

DECLARATION

of

Conditions, Covenants, Restrictions and Easements

for

THE COURTYARD AT NORTH LAKE, a Colorado Common Interest Community

THIS DECLARATION, made on this date hereinafter set forth, by Brittany Land Development, LLC, a Colorado limited liability company ("Declarant"), whose principal business address is .PO. Box 3370, Evergreen, CO 80439.

RECITALS:

- a) Declarant is the owner of certain real estate in the City of Thornton, County of Adams, State of Colorado, which is more particularly described as set forth in Exhibit "A" attached hereto and by reference made a part hereof, and;
- b) Declarant desires to create a Common Interest Community on the real estate described in Exhibit A, in which portions of the real estate described in Exhibit A will be designated for separate ownership and the remainder of which will be designed for common ownership solely by the Association, as defined below; and
- c) Declarant has caused to be incorporated under the laws of the State of Colorado, The Courtyards at North Lake Property Owners Association, Inc., a nonprofit corporation for the purpose of exercising the functions as herein set forth herein (the "Association").

ARTICLE 1

SUBMISSION; DEFINED TERMS

1.01 Submission of Real Estate. (a) Declarant hereby declares that all of the real estate described in Exhibit A shall be held or sold, and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of, and which shall run with, the real estate and be binding on all parties having any right, title or interest in the real estate or any part thereof, their heirs, legal representatives, successors, and assigns and shall run with the real estate and be binding on all parties having any right, title or interest in the real estate or any part thereof, their heirs, legal representatives, successors, and assigns and shall inure to the benefit of each Owner thereof. Additionally, Declarant hereby submits the real estate to the provisions of the Colorado Common Interest Ownership Act, Sections 38-33.3-101, et seq., Colorado Revised Statutes, as it may be amended from time to time (the "Act"). In the event the Act is repealed, the Act, on the effective date of this Declaration shall remain applicable.

1.02 Defined Terms. Each capitalized term not otherwise defined in this Declaration or in the plat or map shall have the meanings specified or used in the Act.

ARTICLE 2 NAMES; DESCRIPTION OF REAL ESTATE

2.01 Names.

(a) The name of the Property complex is THE COURTYARDS AT NORTH LAKE (the "Project"). The Project shall be a planned community.

(b) The name of the Association is The Courtyards at North Lake Property Owners Association, Inc.

2.02 Real Estate. The Property is located in the City of Thornton, Adams County, State of Colorado. The real estate of the Property is described in Exhibit A.

ARTICLE 3 THE ASSOCIATION

3.01 Authority. The business affairs of the Project shall be managed by the Association. The Association shall be governed by its Bylaws, as amended from time to time.

3.02 Powers.

(a) The Association shall have all of the powers, authority and duties permitted pursuant to the Act necessary and proper to manage the business and affairs of the Project.

(b) The Association may assign its future income, including its rights to receive Common Expense assessments, only by the affirmative vote of the Unit Owners of Units to which at least 51 percent of the votes in the Association are allocated, at a meeting called for that purpose.

3.03 Declarant Control. The Declarant shall have all the powers reserved in section 38-33.3-303(5) of the Act to appoint and remove officers and members of the Executive Board during the period of Declarant Control. The period of Declarant Control shall expire no later than either sixty days after conveyance of seventy-five percent of the units that may be created to unit owners other than a declarant, 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.

ARTICLE 4 UNITS

4.01 Number of Units. The number of Units in the Project is thirty six (36). The Declarant reserves no rights to create additional Units.

4.02 Identification of Units. The identification number of each Unit is shown on the plat of the Project, a copy of which is attached hereto as Exhibit B (the "Plat").

4.03 Unit Boundaries. The boundaries of each Unit are the Lot lines as shown on the Plat.

4.04 Common Area. All property in the Project which is not a part of any particular Unit shall be owned by the Association for the use and benefit of all Unit Owners. Said Common Area is more particularly described as Tract A on the Plat. All Unit Owners shall have an easement in the Common Area for the purpose of access to their Units and to use the Common Area and all other real estate that must become Common Area for all other purposes consistent with this Declaration.

ARTICLE 5 COVENANT FOR COMMON EXPENSE ASSESSMENTS

5.01 Creation of Association Lien and Personal Obligation to pay Common Expense Assessments. Declarant, for each Unit, shall be deemed to covenant and agree, and each Unit Owner, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree, to pay to the Association annual Common Expenses Assessments ("Assessments"). The Assessments, including fees, charges, late charges, attorney fees, fines and interest charged by the Association shall be the personal obligation of the Unit Owner at the time when the Assessment or the charges became or fell due. The personal obligation to pay any past due sums due the Association shall not pass to a successor in title unless expressly assumed by them.

The Assessments of the Association shall be a continuing lien upon the Unit against which each such Assessment is made. A lien under this Section is prior to all other liens and encumbrances on a unit except: (1) liens and encumbrances recorded before the recordation of the Declaration; (2) a first lien Security Interest on the Unit recorded before the date on which the Assessment sought to be enforced became delinquent except as provided in the Act; and (3) liens for real estate taxes and other governmental assessment or charges against the Unit. The Section does not prohibit an action to recover sums for which this Section creates a lien or prohibit the Association from taking a deed in lieu of foreclosure. Sale or transfer of any Unit shall not affect the Association's lien except that sale or transfer of any Unit pursuant to foreclosure of any first lien Security Interest, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture shall only extinguish the Association's lien as provided in the Act. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture shall relieve any Unit from continuing liability for any Common Expenses Assessments thereafter becoming due after such transfer of title, nor from the lien thereof.

5.02 Apportionment of Common Expenses. Assessments shall be made against all Units in accordance with their percentage interest in the Common Expenses as shown in Exhibit C of this Declaration.

5.03 Purpose of Assessments. The assessments levied by the Association through its Executive Board shall be used for the purposes of promoting the health, safety, and welfare of the residents in the Common Interest Community and:

(a) To pay all charges for electricity attributable to common lighting and street lights owned or operated by the Association;

(b) To provide for the maintenance, repair and replacement of the Common Area, including but not limited to landscaping and snow removal on the Common Area;

(c) To provide for the maintenance, repair and replacement of the exterior of the Units, including but not limited to landscaping in the front yards, painting of all exterior surfaces of the Units, and roof repair, maintenance and replacement (specifically excluding, however, snow removal, repairs and maintenance to all driveways, sidewalks and courtyard areas which are inside the Unit boundaries);

(d) To pay premiums for all insurance which the Association may deem advisable or necessary to carry;

(e) To pay the associations management expenses, legal and accounting fees;

(f) To pay taxes and special assessments levied against any property or property rights owned by the Association;

(g) To create a reasonable contingency reserve surplus and/or sinking fund;
and

(h) To pay any other expenses and liabilities which may be incurred by the Association for the benefit of the Unit Owners, under or by reason of this Declaration or the Association's Articles of Incorporation or Bylaws.

5.04 Annual Assessment/Commencement of Assessments. The Common Expense Assessment shall be made on an annual basis against all Units and shall be based upon the Association's advanced budget of cash requirements needed by it to provide for the administration and performance of its duties during such assessment year. Assessments may be collected in the manner as determined by the Board of Directors. Assessments shall begin on the first day of the month in which conveyance of the first Unit to a Unit Owner other than Declarant occurs. Assessments shall be due from an Owner of any Unit for which a Certificate of Occupancy exists.

5.05 Effect of Non-Payment of Assessments. Any assessment, charge or fee provided for in this Declaration, or any monthly or other installment thereof, which is not fully paid within ten (10) days after the due date thereof shall bear interest at the rate as determined by the Executive Board and the Association may assess a late charge thereon. Further, the Association may bring an action at law or in equity, or both, against any Owner personally obligated to pay such overdue assessments, charges or fees, or monthly or other installments thereof, and may also proceed to foreclose its lien against such Owner's Unit. An action at law or in equity by the

Association against an Owner to recover a money judgment for unpaid assessments, charges or fees, or monthly or other installments thereof, may be commenced and pursued by the Association without foreclosing, or in any way waiving, the Association's lien therefor.

5.06 Working Fund. The Association or Declarant shall require anyone purchasing a Unit (other than Declarant) ("Purchaser") to make a payment to the Association in an amount equal to three (3) months of Assessments against that Unit in effect at the closing thereof. Two (2) month's worth of Assessments shall be held by the Association as a working fund. The other amounts collected shall be considered payment for Purchaser's first month of Assessments due to the Association. Said working fund shall be collected and transferred to the Association at the time of closing of the sale of each Unit as aforesaid, and shall be maintained for the use and benefit of the Association. Such payments shall not relieve any Owner from making regular payments of assessments as the same become due.

ARTICLE 6 LIMITED COMMON ELEMENTS

6.01 Limited Common Elements.

(a) A "Limited Common Element" means a portion of the Common Area, designated in this Declaration, or on the plat or map, or by the Act, for the exclusive use of one or more but fewer than all of the Units.

(b) There are currently no limited common elements in the Project.

6.02 Allocation of Reserved Limited Common Elements.

(a) Portions of the Common Area may be marked on the plat or map as "Common Elements which may be allocated as Limited Common Elements." These portions of the Common Area may include, without limitation, vehicle parking areas.

(b) The Declarant reserves the right to allocate specified areas which constitute a part of the Common Area as Limited Common Elements for the exclusive use of the Unit Owners to which these specified areas shall become appurtenant. The Declarant may assign such common elements as Limited Common Element areas pursuant to the provisions of C.R.S. 38-33.3-208 of the Act (i) by making such an allocation in a recorded instrument or (ii) in the deed to the Unit to which such Limited Common Element storage area shall be appurtenant or (iii) by recording an appropriate amendment or supplement to this Declaration. Such allocations by the Declarant may be to Units owned by the Declarant. Subsequent to the Declarant control period, the right of allocation pursuant to this Section shall pass from the Declarant to the Executive Board and the Declarant may not thereafter exercise any such right.

6.03 Allocation of Specified Common Area. The Executive Board may designate parts of the Common Area from time to time for use by less than all of the Unit Owners or by only those persons paying fees or satisfying other reasonable conditions for use as may be established by the Executive Board. Any such designation by the Executive Board shall not be a sale or disposition of such portions of the Common Area.

ARTICLE 7
MAINTENANCE, REPAIR AND REPLACEMENT

7.01 Courtyards. Each Owner is responsible for removal of snow, leaves and debris from any interior courtyard areas on the Owner's lot.

7.02 Expense Allocation. Any Common Expense associated with the maintenance, repair or replacement of a Limited Common Element shall be assessed equally against the Units to which the Limited Common Element is assigned.

7.03 Common Area. The maintenance, repair and replacement of the Common Area and all exterior surfaces of the Units shall be the responsibility of the Association.

ARTICLE 8
DEVELOPMENT RIGHTS AND OTHER SPECIAL DECLARANT RIGHTS

8.01 Development Rights and Special Declarant Rights. The Declarant reserves the following Development Rights and other Special Declarant Rights for the maximum time limit allowed by law:

- (a) The right to complete or make improvements indicated on the plats or maps;
- (b) The right to maintain sales offices, management offices and models in Units or on the Common Area, but only until such time as all Units have been sold and all development is complete;
- (c) The right to maintain signs on the Project to advertise the Units for sale or lease;
- (d) The right to use, and permit others to use, easements through the Common Area as may be reasonably necessary for the purpose of discharging the Declarant's obligations under the Act and this Declaration; and
- (e) The right to appoint or remove any officer of the Association or any Director during the Declarant Control Period consistent with the Act.

8.02 Limitations on Development Rights and Special Declarant Rights. Unless sooner terminated by a recorded instrument signed by the Declarant, any Development Right or Special Declarant Right may be exercised by the Declarant for the period of time specified in the Act.

ARTICLE 9
ALLOCATED INTERESTS

9.01 Allocated Interests. The Common Expense liability and votes in the Association allocated to each Unit are set forth in Exhibit C.

9.02 Determination of Allocated Interests. The owner(s) of each Unit shall be liable for 1/36th of the Common Expenses. With regard to votes in the Association, each Unit shall have one vote.

ARTICLE 10 RESTRICTIONS ON USE, ALIENATION AND OCCUPANCY

10.01. Use and Occupancy Restrictions. Subject to the Development Rights and Special Declarant Rights reserved by the Declarant, the following use restrictions apply to all Units and to the Common Area:

- (a) **Building and Grounds Conditions.** Each Unit Owner shall prevent the development of any unclean, unsightly or unkept conditions or buildings or grounds on or in the Unit which tends to substantially decrease the beauty of the neighborhood as a whole or in the specific area. No building material shall be stored on any Unit or the Common Area, except temporarily during continuous construction or repair of a building.
- (b) **Garage Doors.** Garage doors shall be kept closed except when being used to permit ingress or egress to or from the garage.
- (c) **Maintenance equipment.** All maintenance equipment shall be stored in an enclosed structure or otherwise adequately screened so as not to be visible from neighboring property or adjoining streets.
- (d) **Clotheslines.** All outdoor clothespoles, clotheslines or other facilities for drying or airing of clothing or household goods are prohibited.
- (e) **Refuse.** No ashes, trash, rubbish, garbage, grass or shrub clippings, scrap material or other refuse, or receptacles or containers therefor, shall be stored, accumulated or deposited outside or so as to be visible from any neighboring property or street, except during refuse collections.
- (f) **Nuisances.** No noxious or offensive activity shall be carried on upon any Unit or the Common Area or anything done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the neighborhood. No offensive or hazardous activities may be carried on in any Unit or the Common Area. No annoying lights, sounds or odors shall be permitted to emanate from any Units or the Common Area.
- (g) **Sound Devices.** No exterior speakers, horns, whistles, bells or other sound devices except security devices used exclusively for security purposes shall be located, used or placed on any Unit or the Common Area.
- (h) **Animals.** No animals except domesticated birds or fish and other small domestic animals permanently confined, and except an aggregate of two domesticated dogs or cats shall be maintained in or on any Unit or the Common Area within the Project and then only if kept as pets. No animal of any kind shall be permitted which in the opinion of the Executive

Board makes an unreasonable amount of noise or odor or is a nuisance. No animals shall be kept, bred or maintained within the Project for any commercial purposes.

(i) **Trailers, Campers, etc.** No boat, trailer, camper (on or off supporting vehicles), tractor, commercial vehicle, mobile home, motor home, motorcycle, any towed trailer unit or truck, excepting only pickup trucks solely for the private use of the residents of a dwelling, shall be parked overnight on any street or within any Lot or building site except in a completely enclosed structure. If any such vehicle is not removed from the Project or placed in a completely enclosed structure, within three days after notice is delivered to the Owner of the Lot on or adjacent to which the offending vehicle is parked, then Declarant and/or the Executive Board shall have the right, but not the obligation to enter the Unit in question, remove or cause to be towed the offending vehicle, and store such vehicle. Declarant and the Executive Board shall not be liable from any losses, costs or damages to any Owner of the Unit or the owner of the vehicle on account of such removal of the offending vehicle, except for any such loss, cost or damage caused by Declarant's or the Executive Board's gross negligence or willful misconduct. Declarant and the Executive Board may delegate their entry and removal rights hereunder to agents and the independent contractors. In the event Declarant or the Executive Board elects to remove a vehicle pursuant to this section, Declarant or the Executive Board will submit to the Owner of the Lot from which the vehicle was removed or adjacent to the place on a public street from which the vehicle was removed, or in the case of where the owner of the vehicle owns a different Lot, then to the owner of the vehicle, a written statement of the costs incurred by Declarant or the Executive Board in removing the vehicle. These costs shall be paid to declarant or the Executive Board within twenty days after receipt of such notice. If the costs of Declarant or the Executive Board have not been paid after expiration of this twenty-day period, Declarant or the Executive Board may thereafter record a lien against the Lot involved for all costs (including reasonable attorney's fees) incurred by Declarant or the Executive Board in removing and storing the vehicle and in collecting such costs and foreclosing upon the lien, which lien shall be junior to all other liens or encumbrances of record with respect to the Lot on the date of this lien is recorded. This lien may thereafter be foreclosed upon in the manner provided by Colorado law for foreclosing upon real estate mortgages. This lien shall provide that all sums expended by Declarant or the Executive Board in foreclosing the lien and collecting the amounts due Declarant or the Executive Board (including reasonable attorneys' fees) shall be additional indebtedness secured by the lien.

(j) **Junk Cars.** No stripped down, partially wrecked or junk motor vehicle or part thereof, shall be permitted to be parked on any street or in any Unit in such a manner as to be visible at ground level from any neighboring property or street.

(k) **Vehicle Repairs.** No maintenance, servicing, repair, dismantling or repainting of any type of vehicle, boat, machine or device may be carried on within the Subdivision except within a completely enclosed structure which screens the sight and sound of the activity from the street and from adjoining property.

(l) **Signs.** The only signs permitted on any Unit or structure shall be:

(i) one sign of customary size for offering of the signed property for sale. Said sign shall be placed on the ground directly outside of the Unit and shall not be mounted on the Unit or displayed in a window of any Unit;

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

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

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

(v) such signs as may be required by law; and

(vi) signs approved by the Executive Board.

Except for permitted signs, there shall not be used or displayed on any Unit or in the Common Area any signs or any banners, streamers, flags, lights or other devices calculated to attract attention in aid of sale or rental unless approval thereof is granted by the Executive Board. All permitted signs must be professionally painted, lettered and constructed.

(m) **Mailboxes.** Mailboxes shall be centrally located as positioned on the Plat in Exhibit B.

(n) **Solar Collectors.** Solar collectors or other devices are permitted so long as they are designed and installed to blend in with the overall architecture of other improvements on the Lot. Any roof or wallmounted collectors or solar devices must be built-in to the roof or wall, be flush with, and of the same pitch as, the adjacent portions of the building, and be architecturally compatible with the building upon which they are affixed. Plans for any such solar collectors or other devices must be submitted to the Executive Board for its review and approval prior to installation. If the Executive Board disapproves, the party requesting approval may modify its plans to eliminate the Executive Board's objections and resubmit them for approval. If any such solar collectors or other devices are installed without the approval of the Executive Board, then Declarant and/or the Executive Board shall have, with respect to such solar collectors or other devices, the right, but not the obligation, to enter the Units in questions and remove the solar collector or other device. Declarant and the Executive Board shall not be liable for any losses, costs or damages to any Owner of the Unit on account of such removal of the of fending device, except for any such loss, cost or damage caused by Declarant's or the Executive Board's gross negligence or willful misconduct. Declarant and the Executive Board may delegate their entry and removal rights hereunder to agents and independent contractors. In the event Declarant or the Executive Board elects to remove a device pursuant to this section, Declarant or the Executive Board will submit to the Owner of the Unit from which the device was removed, a written statement of the costs incurred by Declarant or the Executive Board in removing the device. These costs shall be paid to Declarant or the Executive Board within

twenty days after receipt of such notice. If the costs of Declarant or the Executive Board have not been paid after expiration of this twenty-day period, Declarant or the Executive Board may thereafter record a lien against the Lot involved for all costs (including reasonable attorneys' fees) incurred by Declarant or the Executive Board in removing the device and in collecting such costs and foreclosing upon the lien, which lien shall be junior to all other liens or encumbrances of record with respect to the Lot on the date this lien is recorded. This lien may thereafter be foreclosed upon in the manner provided by Colorado law for foreclosing upon real estate mortgages. This lien shall provide that all sums expended by Declarant or the Executive Board in foreclosing the lien and collecting the amounts due Declarant or the Executive Board (including reasonable attorneys' fees) shall be additional indebtedness secured by the lien.

(o) **Antennas.** No exterior radio or television antenna, aerial, satellite dish or other type of radio or television receiving system shall be erected or maintained without the prior written approval of the Board of Directors, which approval may be given or denied in the Board of Directors' reasonable discretion pursuant to applicable laws, rules and regulations. Notwithstanding the above, this restriction shall not apply to any satellite dish that is designed to receive direct broadcast satellite services, including direct-to-home satellite services that is one-meter or less in diameter.

(p) **Property Uses.** All Units in the Subdivision shall be used exclusively for private residential purposes. No dwelling erected or maintained within the Subdivision shall be used or occupied for any purpose other than for a single family dwelling. No business, profession or other activity conducted for gain shall be carried on or within any Unit except as provided in Section 8.01(b). Notwithstanding anything to the contrary herein, it shall not be a violation of these Covenants for a Unit Owner to conduct non-impactful work within a Unit. For the purposes of these Covenants "non-impactful work" shall be defined to mean work for which there is no signage visible from the outside, no regular U.S. Postal delivery, and no regular meetings with clients or customers at the Unit.

10.02 **Restrictions on Alienation.** A Unit may not be conveyed pursuant to a time-sharing arrangement described in Sections 38-33-110 to 113, Colorado Revised Statutes. A Unit may not be leased or rented for a term of less than 60 days. All leases and rental agreements shall be in writing and subject to the reasonable requirements of the Executive Board.

ARTICLE 11 INSURANCE

11.01 **General Common Area and Unit Insurance.** The Association shall be responsible for and shall procure fire and all-risk coverage insurance upon the General Common Area and all Units for not less than the full insurable replacement value thereof under a policy or policies of insurance with such company or companies and for such premiums and periods as the Association may determine to be appropriate, but which insurance shall have a minimum of a BBB+ rating. Such policy or policies shall provide that any loss thereunder shall be payable to the Association as insurance trustee under this Declaration. No policy shall provide that: (1) under the terms of the insurance company's charter, bylaws or policy contributions or assessments may be made against the mortgagor or mortgagee's designee; or (2) by the terms of

carrier's charter, bylaws, or policy, loss payments are contingent upon the action by the company's Board of Directors, policyholders, or members; or (3) the policy includes any limiting clauses (other than insurance conditions) which could prevent mortgagees or the mortgagor from collecting insurance proceeds. The Association shall deliver to each Owner a certificate of insurance stating that a policy of insurance as required under this Section is in effect, and that said policy shall not be cancelled, allowed to lapse or be materially altered except upon ten (10) days prior written notice thereof to the Owner. A determination of full replacement cost shall be made annually by one or more written appraisals performed by a person knowledgeable of replacement costs, and the insurance coverage shall be modified accordingly. Each Owner shall be responsible for insurance on the contents of the Owner's Unit and furnishings and personal property therein. Owners may carry other insurance for their benefit and at their expense, provided that all such policies shall contain waivers of subrogation, and provided further that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished by reason of any such additional insurance.

11.02 Rebuilding of Damages Building. Except as provided in 11.03, in the event of damage to or destruction of any building by fire or any other casualty for which the Association is required to carry insurance, the Association, within a reasonable time, shall repair or rebuild the same in a workmanlike manner with materials comparable to those used in the original structure and in conformity in all respects with the laws or ordinances regulating the construction of buildings in force at the time of such repair or reconstruction. The Building, when rebuilt or repaired, shall be substantially similar to, and its architectural design and landscaping shall be in conformity with the design of the original building and the surrounding buildings which are not so damaged or destroyed. Neither the Owner nor the Association shall be relieved of this obligation to repair or rebuild by the fact the proceeds received from the insurer are not sufficient to cover the cost thereof. If the proceeds received from the insurer are insufficient, the Association will levy a special assessment equally against all Owners to pay to the Association any deficiency required to accomplish the rebuilding or repair. Upon the failure of such Owners to provide such funds within a reasonable amount of time after notice and demand by the Association therefor, the Executive Board may cause the repair or rebuilding as provided, and the amount of the deficiency shall be the Owners' personal obligation and a continuing lien on the Owners' Units.

11.03 Substantial Damage. In the event of destruction by fire or other casualty of 50% or more in total value of the Units in any building, then repair and reconstruction of the building to its original condition prior to such casualty shall be proceeded with by the Board unless 75% or more of the Owners in the building in which such destruction occurred cast their ballot against the rebuilding of such building at a meeting of such Owners held for such purpose. Such meeting shall be called by notice specifying the purpose therefor and held within a period of sixty (60) days after the casualty occurs. Whenever an owner's interest is subject to a deed of trust, the Owner's vote against rebuilding shall be subject to concurrence by the holder of the deed of trust. Only one vote may be cast for each Unit.

In the event the Owners in the destroyed buildings determined by vote as aforesaid not to proceed with rebuilding, then the proceeds from the insurance coverages payable to the Association as insurance trustee shall be distributed to the lien holders of the respective Owners, according to their priority, and if no liens exist, to the Owners whose building has been

destroyed, all in proportion to the amounts of the insurable interest of each of the Owners as shown in the certificates of insurance issued to each such Owner. The Association shall then acquire the interests of the Owners in their Units at fair market value as agreed upon between the parties and the expense shall be added to the assessment due from the remainder of the Owners. In the event the parties cannot agree, then any dispute shall be resolved by mandatory arbitration. The amount agreed upon then shall be distributed among the Owners of the destroyed building in the proportion that their respective insurable interests bear to the amount agreed upon. The Board then may elect to raze the building, dispose of the property, or rebuild.

11.04 Waiver of Subrogation. The Association and each Owner hereby waive and release any and all claims which they may have against any Owner, the Association, its officers, members of the Board, its employees and agents, the Declarant and any Manager and its respective employees or agents, for damage to the General Common Area or to any personal property located on the Properties, caused by any casualty, to the extent that such damage is covered by fire or other form of casualty insurance. Mortgagee endorsements shall be made when the Owner's interest is subject to an encumbrance.

11.05 Insurance for the Association. The Association shall be empowered to obtain insurance coverage for loss, liability, and damage as deemed appropriate by a majority of Unit owners.

11.06 Mortgagee's Rights. In the event of substantial damage to, or destruction of, any part of the General Common elements, any distribution of insurance proceeds hereunder shall be made to the Owners and their respective holders of deeds of trust, as their interests may appear, and no Owner or other party shall be entitled to priority over the holders of a deed of trust on a Unit with respect to any such distribution; provided, however, that nothing in this section shall be construed to deny the Association the right to apply any such proceeds to repair or replace damaged portions of the General Common Area. The Association shall notify the appropriate holder of a deed of trust forthwith whenever damage to any unit exceeds \$1,000 or the damage to the General Common Area exceeds \$10,000.

11.07 Limitation on Liability of Association. Notwithstanding the duty of the Association to maintain and repair the General Common Area, the Association shall not be liable for injury or damage, other than the normal costs of the maintenance and repair, caused by any latent condition of the General Common Area or by the conduct of another Owner or persons or by casualties for which insurance pursuant to this Declaration is not required, or for which insurance is not provided by the Association.

ARTICLE 12 EASEMENTS, LICENSES, AND GENERAL PROVISIONS

12.01 Recording Data. All easements and licenses to which the Project is presently subject are recited in Exhibit B. In addition, the Project may be subject to other easements or licenses granted by the Declarant pursuant to Section 8.01 in this Declaration.

12.02 Covenants are Cumulative. Each of these Covenants is cumulative and independent and is to be construed without reference to any other provision dealing with the

same subject matter or imposing similar or dissimilar restriction. A provision shall be fully enforceable although it may prohibit an act or omission sanctioned or permitted by another provision.

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

12.04 Enforcement. These Covenants are for the benefit of the Unit Owners, jointly and severally, and the Association and may be enforced by action for damages, suit for injunction, mandatory and prohibitive, and other relief, and by any other appropriate legal remedy, instituted by one or more Unit Owners, or the Executive Board, or any combination of these. Until ten years after these Covenants were filed of record, or when Declarant owns no property within the Subdivision, whichever is sooner, Declarant may also enforce these Covenants in any of the manners permitted above. All costs, including reasonable attorneys' fees, incurred by the Executive Board in connection with any successful enforcement proceeding initiated by them (alone or in combination with Owners) or, during the period it is permitted to enforce these Covenants, incurred by Declarant, shall be paid by the party determined to have violated these Covenants. Any party exercising its right to enforce these Covenants shall not be required to post any bond as a condition to the granting of any restraining order, temporary or permanent injunction or other order. The rights and remedies for enforcement of these Covenants shall be cumulative, and the exercise of any one or more of such rights and remedies shall not preclude the exercise of any of the others.

12.05 Duration of Restrictions. Unless sooner terminated as provided in Section 8.09, the restrictions and other provisions set forth in these Covenants shall remain in force until the January 1, 2018, shall be automatically renewed for successive periods of ten years unless before January 1, 2018, or before the end of any ten year extension, there is filed for record with the Clerk and Recorder of Adams County an instrument stating that extension is not desired, signed and acknowledged by a majority vote of Owners of the Lots in the Subdivision.

12.06 Amendment and Extensions. From time to time any one section of these Covenants (except Section 1.09) may be amended or a new section may be added to these Covenants by an instrument signed and acknowledged by the holders of at least two-thirds of the votes of Owners of Lots and filed for record with the Clerk and Recorder of Adams County.

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


12.08 Notices. Any writing described in this Declaration, including but not limited to any communication from the Executive Board to a Unit Owner, shall be sufficiently served if delivered by mail or otherwise: (a) to the Unit owned by the Owner; or (b) to the most recent address of which the Executive Board has a record.

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

IN WITNESS WHEREOF, the Declarant has caused the Declaration to be executed this 15 day of December, 19 99.

DECLARANT:

BRITTANY LAND DEVELOPMENT, LLC
a Colorado limited liability company

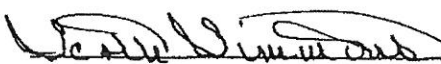

By: Roger R. Ladd, Manager

STATE OF COLORADO)
COUNTY OF Jefferson)ss.

Acknowledged before me this 8th day of December, 19 99, by Roger R. Ladd, Manager of Brittany Land Development, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: 1.2.03


Notary Public