unit shall be exercised, as the persons holding a majority of such interest determine between themselves. Should the joint owners of a Unit be unable, within a reasonable time, to agree upon how they will vote any issue, they shall be passed over and their right to vote on such issue shall be

lost. In no event shall more than one vote be cast with respect to any Unit.

Section 4.6 Development Period. The Development Rights set out in Section 2.4 shall apply to the Units prior to sale to a third party and to the Additional Parcels, and the Special Declarant Rights shall apply to all of the Property and to the Additional Parcels as they are added to the Community. The Development Rights and Special Declarant Rights shall be exercised, if at all, within a period of seven years following the date hereof (the "Development Period"). There are no other conditions or limitations under which the Development Rights or Special Declarant Rights may be exercised or will lapse, except as set out herein or in the Act.

Notwithstanding anything herein to the contrary, Declarant or persons designated by the Declarant may appoint and remove the officers and members of the Board of Directors during the Development Period. However, this right to appoint and remove officers and members of the Board of Directors shall terminate no later than the earlier of sixty days after conveyance of seventy-five percent (75%) of the Total Permitted Units to Owners other than the Declarant, or two years after the last conveyance of a Unit by the Declarant in the ordinary course of business, or two years after any right to add new Units was last exercised. In addition, the right to appoint and remove directors is subject to the provisions of § 38-33.3-303(6) of the Act.

The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board of Directors before termination of the Development Period. In that event the Declarant shall have the right to approve matters described in Section 13.3 below before the action of the Association or the Board of Directors shall be effective as to such matters.

Section 4.7 Indemnification, Assumption of Risk. The Association shall indemnify every present and former director, officer, agent or employee, against loss, costs and expenses, including attorneys' fees reasonably incurred in connection with any action, suit, or proceeding in which such person may be made a party by reason of being, or having been such director, officer, agent or employee of the Association, except as to matters concerning which such person shall be finally adjudged to be liable for gross negligence or fraud. Any such indemnification shall not be limited to the insurance proceeds provided by an insurer furnishing Directors and Officers Errors and Omissions insurance coverage or similar protection and any other insurance protecting the Association from liability because of the negligent acts of its servants, property damage, medical and other similar coverage.

Section 4.8 Association Agreements. Any agreement for professional management of the Property or any contract providing

for services by the Declarant shall be governed by C.R.S. § 38-33.3-305.

Section 4.9 Certain Rights and Obligations of the Association.

(a) Contracts, Easements and Other Agreements: The Board on behalf of the Association shall have the right to enter into, grant, perform, enforce, cancel and vacate contracts, easements, licenses, leases, agreements, and/or rights-of-way, for use by Owners, Guests, and other persons, concerning the Common Area and any improvements located thereon. Any such contracts, licenses, leases, agreements, easements and/or rights-of-way, shall be upon such terms and conditions as may be agreed to from time to time by the Board, without the necessity of consent or joinder by the Owners or First Mortgagees.

(b) Implied Rights: The Board on behalf of the Association shall have and may exercise any right or privilege given to it expressly by this Declaration, or reasonably to be implied from the provisions of this Declaration, or given or implied by the Act, or which may be necessary or desirable to fulfill its duties, obligations, rights or privileges.

ARTICLE V ASSESSMENTS

Section 5.1 Creation of the Lien and Personal Obligation for the Assessment. The Declarant, for each Unit owned, within the Property, hereby covenants, and each Owner, other than the Declarant, of any Unit by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association certain Assessments to be fixed, levied and collected from time to time as herein provided. All Assessments created and defined in this Declaration shall be a continuing lien upon the Unit against which each Assessment was levied and a personal obligation of the Owner of such Unit or of the Persons jointly and severally, who were the Owners of such Unit at the time when the Assessment was levied. The personal obligation for delinquent Assessments shall not pass to successors in title unless expressly assumed by them.

Section 5.2 Purpose of the Assessments. The Assessments levied by the Association shall be for the purpose of carrying out the responsibilities and obligations of the Association under this Declaration and shall include without limitation the Association's duties pursuant to Sections 8.1; payments for the operation of the Common Area and for the administration of the Association; payments pursuant to service contracts for the benefit of the Owners such as cable television, security, utilities in the Common Area and similar services; payments for wages and fringe benefits for a

Managing Agent or other staff; payments for any insurance obtained by the Association, and maintenance of reserves as deemed appropriate by the Board.

The Owners have joint and several financial responsibility for the maintenance and repair of the Common Areas and all other property and amenities owned by or leased to the Association, including but not limited to private roads and streets, perimeter walls and fences, including Boundary Fencing (defined below), sidewalks, sewers, and other improvements in the Community, including those conveyed by the Declarant to the Association from time to time.

Section 5.3 Basis of Assessments.

(a) Annual Assessment for Common Expenses. The Board of Directors shall assess against all Units an Annual Assessment payable by the Owners thereof for the Common Expenses of the Association (the "Annual Assessment"). Each Unit shall have an initial total allocated interest of 1/13. If the Declarant converts to Common Area the vacant land on which one or more Residences could be built, the total allocated interest of each Unit shall be reallocated as one divided by the number of Units remaining. If the Declarant adds more Units by exercising its Development Right to add one or more Additional Parcels or portions thereof to the Community, the total allocated interest of each Unit shall be one divided by the total number of Units in the Community.

(b) Special Assessments. In addition to the Annual Assessment authorized above, the Board of Directors may at any time, from time to time, determine, levy and assess a special assessment for the purpose of defraying, in whole or in part, payments for any operating deficit, loss or unbudgeted expense, and/or unbudgeted costs, fees and expenses of any construction, reconstruction, repair, demolition, replacement, management, administration, or maintenance of the Common Area including without limitation any fixtures and personal property related thereto. Special assessments shall be based on a budget adopted in accordance with Section 5.3(c); provided that if necessary, the Association may adopt a new budget pursuant to Section 5.3(c) prior to levying a special assessment. Such special assessment(s) shall be due and payable as determined by the Board of Directors.

(c) Levy of Assessments. At least sixty days prior to the close of the Association's fiscal year, the Board of Directors shall adopt a proposed budget for the Association. Within thirty days after adoption of the proposed budget, the Board shall mail, by ordinary first class mail or otherwise deliver a summary of the budget to all Owners and shall set a date for a meeting of the Owners to consider ratification of the budget not less than 14 or more than sixty days after mailing or other delivery of the summary. Unless at such meeting a majority of all Owners rejects

the budget, the budget shall be ratified whether or not a quorum is present. In the event the proposed budget is rejected, the periodic budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board. The omission or failure of the Board of Directors to levy an Assessment for any period shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay Assessments.

(d) Non-exemption. No Owner may waive or otherwise escape liability for any Assessments by the non-use of the Common Area or the abandonment of his or her Unit.

Section 5.4 Individual Purpose Assessment. Any Common Expenses or portion thereof benefitting fewer than all of the Units may be assessed by the Board exclusively against the Units benefitting as an "Individual Purpose Assessment." Additionally, the Board may assess as an Individual Purpose Assessment the cost of insurance to be allocated in proportion to risk. The Board of Directors shall have the right to levy an assessment against any individual Owner to reimburse the Association for any Common Expense arising from the negligence, misconduct, or failure to comply with this Declaration by such Owner or such Owner's Guests. Such individual assessment shall also be referred to as an Individual Purpose Assessment.

The Board in its sole discretion shall make the determination if an Assessment shall be an Individual Purpose Assessment levied against fewer than all of the Owners. However, all Assessments for the regular planned maintenance, repair and replacement of driveways, roads and sidewalks and work performed pursuant to Section 8.1 below shall be a general assessment against all Owners even though such maintenance, repair and replacement work may be accomplished in phases benefitting fewer than all of the Owners.

Section 5.5 Reserve Fees. From and after the date hereof, each Owner who acquires a Unit from Declarant or upon resale from another Owner shall pay to the Association a one time capital reserve/improvement fee (the "Reserve Fee") in the amount of \$250.00. Payment of the Reserve Fee shall be a mandatory function of membership in the Association and ownership of the Unit. The Reserve Fee shall be collected from the transferee of a Unit as a settlement statement debit and disbursed directly to the Association. If the Reserve Fee is not collected at closing and disbursed to the Association, then it shall be payable on demand by the Association.

The accumulated Reserve Fees shall be used for the purpose of creating a capital reserve and replacement fund for the exclusive benefit of the Association for future capital repairs, replacements and improvements to the Community, all as determined by the Association. The Board may change the amount of the Reserve Fee as

it deems necessary and appropriate. No portion of the Reserve Fee shall be used by the Declarant for any other purpose.

Section 5.6 Date of Commencement of Assessments; Prorations. The Annual Assessment for Common Expenses, shall commence as to the initial Units in the Community on the first day of the month following the conveyance of the Common Area to the Association and be prorated according to the number of months remaining in the Association's fiscal year. As each Additional Parcel is added to the Community, the Annual Assessment for Common Expenses for Units within such Additional Parcel shall commence on the first day of the month following the recording of a Supplemental Declaration adding the Additional Parcel to the Community.

Section 5.7 Due Date, Non-Payment of Assessments, Remedies of the Association.

(a) The Annual Assessment for Common Expenses shall be levied on an annual basis and shall be due and payable on an installment basis as determined by the Board of Directors. Individual Purpose Assessments and Special Assessments shall be due and payable as established by the Board of Directors but may be payable on an installment basis as determined by the Board of Directors. The Reserve Fees shall be payable as provided in Section 5.5.

(b) Written notice of all Assessments shall be sent to each Owner subject thereto specifying the type of Assessment, the amount and the date such Assessment is due.

(c) All Assessments shall become delinquent unless paid by their due date. If such Assessments are not paid by their due date, the Owner obligated to pay such Assessment will be required to pay a reasonable late fee, as determined by the Board of Directors from time to time in its discretion and uniformly applied. In addition, any past due Assessments shall bear interest at the rate established by the Board not to exceed the lesser of eighteen percent per annum or the maximum permitted by the Act. A Member shall be deemed to be in good standing and entitled to vote at any annual or special meeting of the Members or hold office in the Association only if the Member is not delinquent in the payment of all Assessments levied against the Member's Unit which are then due and owing, and only if such Member and such Member's Unit are in full compliance with this Declaration, the Bylaws, Articles and Rules. Failure to make payment of any Assessment within sixty days of the due date thereof shall cause the total amount of such Owner's Annual and any Individual Purpose Assessment for the remainder of that fiscal year to become immediately due and payable at the option of the Board. In the event it shall become necessary for the Board to collect any delinquent Assessments, whether by foreclosure of a lien herein created or otherwise, the delinquent

Owner shall pay all costs of collection including reasonable attorneys' fees and costs incurred by the Association in enforcing payment. In the event a "Notice of Lien" is filed to enforce collection, the cost of preparation, filing and release shall be considered a cost of collection.

(d) The Association is hereby granted a priority lien encumbering an Owner's Unit(s), (but subject to the lien of a First Mortgagee except to the extent required by C.R.S. 38-33.3-316), in the amount of any Assessment which such Owner fails to make as required by this Declaration. The lien of the Assessment including Individual Purpose Assessments and fines, if any, together with interest, late fees, costs of collection including reasonable attorneys' fees, shall be prior to all other liens and encumbrances to the full extent permitted by the Act. Such lien shall attach at the time of levy of the Assessment and continue until such Assessment, together with interest, late fees and all costs of collection including reasonable attorneys' fees are paid. The lien hereby given shall also be a lien upon all of the rents and profits of the encumbered Unit. If a foreclosure action is filed to foreclose any Assessment lien, and an Owner abandons or leaves vacant his or her Unit, the Board may take possession and rent said Unit or apply for the appointment of a receiver for the Unit without prior notice to the Owner. In addition to the lien herein granted, the Board shall have the right to bring an action at law against any Owner who fails to pay any amounts assessed against his or her Unit, and obtain judgment for the amount of the Assessments due together with late fees, plus all costs of collection, including reasonable attorneys' fees in collecting the judgment.

(e) The lien accruing hereunder shall be foreclosed upon as provided by the laws of the State of Colorado for foreclosure of mortgages on real property and/or pursuant to the Act. The Board shall have the power to bid at the foreclosure sale, and if title is obtained, hold, lease, mortgage, and encumber or convey the same on behalf of the Association.

(f) The lien of all Assessments created and defined by the Declaration shall be superior to any homestead exemption as is now or may hereafter be provided by Colorado or Federal law. The acceptance of a deed to a Unit subject to this Declaration shall constitute a waiver of the homestead exemption as against such Assessment lien.

(g) Sale or transfer of an interest in any Unit shall not affect the liens for unpaid Assessments.

(h) The Association shall upon written request as set forth in C.R.S. § 38-33.3-316(8) and for a reasonable charge, furnish to an Owner or his or her First Mortgagee, within 14 calendar days after demand a certificate signed by an officer of the Association setting forth whether the Assessments on a

specified Unit have been paid. A properly executed certificate of the Association as to the status of the Assessments against a Unit is binding upon the Association as of the date of its issuance.

Section 5.8 No Offsets. All Assessments shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof shall be permitted for any reason including, without limitation, any claim that the Association or the Board of Directors is not properly exercising its duties and powers under this Declaration.

Section 5.9 Surplus Funds. Any surplus funds of the Association remaining after payment of or provision for payment of the Assessments and any prepayment or provision for prepayment for reserves shall be applied as directed by the Board or credited to the Owners to reduce future Assessments.

ARTICLE VI ARCHITECTURAL APPROVAL/DESIGN REVIEW

Section 6.1 Original Construction of Residences. The original construction of all Residences shall conform without material deviation to the plans and specifications developed by Declarant or as otherwise permitted in writing by Declarant.

Section 6.2 Changes to Unit Exteriors. No Owner shall make any alterations, additions, improvements or color changes to the exterior of a Unit. The Association acting through the Board reserves the right to make alterations to the Unit exteriors, including without limitation roof, gutters, exterior facade and any other portions of each Unit which the Association maintains pursuant to Section 8.1 below.

Section 6.3 No Liability for Board Action. Except as provided in the Act, there shall be no liability imposed on any member of the Board of Directors or Declarant for any loss, damage or injury arising out of or in connection with the performance of the duties of the Board, if such party acted in good faith and without malice. In reviewing any matter, the Board shall not be responsible for passing on safety, whether structural or otherwise, or conformance with building codes or other governmental laws or regulations, nor shall its approval of an Improvement to Property be deemed approval of such matters.

Section 6.4 Unit Interiors. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his or her Residence, or to paint the interior of his or her Residence any color desired. However, the Board may designate certain minimum window treatment standards in order to maintain the overall appearance of the Community.

ARTICLE VII LAND USE AND OTHER RESTRICTIONS

Section 7.1 Limitations and Restrictions. All Units shall be held, used and enjoyed subject to the following limitations and restrictions, and the Board shall have jurisdiction over the matters set forth in this Article. The Board may, in its sole and absolute discretion, adopt reasonable Rules governing the use of the Property. Such Rules may include, without limitation, reasonable restrictions on activities permitted outside of Residences and reasonable restrictions on matters which have an external effect, including, without limitation, matters which can be seen, heard or otherwise sensed or felt outside the boundaries of a Unit. The Owner of a Unit and Guests shall comply with any Rules adopted by the Board. The strict application of the following limitations and restrictions in any specific case may be modified or waived in whole or in part by the Board if such strict application would be unreasonable or unduly harsh under the circumstances. Any such modification or waiver must be in the Rules promulgated by the Board.

Section 7.2 Land Use and Building Type. No Unit shall be used for any purpose other than residential purposes as generally defined or for a home occupation without customers or employees at the Unit so long as such occupation is allowed by applicable law.

Section 7.3 Occupancy of a Residence. No Residence shall be occupied prior to its completion in accordance with approved plans and compliance with all legal requirements, conditions, covenants, and restrictions.

Section 7.4 Restrictions on Garbage and Trash. All trash, garbage, or other refuse shall be stored in an Owner's garage until designated pickup. Garbage, trash or waste shall be disposed of in such manner as may be established by the Association, and the burning of garbage, trash or waste is prohibited.

Each Owner shall keep his or her Unit at all times in a neat and clean condition. No trash, litter, garbage, plant waste, lumber, compost, metal, bulk materials, scrap refuse or debris of any kind shall be permitted to remain exposed upon or around any Unit so it is visible from any neighboring Unit or from the street except that containers containing such materials may be placed outside at proper times for garbage or trash pickup.

The Board of Directors shall have the right and duty, through its agents and employees, after notice and hearing (as set forth in the Bylaws) to enter upon any Unit and remove such unsightly materials. The cost of such removal shall be chargeable to such Owner by Individual Purpose Assessment.

Section 7.5 Nuisances. No noxious or offensive activity shall be carried on upon the Property nor shall anything be done or maintained which may be or become an annoyance or nuisance to the Community or detract from its value or which is or may cause an unreasonable embarrassment, disturbance or annoyance to others. Habitually barking, howling or yelping dogs shall be deemed a nuisance.

Section 7.6 No Annoying Lights, Sounds or Odors. No light shall be emitted from a Unit which is unreasonably bright or causes unreasonable glare, and no sound or odor shall be emitted from any portion of a Unit which is unreasonably noxious or offensive. Without limiting the generality of the foregoing, no exterior spot lights, searchlights, speakers, horns, whistles, bells or other light or sound devices shall be located or used on any portion of the Property except with the prior written approval of the Board. Owner security systems are encouraged in the Community, but exterior components such as lights or horns must be approved by the Board.

Section 7.7 No Hazardous Activities. No activity shall be conducted on any portion of the Property which is 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 portion of the Property and no open fires shall be lighted or permitted on any portion of the Property except in a contained barbecue unit while attended and in use for cooking purposes or within a fireplace designed to prevent the dispersal of burning embers.

Section 7.8 No Unsightliness. All unsightly conditions, structures, facilities, equipment, objects and conditions shall be enclosed within a Residence, including all maintenance equipment, except when actually in use.

Section 7.9 HVAC, Utilities and Taxes. All types of refrigerating, cooling, heating and solar collector installations located outside of a Residence must be approved by the Board. Every Owner shall be responsible for and shall pay his or her pro rata share of the fees and charges of the public utility company pertaining to the street lights in the subdivision and other portions of the Common Area. Further, pursuant to C.R.S. § 38-33.3-105(2), each Unit together with its interest in the Common Area constitutes for all purposes a separate parcel of real estate and shall be separately assessed and taxed.

Section 7.10 Restrictions on Signs and Advertising Devices. No sign, poster, billboard, advertising device or display of any kind shall be erected or maintained anywhere within the Property except such signs as may be approved in writing by the Board which may include without limitation signs indicating protection by Security Systems and Neighborhood Watch Programs. A sign

advertising a Unit for sale or for lease may be placed on a Unit; provided however, that standards relating to dimensions, color, style and location of such sign shall be determined from time to time by the Board and shall comply with the local sign codes and with all other applicable statutes, ordinances and regulations.

Section 7.11 Mailboxes and Fences. Mailboxes, porch and area lighting, and letters and numbers used for property identification will be originally approved by Declarant and shall not be changed, except as directed or permitted by the Board. No fences shall be constructed or permitted other than those initially installed by Declarant.

Section 7.12 Compliance with Insurance Requirements. Except as may be approved in writing by the Board, nothing shall be done or kept on the Property which may result in a material increase in the rates of insurance or would result in the cancellation of any insurance maintained by the Association.

Section 7.13 Compliance with Laws. Nothing shall be done or kept on the Property in violation of any law, ordinance, rule or regulation of any governmental authority having jurisdiction over the Property including without limitation any environmental law, ordinance or regulation.

Section 7.14 Environmental Liability. Each Owner covenants and agrees not to generate, release, discharge, store, or dispose of any hazardous waste, toxic substance or related material ("Hazardous Materials") within the boundaries of the Property or to transport any Hazardous materials to or from the Property, except in accordance with law. The term "Hazardous Materials" shall mean any hazardous substance, material or waste which is or becomes regulated by any governmental authority. In addition to the foregoing, each Owner covenants not to violate any statute, regulation, ordinance, rule of law, contract or other agreement which might materially affect the Property.

Section 7.15 Household Pets. No animal, livestock, birds, poultry, reptiles or insects of any kind, shall be raised, bred, kept or boarded in or on any portion of the Property; provided however, that Owners may keep no more than an aggregate of two domestic, bona fide household pets; provided that this limitation shall not apply to aquariums. Such pet may not be bred or kept for any commercial purpose and may not be kept in such a manner as to create a nuisance or inconvenience to any resident of the Property.

The Board of Directors shall have the right and authority to determine in its sole discretion that dogs, cats or other household pets are being kept for commercial purposes or are being kept in such manner as to be unreasonable or to create a nuisance, or that an Owner is otherwise in violation of the provisions of this Section. The Board of Directors shall take such action or actions

as it deems reasonably appropriate to correct the violation to include after Notice and Hearing (as set forth in the Bylaws), directing permanent removal of the pet or pets from the Property. Reimbursement for damages caused by a pet and costs incurred by the Association, to include attorneys' fees and costs, in the removal of a pet or pets from the Property or incurred by the Association in cleanup after such pets may be levied against such pet's Owner as an Individual Purpose Assessment.

Household pets shall not be allowed to run at large within the Property, but shall at all times be under the Owner's control, and such pets shall not be allowed to litter any portion of the Property, and Owners must immediately pick up after their pets. When pets are outside of a Residence, pets must be on a leash or carried. Pets may not be chained on any part of the Common Area.

Section 7.16 Vehicle Parking, Storage and Maintenance. Each Residence shall be served by a minimum of two garage spaces, and all vehicles belonging to an Owner must be kept in the garage when not in use. Additional parking is allowed only in identified parking spaces. Guests of an Owner, other than family members who reside with an Owner, may park only in identified parking spaces for up to 72 hours. No Owner may keep at the Property more vehicles than available garage spaces. To the extent an Owner utilizes a garage space for purposes other than parking of a vehicle, the number of vehicles allowed per Unit shall be reduced accordingly. Garage doors shall be closed when not in use.

All parking within the Community shall be under the control of the Board. The Board of Directors shall have the right and authority to determine in its sole discretion that an Owner is in violation of the provisions of this section. The Board of Directors shall take such action or actions as it deems reasonably appropriate to correct the violation to include after Notice and Hearing (as set forth in the Bylaws), directing permanent removal of vehicles from the Property. Reimbursement for costs incurred in such enforcement may be levied against an Owner as an Individual Purpose Assessment.

No house trailer, camping trailer, horse trailer, hauling trailer, boat or boat accessories, camper, pickup truck-camper shell combination incapable of being housed in a garage, truck larger than one ton, recreational vehicle or equipment, mobile home or commercial vehicle may be parked or stored anywhere within the Property. For purposes of this Declaration, a commercial vehicle is defined as any vehicle which exceeds the following dimensions: twenty feet in length, seven feet in width, and seven feet in height (not including antenna). Further, a vehicle is deemed to be commercial if it is equipped with special trade, craft, or material handling fixtures, or if it is permanently labeled with large or prominent commercial emblems, icons or messages and is incapable of being housed in a garage.

No abandoned, unlicensed, wrecked or inoperable vehicles of any kind shall be stored or parked within the Property except in garages or except in emergencies. An "abandoned or inoperable vehicle" shall be a vehicle which has not been driven under its own propulsion for a period of two weeks or longer. The Board of Directors shall have the right to remove and store a vehicle in violation of this Section after Notice and Hearing (as set forth in the Bylaws), the expenses of which shall be levied against the Owner of the vehicle as an Individual Purpose Assessment. Vehicle washing and waxing is allowed only just outside the garage of the vehicle Owner's Unit. No other vehicle repairs or maintenance shall be permitted.

Section 7.17 Access: Security. The Board shall control access to the Property and will establish a security gate, vehicle stickers, and other procedures and methods of identification to limit access to those persons entitled to enter the Property. The Board may erect, maintain and replace security, signage and street lighting in the Common Area, subject to applicable governmental requirements. Declarant and the Association hereby disclaim any obligation regarding the security of any persons or property within the Community. Any Owner of property within the Community acknowledges that Declarant and the Association are only obligated to do those acts specifically enumerated herein, or in the Articles of Incorporation and Bylaws, and are not obligated to do any other acts with respect to the safety or protection of persons or property within the Community.

Section 7.18 Owner Caused Damages. If, due to the act or neglect of an Owner or such Owner's Guests, loss or damage shall be caused to any person or property within the Common Area, such Owner shall be liable and responsible for the payment of same. The amount of such loss or damage, together with costs of collection and reasonable attorneys' fees, if necessary, may be collected by the Board of Directors, after Notice and Hearing (as set forth in the Bylaws), from such Owner as an Individual Purpose Assessment against such Owner. Determination with respect to whether or not a particular activity or occurrence shall constitute a violation of this Section 7.18 shall be made by the Board of Directors and shall be final.

Section 7.19 Antennas. Television and radio antennas and satellite dishes may be installed by an Owner only with the prior written approval of the Board of Directors in accordance with its guidelines and at locations approved by the Board.

Section 7.20 Lease of a Unit. Any Owner shall have the right to lease his or her Unit upon such terms and conditions as the Owner may deem advisable, subject to the following:

(a) No Unit or part thereof may be leased for transient or hotel purposes or for a term of less than three months;

(b) Any such lease or rental agreement shall be in writing and shall provide that the lease or rental agreement is subject to the terms of this Declaration, the Bylaws of the Association and the Articles of Incorporation, and the Rules of the Association;

(c) Such lease or rental agreement shall state that the failure of the tenant to abide by the Declaration or Bylaws of the Association, Articles of Incorporation, and the Rules of the Association shall constitute a default and such default shall be enforceable by either the Board of Directors or the landlord/Owner, or by both of them;

(d) Any Owner who leases his or her Unit shall, within three days after the execution of such lease, forward a copy of same to the Board of Directors. The Owner shall obtain from the Association and deliver to the tenant copies of this Declaration, Bylaws, Rules and vehicle sticker, security gate access, and/or other identification, if any.

Section 7.21 Restrictions on Mortgaging a Lot and/or Unit.
There are no restrictions on the right of an Owner to mortgage or otherwise encumber his or her Unit. There is no requirement for the use of a specific lending institution or particular type lender.

Section 7.22 Temporary Use by the Declarant.
Notwithstanding any provision herein contained to the contrary, during the Development Period the Declarant, builders who purchase Units from the Declarant and/or their agents may maintain upon the Property, without charge, such facilities as may be reasonably required, convenient or incidental for construction of the Residences and construction of improvements to the Common Area.

During actual construction, alteration or remodeling of a Residence, the Declarant or other contractor may maintain reasonable and necessary temporary structures for storage of materials subject to the direction of the Board. Such temporary structures shall be removed upon completion of the construction, alteration or remodeling.

ARTICLE VIII MAINTENANCE

Section 8.1 Association Maintenance Responsibilities.
Following completion of improvements by Declarant, the Association shall provide for maintenance, repair, and/or reconstruction of the Common Area and the improvements thereon, including but not limited to the following:

(1) The subdrain system, storm drainage control system, and detention ponds.

(2) The sanitary sewer and water lines.

(3) The private roadways, including curb, gutter, sidewalks, street lights and mail boxes within the boundaries of the Property.

(4) The entrance signs and the associated landscaped entries.

(5) Any security gates or improvements.

(6) The landscaping, including sod, flowers, trees, bushes and other plant materials, irrigation systems and electrical systems located on the Common Area and the landscaping within the right of way adjacent to Fairmount Drive as indicated on the Community Plat.

(7) Boundary Fences and other improvements, if any, installed by the Declarant.

(8) Other maintenance, repair and/or reconstruction work on the Common Area as deemed appropriate or necessary by the Board for the benefit of the Owners.

The Association shall keep the Common Area attractive, clean, functional, in good repair, and may construct, maintain, repair and replace necessary or desirable alterations or improvements thereon. The Association shall have the right to recover costs from an Owner for repair, replacement and maintenance work which is required due to damage to the Common Area caused or permitted by an Owner or such Owner's Guest. The Association may collect such costs as Individual Purpose Assessments.

Following completion of the original construction of the Residences, the Association shall provide for regular maintenance, repair and replacement of the following exterior components of each Residence:

(1) The roofs, gutters, attic vents and soffits;

(2) The exterior wall surfaces and garage doors, but not including windows, pedestrian doors or antennas/dishes permitted in writing by the Board of Directors added by Owners; and

(3) Walkways and driveways.

This Association obligation for regular repair and scheduled replacement does not include reconstruction following Condemnation or casualty which is covered in Articles IX and X.

Section 8.2 Owner Maintenance of Units. Other than the Association duties set out in Section 8.1, each Owner shall be responsible for the maintenance, repair and reconstruction of such Owner's Unit, including without limitation concrete porches at entrances and concrete patios, other items set forth above in Section 1.10 as limited common areas, and antennas/dishes. No Owner may change the roof, gutters, windows, doors or any portion of the exterior facade of a Residence without the prior written approval of the Board.

The Board shall have the authority to develop objective criteria for the purpose of defining an unsightly condition as it pertains to the exterior maintenance of any Unit or structure within the Community. Such criteria may be amended or expanded from time to time, as provided in the Rules.

In the event that any Owner fails to perform its maintenance obligations in a manner satisfactory to the Association, the Board shall notify such Owner that an unsightly condition exists which represents a violation of the Declaration. In such notice, the Board shall direct corrective action, to be performed by the Owner within 10 days after the date of the notice, or, at the discretion of the Board, a timetable for corrective action to be performed by the Owner as directed by the Board. If the Owner fails to comply with the Board's directives, the Association may pursue its remedies pursuant to Section 14.1.

Section 8.3 Board of Director's Responsibility. The determination of when and the magnitude and the manner of the above described maintenance and repair shall be determined solely at the discretion of the Board.

Section 8.4 Repair or Reconstruction Necessitated By Owner Negligence. In the event that any maintenance, repair and/or reconstruction work is necessary because of the negligence, willful neglect, or failure to comply with this Declaration, by an Owner or such Owner's Guest or tenant, the Board shall have the right after notice and hearing (as set out in the Bylaws) to charge the cost of such repair, maintenance and/or reconstruction to such Owner by an Individual Purpose Assessment in accordance with Section 5.4. Final determination with respect to whether or not a particular activity or occurrence shall constitute a violation of this section shall be made by the Board.

ARTICLE IX CONDEMNATION

Section 9.1 Taking of Common Area. In the event of a proceeding in condemnation or partial condemnation of the Common Area by any governmental authority authorized to do so, then the proceeds from such condemnation attributable to the Common Area

shall be distributed to the Association for repair of the Common Area after condemnation and the balance remaining shall be distributed to all Owners in the same proportion as the Annual Assessments for Common Expenses are assessed or otherwise applied by the Board in accordance with the Act and subject to Section 9.3 below. For the purposes of acquisition of a part of the Common Area, service on the Association shall constitute sufficient notice to all Owners and service of process on each individual Owner shall not be necessary.

Section 9.2 Taking of Units. If a Unit is acquired by eminent domain or part of a Unit is acquired by eminent domain leaving the Unit Owner with a remnant which may not practically or lawfully be used for any purpose permitted by this Declaration, the award must include compensation to the Unit Owner for that Unit. Any remnant of a Unit remaining after part of a Unit is taken is thereafter part of the Common Area.

If part of a Unit is acquired by eminent domain and the remnant may be practically or lawfully used for any purpose permitted by this Declaration, then the award must compensate the Unit Owner for the reduction in value of the Unit. Upon acquisition, unless the decree otherwise provides, the Owner must use the award to the extent necessary for the repair or reconstruction of the Unit to make it conform to the appearance of the remainder of the Units in the Community.

Section 9.3 Lien Holders. When condemnation occurs, either to the Common Area or to a Unit and such Unit is subject to an encumbrance, the proceeds payable hereunder shall be distributed by checks made jointly payable to the Owner and its respective First Mortgagee after cure of any default in Assessments then due and owing for a period not to exceed six months and repair or reconstruction under section 9.2 above is completed.

ARTICLE X INSURANCE

Section 10.1 Authority to Purchase/General Requirements. Commencing not later than the time of the first conveyance of a Unit to a Person other than Declarant, the Association shall maintain, to the extent reasonably available:

(a) Property insurance on the Common Area and Units, including windows and doors, electrical and plumbing fixtures and connections, cabinets, countertops, carpeting and interior wall surfaces as originally installed by the Declarant, together with all of the structural components of the Residence building envelope such as load bearing walls, firewalls and roof structure components, but not including appliances, an Owners's personal property and Owner added improvements to a Unit. Such insurance

shall be written on an "all-risk" form policy of hazard insurance with extended coverage, vandalism, malicious mischief, windstorm, debris removal, cost of demolition and water damage endorsements, and such other insurance as the Board may deem necessary or prudent from time to time for the risks associated with the Common Area and the Units. The total amount of insurance must be not less than the full insurable replacement cost of the insured property less applicable deductibles at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, and other items normally excluded from property policies.

(b) Commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use, or management of the Common Area in an amount deemed sufficient in the judgment of the Board, insuring the Board, the Association, the management agent, and their respective employees, agents, and all persons acting as agents. The Declarant shall be included as an additional insured in such Declarant's capacity as a Unit Owner and Board member. The Unit Owners shall be included as additional insureds but only for claims and liabilities arising in connection with the ownership, existence, use, or management of the Common Area. The insurance shall cover claims of one or more insured parties against other insured parties.

(c) Flood insurance if the area where the Units is located has been identified by the Secretary of Housing and urban Development (HUD) or the Director of the Federal Emergency Management Agency (FEMA) as a Special Flood Hazard Area. Flood insurance for the Units shall be maintained providing coverage equivalent to that provided under the National Flood Insurance Program in an amount of one hundred percent of the current replacement cost of all the insurable improvements located within the flood hazard area, to the extent available.

(d) Fidelity insurance in an amount not less than the aggregate of three months' current assessments plus reserves as calculated from the current budget of the Association.

(e) Directors and Officers Errors and Omissions Liability Insurance.

Section 10.2 Insurance No Longer Available. If the insurance described in Section 10.1 is not reasonably available, or if any policy of such insurance is cancelled or not renewed without a replacement policy therefore having been obtained, the Association promptly shall cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Owners and to each First Mortgagee who has notified the Association of its name and address within the United States of America, and has provided to the Association either a copy of its mortgage lien instrument or its recording information in the office of the Clerk

and Recorder of the City and County of Denver. The Association in any event may carry any other insurance it considers appropriate, including insurance on Units it is not obligated to insure, to protect the Association or the Owners.

Section 10.3 Policy Requirements. Insurance policies carried pursuant to Section 10.1 must provide that:

(a) Each Owner is an insured Person under the policy with respect to liability arising out of such Owner's interest in the Common Area or membership in the Association;

(b) The insurer waives its rights to subrogation under the policy against any Owner or member of his household;

(c) No act or omission by any Owner, unless acting within the scope of such Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and

(d) If, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

Section 10.4 Loss Adjustment. Any loss covered by the property insurance policy described in paragraph (a) of Section 10.1 must be adjusted with the Association, but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any holder of a security interest. The insurance trustee or the Association shall hold any insurance proceeds in trust for the Association Owners and lienholders as their interests may appear. Subject to the provisions of Section 10.6, the proceeds must be disbursed first for the repair or restoration of the damaged property, and the Association, Owners, and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored or the Community is terminated.

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

THE INSURANCE POLICIES ISSUED TO THE ASSOCIATION WILL NOT COVER ALL PROPERTY OF THE OWNERS AND DOES NOT ELIMINATE THE NEED FOR UNIT OWNERS TO OBTAIN INSURANCE FOR THEIR OWN BENEFIT. EACH OWNER IS ADVISED TO CARRY INSURANCE TO PROTECT HIS OR HER SEPARATE INTERESTS.

Section 10.5 Certificates of Insurance. An insurer that has issued an insurance policy for the insurance described in Section 10.1 shall issue certificates or memoranda of insurance to the Association and, upon request, to any Unit Owner or holder of a security interest. Unless otherwise provided by statute, the insurer issuing the policy may not cancel or refuse to renew it until thirty days after notice of the proposed cancellation or nonrenewal has been mailed to the Association, and each Unit Owner and holder of a security interest to whom a certificate or memorandum of insurance has been issued, at their respective last-known addresses.

Section 10.6 Obligation to Repair. Any portion of the Community for which insurance is required under this Article which is damaged or destroyed must be repaired or replaced promptly by the Association unless:

(i) The Community is terminated, in which case Section 38-33.3-218 applies;

(ii) Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety;

(iii) Eighty percent of the Unit Owners, including every Owner of a Unit that will not be rebuilt, vote not to rebuild; or

(iv) Prior to the conveyance of any Unit to a Person other than the Declarant, the holder of a deed of trust or mortgage on the damaged portion of the Community rightfully demands all or a substantial part of the insurance proceeds.

The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense. Such excess cost shall be assessed against all Owners in the Community in the same proportion as the Annual Assessment for Common Expenses and in the manner prescribed in Article V. Further Assessments may be made in a like manner if the amounts collected prove insufficient to complete the repair and/or reconstruction. If the entire Community is not repaired or replaced, the insurance proceeds attributable to the damaged Common Area must be used to restore the damaged area to a condition compatible with the remainder of the Community, and, except to the extent that other Persons will be distributees, the insurance proceeds attributable to Units that are not rebuilt must be distributed to the Owners of those Units or to lienholders, as their interests may appear, and the remainder of the proceeds must be distributed to all the Unit Owners or lienholders, as their

interests may appear in proportion to the Common Expense liabilities of all the Units.

Section 10.7 Rebuilding Following Uninsured Casualty. In the event of an uninsured loss, the Common Area and Units shall be repaired and/or reconstructed unless the Community has been terminated or eighty percent (80%) of the Owners shall have voted not to repair and/or reconstruct the damaged property.

The cost to repair and/or reconstruct the Community shall be assessed against all Owners in the Community in the same proportion as the Annual Assessment for Common Expenses and in the manner prescribed in Article V. Further Assessments may be made in a like manner if the amounts collected prove insufficient to complete the repair and/or reconstruction. In the event amounts collected are in excess of the amounts required for such repair and/or reconstruction, the excess shall be returned to the Owners or their First Mortgagees by the Association in the same proportion as the Annual Assessment was levied.

ARTICLE XI EASEMENTS

Section 11.1 Easements for Encroachments. If any part of the Common Area encroaches or shall hereafter encroach upon a Unit, an easement for such encroachment and for the maintenance, repair and reconstruction of the same shall and does exist. If any part of a Residence encroaches or shall hereafter encroach upon the Common Area, or upon another Unit, the Owner of that Residence shall and does have an easement for such encroachment and for the maintenance, repair and reconstruction of same. Such an easement shall extend for whatever period of time the encroachment shall exist. Such encroachment shall not be considered to be an encumbrance either upon the Common Area or upon the other Unit. Examples of this type of encroachment include without limitation utility service lines which are now or in the future located within a Unit, and which serve one or more Units; drainage ways; encroachments made by error in original construction of a Residence, by settling, rising or shifting of the earth, or by minor changes in position caused by repair or reconstruction of Residences within the Property. However, this easement shall not relieve an Owner of liability in case of negligence or willful misconduct.

Section 11.2 Association Easements. Easements for utilities, water, sewer, and drainage, over and across the Common Area shall be those shown upon the PBG or Community Plat of the Property, and such other easements as may now exist or as may be hereinafter granted over and across the Common Area by the Board of Directors of the Association.

The Association is granted an easement to enter on each Unit from time to time as may be necessary to enforce this Declaration or to carry out its duties hereunder for the maintenance, repair or replacement of any part of the Property.

Section 11.3 Owners' Common Area Easement. Owners and Guests shall have the right and easement of use and enjoyment in and to the Common Area, which shall be appurtenant to and shall pass with the title to the Unit of such Owner subject to the following rights:

(a) The right of the Board of Directors to make such use of the Common Area as may be necessary or appropriate for the performance of the duties and functions which it is obligated or permitted to perform under this Declaration.

(b) The right of the Board of Directors to grant easements, leases, licenses and concessions through or over the Common Area.

(c) The right of the Board of Directors to make reasonable Rules regarding the use of the Common Area.

(d) The rights reserved in this Declaration to the Declarant, the Owners and the Association.

(e) Any other right which the Association may lawfully exercise pursuant to the Act.

Notwithstanding the forgoing, neither the Association, the Declarant nor any or all of the Owners may prohibit the use of the Common Area for ingress or egress over the private roads nor limit or restrict utility service to any Unit.

Section 11.4 Emergency Easements. A nonexclusive easement for ingress and egress is hereby granted to all police, sheriff, fire protection, ambulance, and other similar emergency agencies or persons, now or hereafter servicing the Property, to enter upon any part of the Property in the performance of their duties.

Section 11.5 Party Walls. No Owner shall materially alter or change a Party Wall, it being the intention of the Declarant that the Party Wall shall at all times remain in the same position as when constructed. The cost of maintaining a Party Wall and any necessary costs of repairing or rebuilding a Party Wall shall be the joint and equal obligation of the Owners of the Residences on each side of such Party Wall. Should a Party Wall be damaged or caused to be exposed to the elements as a result of the negligent acts or omissions of an Owner, the Party Wall shall be repaired or rebuilt at that Owner's expense. In the event that a Party Wall or any portion thereof must be rebuilt, it shall be erected in the same location and dimensions and of substantially similar material

to the Party Wall as originally constructed. Each Owner shall have the sole responsibility of maintaining the finished surface of a Party Wall within that Owner's Unit.

Mutual reciprocal easements and rights of access are hereby granted to each Owner of a Unit in which a Party Wall is located as it presently exists or exists in the future, as it encroaches onto the other Unit and for the purpose of making necessary repairs to the Party Wall. Each Owner of a Unit in which a Party Wall is located shall have the right to enter the Party Wall to maintain any utility installations located therein so long as such Owner restores the Party Wall to its original condition.

Section 11.6 Easements of Record. The Community is also subject to the easements of record set forth in Exhibit C. One of the easements of record is that certain Easement and Indemnity Agreement recorded November 13, 1997 at Reception No. 9700153990 in the Records (the City Easement). The City Easement concerns the ownership, maintenance and responsibility for private sewers, drainage facilities, drives, alleys, non-dedicated streets and other privately maintained ways and places existing within the Community, and such additional matters as are set forth in the City Easement.

Section 11 of the City Easement requires that the Declaration clearly state that the Owners have joint and several financial responsibility for the maintenance and repair of such private roads, streets, sewers, and other drainage facilities and other common facilities and the indemnity provisions of the City Easement in accordance with Section 41-20 of the Denver Revised Municipal Code.

Section 11.7 Easements Deemed Appurtenant. The easements and rights herein created for an Owner shall be deemed appurtenant to the Unit owned by such Owner. All conveyances and instruments affecting title to a Unit shall be deemed to grant and reserve the easements and rights of way as provided herein, as though set forth in said document in full, even though no specific reference to such easements or rights-of-way appear.

ARTICLE XII FIRST MORTGAGEE PROVISIONS

Section 12.1 Amendment to Documents/Special Approvals.

(a) The consent of Owners who are entitled to cast at least seventy-five percent (75%) of the votes in the Association and the approval of at least seventy-five percent (75%) of the First Mortgagees shall be required to commence any action to terminate the legal status of the Property for reasons other than substantial destruction or condemnation of the Property.

Section 12.2 Special FHLMC Provision. The vote of seventy-five percent (75%) of the Owners shall be required to change any provision of this Declaration which complies with a requirement of the Federal Home Loan Mortgage Corporation.

Section 12.3 Books and Records. Owners and their First Mortgagees shall have the right to examine the books and records of the Association at any reasonable time at the office of the Association and upon reasonable notice.

ARTICLE XIII DURATION AND AMENDMENTS

Section 13.1 Duration. The covenants, restrictions and obligations of this Declaration shall run with and bind the Property for a term of twenty years from the date this Declaration is recorded after which time they shall be automatically extended for successive periods of ten years.

Section 13.2 Amendments by Owners. Except as otherwise specifically required in this Declaration or the Act, any provision, covenant, condition or restriction contained in this Declaration may be amended at any time and from time to time upon written approval of the amendment by Owners of at least sixty-seven percent of the Units.

Any such amendment shall be effective upon the recording in the County real estate records of the amendment together with a duly authenticated Certificate of the Secretary of the Association certifying that the requisite number of Owners and First Mortgagees, if required pursuant to Article XII, have given their written consent to the amendment.

Section 13.3 Consent of Declarant Required. Notwithstanding any other provision in this Declaration to the contrary, Declarant shall have veto power for any proposed amendment of this Declaration during the Development Period to the full extent permissible under the Act. Without limitation of the foregoing, if Declarant voluntarily surrenders the right to appoint and remove officers and members of the Board, prior to the termination of the Development Period, Declarant shall continue to have the right to veto any proposed change in Article VI and/or Article VII for the duration of the Development Period.

Section 13.4 Special Amendment. To the extent allowed by the Act, Declarant hereby reserves and is granted the right and power to record, without the approval or consent of any Owner, First Mortgagee, or any other person or entity, special amendments to this Declaration, the Articles and/or Bylaws of the Association, at any time prior to the conveyance by Declarant of all Units to Owners other than Declarant or ten (10) years after the date this

Declaration is recorded in the County, whichever occurs first, in order to comply with any requirements of any of the Agencies or to induce any of the Agencies to make, purchase, sell, insure, or guarantee one or more First Mortgages.

ARTICLE XIV GENERAL PROVISIONS

Section 14.1 Remedies. The Association and any aggrieved Owner shall have an appropriate right of action against an Owner for such Owner's failure to comply with this Declaration, Bylaws and Rules of the Association or with decisions of the Board of the Association. Owners shall have a similar right of action against the Association. In addition, the Association shall have the following remedies following Notice and Hearing (as set out in the Bylaws) against an Owner who fails to comply with this Declaration, Bylaws, Rules, or with the decisions of the Board of the Association:

- (a) To levy fines;
- (b) To sue for damages;
- (c) To obtain injunctive relief;
- (d) To enter upon a Unit to perform an Owner's obligations and to recover the cost thereof from such defaulting Owner as an Individual Purpose Assessment;
- (e) to record a lien against a Unit as provided in this Declaration and to foreclose it;
- (f) To seek any other remedy permitted by law;
- (g) To recover its attorneys fees and costs incurred in enforcing its rights.

Section 14.2 Liability of Declarant. Neither the Association nor any Owner, except the Declarant, is liable for any cause of action based upon the Declarant's acts or omissions in connection with any responsibilities the Declarant has hereunder. The Declarant's obligations and responsibilities shall be specifically limited to matters expressly described in this Declaration as obligations and responsibilities of the Declarant and as to express obligations and responsibilities of the Declarant under the Act. Declarant shall have no implied responsibilities. If any act or omission by Declarant is asserted to have occurred during the Development Period, the Association must give the Declarant reasonable notice of and an opportunity to cure such act or omission and to defend against the allegations.

Section 14.3 Successors and Assigns. This Declaration shall be binding upon and shall inure to the benefit of the Declarant, the Association and each Owner and the heirs, personal representatives, successors and assigns of each of them.

Section 14.4 Severability. Any portion of this Declaration invalidated in any manner whatsoever shall not be deemed to affect in any manner the validity, enforceability or effect of the remainder of this Declaration, and in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included.

Section 14.5 No Waiver. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 14.6 Registration by Owner of Mailing Address. Each Owner shall register his or her mailing address with the Association, and except for monthly statements and other routine notices, which shall be personally delivered or sent by regular mail, all other notices or demands intended to be served upon an Owner shall be delivered personally or sent by either registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered mailing address. All notices, demands or other notices intended to be served upon the Board or the Association shall be sent by certified mail, postage prepaid to the Registered Agent for the Association duly filed with the Office of the Secretary of State of Colorado.

Section 14.7 Attorneys' Fees and Costs. If any action is brought in a court of law or put into arbitration as to the enforcement, interpretation, or construction of any of the covenants, conditions and restrictions of this Declaration, the prevailing party in such action shall be entitled to reasonable attorneys' fees as well as all costs incurred in the prosecution or defense of such action.

Section 14.8 Captions. The captions and headings in this Declaration are for convenience only, and shall not be considered in construing any provisions of this Declaration.

Section 14.9 Numbers and Genders. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, plural the singular, and the use of any gender shall include all genders.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed this 1st day of July, 1998.

DECLARANT:

BREAKERS SINGLE FAMILY, L.L.C.,
a Colorado limited liability company

BY: Walter A. Koebel Jr.

STATE OF COLORADO)
COUNTY OF Denver) ss.

The foregoing instrument was acknowledged before me this
1st day of July, 1998, by Walter A. Koebel, Jr.
as President of Breakers Single Family, L.L.C.,
Declarant.

Witness my hand and official seal.

My commission expires: 4/30/2002.

Elyse Ann Hogan
Notary Public

EXHIBIT A
LEGAL DESCRIPTION
PARCEL 1

April 1, 1998

PREPARED BY: JANET M. MONHEISER, P.L.S.
P.L.S. #28281

ON BEHALF OF: KIRKHAM, MICHAEL AND ASSOCIATES
7600 EAST ORCHARD ROAD, SUITE 220S
ENGLEWOOD, COLORADO 80111
(303) 694-2300

A part of Pelican Pointe A planned Building Group as recorded in the City and County of Denver Clerk and Recorders Office under Reception No. 9700148498, in the East Half of Section 16, Township 4 South, Range 6766 West of the Sixth Principal Meridian, City and County of Denver, State of Colorado, being more particularly described as follows:

For the purpose of this description the bearings are based on the easterly line of the Southeast Quarter of said Section 16 as marked by a 3-1/4" aluminum cap P.L.S. #19003 at the East Quarter corner and by a 1-3/4" diameter axle in range box at the Southeast corner, bearing South 00°03'38" East.

Beginning at the Northeast corner of said Pelican Pointe;
Thence along the easterly line of said Pelican Pointe the following five (5) courses;

1. South 28°03'39" West a distance of 78.49 feet to a point;
2. Thence South 16°56'21" East a distance of 286.95 feet to a point;
3. Thence North 73°03'39" East a distance of 66.00 feet to a point;
4. Thence South 16°56'21" East a distance of 126.23 feet to a point;
5. Thence South 30°09'06" West a distance of 121.01 feet to a point on the northerly right of way line of a private road as shown on said Pelican Pointe;

Thence North 59°50'54" West along said northerly right of way line a distance of 182.63 feet to a point;
Thence South 31°21'33" West a distance of 25.00 feet to a point on the southerly right of way line of said private road;
Thence North 59°50'54" West along said southerly right of way a distance of 35.75 feet to a point of curvature;
Thence continuing along said southerly right of way along the arc of a curve to the right having a central angle of 24°05'15", radius of 212.50 feet, arc length of 89.34 feet (chord bears North 35°45'39" West, 88.68 feet) to a point of reverse curvature;
Thence continuing along said southerly right of way along the arc of a curve to the left having a central angle of 31°11'34", radius of 325.00 feet, arc length of 176.94 feet (chord bears North 51°21'26" West, 176.79 feet) to a point of non-tangency;
Thence North 23°02'47" East a distance of 43.00 feet to a point of non-tangent curvature;
Thence along the arc of a curve to the right having a central angle of 04°25'14", radius of 368.00 feet, arc length of 28.39 feet (chord bears South 64°44'36" East, 28.38 feet) to a point of non-tangency;
Thence North 03°04'10" East a distance of 184.74 feet to a point on the northerly line of said Pelican Pointe;
Thence North 73°03'39" East along said northerly line a distance of 277.88 feet to the POINT OF BEGINNING.

Containing 2.988 acres, more or less.

EXHIBIT B
LEGAL DESCRIPTION
PARCEL 2

April 1, 1998

PREPARED BY: JANET M. MONHEISER, P.L.S.
P.L.S. #28281

ON BEHALF OF: KIRKHAM, MICHAEL AND ASSOCIATES
7600 EAST ORCHARD ROAD, SUITE 220S
ENGLEWOOD, COLORADO 80111
(303)694-2300

A part of Pelican Pointe A Planned Building Group as recorded in the City and County of Denver Clerk and Records Office under Reception No. 9700148498, in the East Half of Section 16, Township 4 South, Range 67 West of the Sixth Principal Meridian, City and County of Denver, State of Colorado, being more particularly described as follows:

For the purpose of this description the bearings are based on the easterly line of the Southeast Quarter of said Section 16 as marked by a 3-1/4" aluminum cap P.L.S. #19003 at the East Quarter corner and by a 1-3/4" diameter axle in range box at the Southeast corner, bearing South 00°03'38" East.

Commencing at the Northeast corner of said Pelican Pointe;
Thence South 73°03'39" West along the northerly line of said Pelican Pointe a distance of 277.98 feet to the POINT OF BEGINNING;
Thence South 03°04'10" West a distance of 184.74 feet to a point of non-tangent curvature;
Thence along the arc of a curve to the left through a central angle of 04°25'14", radius of 368.00 feet, arc length of 28.39 feet (chord bears North 64°44'36" West, 28.38 feet) to a point of non-tangency;
Thence South 23°02'47" West a distance of 43.00 feet to a point on the southerly right of way line of a private road as shown on said Pelican Pointe;

Thence along said southerly right of way line along the arc of a curve to the left through a central angle of $12^{\circ}52'42''$, radius of 325.00 feet, arc length of 73.05 feet (chord bears North $73^{\circ}23'34''$ West, 72.90 feet) to a point of non-tangency;

Thence North $01^{\circ}54'24''$ East a distance of 187.72 feet to a point on the northerly line of said Pelican Pointe;

Thence South $89^{\circ}29'47''$ East along said northerly line a distance of 178.88 feet to the POINT OF BEGINNING.

Containing 0.782 acres (34,054 square feet), more or less.

EXHIBIT B
LEGAL DESCRIPTION
PARCEL 3

April 1, 1998

PREPARED BY: JANET M. MONHEISER, P.L.S.
P.L.S. #28281

ON BEHALF OF: KIRKHAM, MICHAEL AND ASSOCIATES
7600 EAST ORCHARD ROAD, SUITE 220S
ENGLEWOOD, COLORADO 80111
(303)694-2300

A part of Pelican Pointe A Planned Building Group as recorded in the City and County of Denver Clerk and Recorders Office under Reception No. 9700148498, in the East Half of Section 16, Township 4 South, Range 67 West of the Sixth Principal Meridian, City and County of Denver, State of Colorado, being more particularly described as follows:

For the purpose of this description the bearings are based on the easterly line of the Southeast Quarter of said Section 16 as marked by a 3-1/4" aluminum cap P.L.S. #19003 at the East Quarter corner and by a 1-3/4" diameter axle in range box at the Southeast corner, bearing South 00°03'38" East.

Commencing at the Northeast corner of said Pelican Pointe;
Thence South 73°03'39" West along the northerly line of said Pelican Pointe a distance of 277.88 feet to a point;
Thence continuing along said northerly line North 89°29'47" West a distance of 178.88 feet to the POINT OF BEGINNING;
Thence South 01°54'24" West a distance of 187.72 feet to a point of non-tangent curvature on the southerly right of way line of a Private Road as shown on said Pelican Pointe;
Thence along said southerly right of way along the arc of a curve to the right having a central angle of 11°08'09", radius of 325.00 feet, arc length of 63.17 feet (chord bears South 85°24'00" East, 63.07 feet) to a point of non-tangency;
Thence South 29°52'02" West a distance of 195.24 feet to a point on the southerly line of said Pelican Pointe;
Thence along the southerly and westerly line of said Pelican

Pointe the following nine (9) courses;

1. North $59^{\circ}50'54''$ West along said southerly line a distance of 79.18 feet to a point of curvature;
2. Thence along the arc of a curve to the left having a central angle of $08^{\circ}24'01''$, radius of 433.19 feet, arc length of 63.51 feet (chord bears North $64^{\circ}02'55''$ West, 63.46 feet) to a point of non-tangent curvature on the westerly line of said Pelican Point;
3. Thence along said westerly right of way line along the arc of a curve to the left having a central angle of $17^{\circ}27'48''$, radius of 670.00 feet, arc length of 204.21 feet (chord bears North $10^{\circ}51'28''$ West, 203.42 feet) to a point;
4. Thence North $19^{\circ}35'22''$ West continuing along said easterly right of way line a distance of 80.68 feet to a point of curvature;
5. Thence along the arc of a curve to the right having a central angle of $35^{\circ}15'56''$, radius of 42.00 feet, arc length of 25.85 feet (chord bears North $01^{\circ}57'24''$ West, 25.44 feet) to a point of non-tangency;
6. Thence North $61^{\circ}32'28''$ East a distance of 28.59 feet to a point of curvature;
7. Thence along the arc of a curve to the right having a central angle of $02^{\circ}47'23''$, radius of 275.00 feet, arc length of 13.39 feet (chord bears North $62^{\circ}56'09''$ East, 13.39 feet) to a point of non-tangent reverse curvature;
8. Thence along the arc of a curve to the left having a central angle of $10^{\circ}09'53''$, radius of 974.19 feet, arc length of 172.83 feet (chord bears South $81^{\circ}14'33''$ West, 172.60 feet) to a point of non-tangency;
9. Thence South $89^{\circ}29'47''$ East a distance of 24.72 feet to the POINT OF BEGINNING.

Containing 1.539, acres more or less.

EXHIBIT B
LEGAL DESCRIPTION
PARCEL 4

April 1, 1998

PREPARED BY: JANET M. MONHEISER, P.L.S.
P.L.S. #28281

ON BEHALF OF: KIRKHAM, MICHAEL AND ASSOCIATES
7600 EAST ORCHARD ROAD, SUITE 220S
ENGLEWOOD, COLORADO 80111
(303)694-2300

A part of Pelican Pointe A Planned Building Group as recorded in the City and County of Denver Clerk and Records Office under Reception No. 9700148498, in the East Half of Section 16, Township 4 South, Range 67 West of the Sixth Principal Meridian, City and County of Denver, State of Colorado, being more particularly described as follows:

For the purpose of this description the bearings are based on the easterly line of the Southeast Quarter of said Section 16 as marked by a 3-1/4" aluminum cap P.L.S. #19003 at the East Quarter corner and by a 1-3/4" diameter axle in range box at the Southeast corner, bearing South 00°03'38" East.

Commencing at the Southeast corner of said Pelican Pointe;
Thence North 59°50'54" West along the southerly line of said Pelican Pointe a distance of 368.90 feet to the POINT OF BEGINNING;

Thence North 59°50'54" West continuing along the southerly line of said Pelican Pointe a distance of 179.48 feet to a point;

Thence North 29°52'02" East a distance of 195.24 feet to a point of non-tangent curvature on the southerly right of way line of a private road as shown on said Pelican Pointe;

Thence along said southerly right of way line along the arc of a curve to the right having a central angle of 32°18'33", radius of 325.00 feet, arc length of 183.27 feet (chord bears South 63°40'39" East, 180.85 feet) to a point of non-tangency;

Thence South 30°09'06" West a distance of 207.31 feet to the POINT OF BEGINNING.

Containing 0.867 acres (37,778 feet), more or less.

EXHIBIT B
LEGAL DESCRIPTION
PARCEL 5

April 1, 1998

PREPARED BY: JANET M. MONHEISER, P.L.S.
P.L.S. #28281

ON BEHALF OF: KIRKHAM, MICHAEL AND ASSOCIATES
7600 EAST ORCHARD ROAD, SUITE 220S
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A part of Pelican Pointe A Planned Building Group as recorded in the City and County of Denver Clerk and Records Office under Reception No. 9700148498, in the East Half of Section 16, Township 4 South, Range 67 West of the Sixth Principal Meridian, City and County of Denver, State of Colorado, being more particularly described as follows:

For the purpose of this description the bearings are based on the easterly line of the Southeast Quarter of said Section 16 as marked by a 3-1/4" aluminum cap P.L.S. #19003 at the East Quarter corner and by a 1-3/4" diameter axle in range box at the Southeast corner, bearing South 00°03'38" East.

Commencing at the Southeast corner of said Pelican Pointe;
Thence North 59°50'54" West along the southerly line of said Pelican Pointe a distance of 186.70 feet to the POINT OF BEGINNING;
Thence continuing North 59°50'54" West along said southerly line a distance of 182.20 feet to a point;
Thence North 30°09'06" East a distance of 207.31 feet to a point of non-tangent curvature on the southerly right of way line of a private road as shown on said Pelican Pointe;
Thence continuing along said southerly right of way line along the arc of a curve to the right through a central angle of 11°45'43", radius of 325.00 feet, arc length of 66.72 feet (chord bears of South 41°38'31" East, 66.61 feet) to a point of reverse curvature;

Thence continuing along said southerly right of way line along the arc of a curve to the left through a central angle of $24^{\circ}05'15''$, radius of 212.50 feet, arc length of 89.34 feet (chord bears of South $47^{\circ}48'17''$ East, 88.68 feet) to a point;

Thence continuing along said southerly right of way line South $59^{\circ}50'54''$ East a distance of 35.74 feet to a point;

Thence South $31^{\circ}21'33''$ West a distance of 168.04 feet to the POINT OF BEGINNING.

Containing 0.765 acres (33,339 square feet), more or less.

EXHIBIT B
LEGAL DESCRIPTION
PARCEL 6

April 1, 1998

PREPARED BY: JANET M. MONHEISER, P.L.S.
P.L.S. #28281

ON BEHALF OF: KIRKHAM, MICHAEL AND ASSOCIATES
7600 EAST ORCHARD ROAD, SUITE 220S
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For the purpose of this description the bearings are based on the easterly line of the Southeast Quarter of said Section 16 as marked by a 3-1/4" aluminum cap P.L.S. #19003 at the East Quarter corner and by a 1-3/4" diameter axle in range box at the Southeast corner, bearing South 00°03'38" East.

Beginning at the Southeast corner of said Pelican Pointe;
Thence North 59°50'54" West along the southerly line of said Pelican Pointe a distance of 186.70 feet to a point;
Thence North 31°21'33" East a distance of 193.04 feet to a point on the northerly right of way line of a private road as shown on said Pelican Pointe;
Thence South 59°50'54" East along said northerly right of way line a distance of 182.63 feet to a point on the easterly line of said Pelican Pointe;
Thence South 30°09'06" West along said easterly line a distance of 193.00 feet to the POINT OF BEGINNING.

Containing 0.818 acres (35,640 feet), more or less.