

# **MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

The following Amended and Restated Master Declaration of Covenants,  
Conditions and Restrictions of Ken-Caryl Ranch was recorded June 30, 1978,  
Reception No. 78059201, Jefferson County, Colorado.

This is a retyped document. The original copy exhibiting the notarized signatures is on file with Jefferson County.

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**AMENDED AND RESTATED  
MASTER DECLARATION  
OF COVENANTS, CONDITIONS AND RESTRICTIONS  
OF KEN-CARYL RANCH**

The Master Declaration of Covenants, Conditions and Restrictions of Ken-Caryl Ranch, made April 25, 1974, by Ken-Caryl Ranch Corporation, a Delaware corporation (hereinafter "Grantor"), and recorded on April 26, 1974, in Book 2616 at pages 163-237, of the real property records of Jefferson County, Colorado, is hereby amended and restated to read as follows:

RECITALS

A. Grantor was on April 25, 1974, the owner of the real property in the County of Jefferson, State of Colorado, which is more particularly described on Exhibit "A" attached hereto and by this reference incorporated herein, which described real property, together with certain additional lands, as hereinafter provided, is hereinafter referred to as "Ken-Caryl Ranch" or "the Ranch".

B. Ken-Caryl Ranch is an area of unique natural beauty, featuring distinctive terrain. It is the desire and intent of Grantor to create a community in which such beauty shall be substantially preserved and, for the enjoyment and convenience of the persons living on the Ranch, enhanced by the installation and operation of recreational and limited business and commercial facilities. These covenants, conditions and restrictions, all of which are hereinafter included in the term "Master Declaration", are intended to secure such objectives.

DECLARATION

NOW, THEREFORE, Grantor hereby declares that Ken-Caryl Ranch is and shall henceforth be owned, held, conveyed, encumbered, leased, improved, used, occupied and enjoyed subject to the following uniform covenants, conditions, restrictions and equitable servitudes in furtherance of, and the same shall constitute, a general plan for the subdivision, ownership, improvement, sale, use and occupancy of the Ranch, and to enhance the value, desirability and attractiveness of the Ranch. This Master Declaration shall run with the Ranch and all parts thereof; shall be binding upon all persons having or acquiring any interest in the Ranch or any part thereof; shall inure to the benefit of and be binding upon every part of the Ranch and every interest therein; and shall inure to the benefit of, be binding upon, and be enforceable by Grantor, its successor in interest, each Owner and his successors in interest, and the Master Association and its successors in interests.

**ARTICLE I**  
**Definitions**

Unless the context otherwise specifies or requires, the following words and phrases when used in this Master Declaration shall have the meanings hereinafter specified.

ARCHITECTURAL COMMITTEE (hereinafter sometimes "Committee") shall mean the committee created pursuant to Article VIII hereof.

ARCHITECTURAL COMMITTEE RULES (hereinafter sometimes "Committee Rules") shall mean the rules adopted by the Architectural Committee pursuant to Section 8.03 hereof.

ARTICLES shall mean the Articles of Incorporation of the Ken-Caryl Ranch Master Association which have been or will be filed in the office of the Secretary of State of the State of Colorado, as the same may from time to time be amended.

ASSESSMENTS shall mean assessments of the Master Association and includes both regular and special assessments. An ASSESSMENT shall have the meaning set forth in Section 6.06A hereof.

ASSOCIATION PROPERTY shall mean all real and personal property now or hereafter owned by or leased to the Master Association.

BENEFICIARY shall mean a mortgagee under a mortgage or a beneficiary under a deed of trust, as the case may be.

BOARD shall mean the Board of Directors of the Master Association.

BYLAWS shall mean the Bylaws of the Master Association which may be adopted by the Board, as such Bylaws may be amended from time to time.

COMMERCIAL SITE shall mean any unit of land, whether or not improved, which is designated for Commercial Use. If such COMMERCIAL SITE is shown on a recorded Subdivision plat, its size and dimensions shall be as shown thereon; and if such COMMERCIAL SITE is not shown on a recorded Subdivision plat, its size and dimensions shall be established by the legal description in the original recorded conveyance from Grantor to the first fee owner thereof. A COMMERCIAL SITE may also be established as such by Grantor by a recorded instrument wherein Grantor designates a unit of land as a COMMERCIAL SITE.

COMMERCIAL USE shall mean any governmental, professional, office, business, business park, eleemosynary, trade, or industrial use, including any activity involving the offering of goods or services.

CONDOMINIUM BUILDING shall mean a building containing Condominium Units.

CONDOMINIUM UNIT shall mean only a residential condominium unit as defined in C.R.S. 118-15-3, as amended.

CUSTOM HOME LOT shall mean each of the fifty-two Lots designated for residences on the plat of The Ken-Caryl Ranch Highlands Subdivision recorded on December 12, 1973 in Book 43 at pages 28 through 33 of the Jefferson County real property records, and all other Lots hereafter so designated by Grantor in a Supplemental Declaration or other recorded document.

DEED OF TRUST shall mean a mortgage or a deed of trust, as the case may be.

GRANTOR shall mean Ken-Caryl Ranch Corporation, a Delaware corporation and its successors by corporate merger or dissolution.

IMPROVEMENT shall mean every structure and all appurtenances thereto of every type and kind, including but not limited to buildings, outbuildings, patios, tennis courts, swimming pools, garages, doghouses, mailboxes, aeriels, antennas, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, landscaping, hedges, windbreaks, planting, planted trees and shrubs, poles, signs, exterior air conditioning, water softener fixtures or equipment, and poles, pumps, wells, tanks, reservoirs, pipes, lines, meters, towers and other facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.

KEN-CARYL RANCH shall mean all the real property described on Exhibit "A" to this Master Declaration. KEN-CARYL RANCH shall also mean such additional lands as are now described on or may hereafter be added to Exhibit "B" hereto and which, in either case, have been heretofore or hereafter subjected to this Master Declaration by Grantor or by other Persons with Grantor's written consent pursuant to Section 2.02.

KEN-CARYL RANCH MAINTENANCE FUND shall mean the fund created for the receipts and disbursements of the Master Association, pursuant to Section 9.01 hereof.

KEN-CARYL RANCH RESTRICTIONS shall mean this Master Declaration together with any and all Supplemental Declarations which may be recorded pursuant to Article II hereof, as this Master Declaration or said Supplemental Declarations may be amended from time to time, together with the Ken-Caryl Ranch Rules from time to time in effect, and the Articles and Bylaws of the Master Association from time to time in effect.

KEN-CARYL RANCH RULES shall mean the rules adopted by the Board pursuant to Section 6.05F hereof, as they may be amended from time to time.

LOCAL COMMON AREA shall mean any portion of Ken-Caryl Ranch, other than Recreation and Open Space areas, designated by the Owner thereof as a common area for the primary benefit of the Owners and occupants of a particular area. It may be owned by such Owners, or by a nonprofit corporation or an unincorporated association in which all such Owners shall be entitled to membership.

LOT shall mean any unit of land which is designated on any recorded Subdivision plat, whether or not improved, for a single-family residence. LOT includes CUSTOM HOME LOT except where the context otherwise specifies or requires, and except that special provisions with respect to the voting rights of Owners of CUSTOM HOME LOTS, with respect to assessments against CUSTOM HOME LOTS, with respect to the use of Association Property by Owners of CUSTOM HOME LOTS, and with respect to assessments against, and the use of Association Property by Owners of, certain Custom Home Lots are set forth in Sections 6.03A, 6.06A, 7.01, and 6.08 respectively.

MAJOR DEVELOPER shall mean any person or persons designated as such by Grantor in an instrument recorded in the real property records of the county wherein the land lies.

MANAGER shall mean the person, firm or corporation employed by the Master Association pursuant to Section 6.06E and delegated the duties, powers or functions of the Association pursuant to said Section.

MASTER ASSOCIATION (hereinafter sometimes "Association") shall mean Ken-Caryl Ranch Master Association, the nonprofit Colorado corporation described in Article VI hereof, and its successors.

MASTER DECLARATION (herein sometimes "Declaration") shall mean this instrument as it may be amended from time to time.

MEMBER shall mean any person who is a member of the Master Association pursuant to Section 6.02 hereof.

MORTGAGE shall mean any mortgage or deed of trust given to secure the payment of a debt.

MULTI-FAMILY SITE shall mean any unit of land, whether or not shown on a recorded Subdivision plat and whether or not improved, which is designated for apartments, condominiums or townhouses.

NONDEVELOPER VOTES shall mean those votes, as determined pursuant to Section 6.03A, which are not owned or controlled by Grantor or any Major Developer.

NOTICE AND HEARING shall mean ten days written notice given as in Section 10.03 provided and a public hearing at which the person to whom the notice is directed shall have the opportunity to be heard in person or by counsel at his expense.

OWNER shall mean (1) the person or persons, including Grantor, holding an aggregate fee simple interest in a unit of land or a Condominium Unit, or, as the case may be, (2) the purchaser of an aggregate fee simple interest in a unit of land or a Condominium Unit under an executory contract sale.

PERIOD OF GRANTOR CONTROL shall mean that period of time during which Grantor shall have the right, at Grantor's option, to appoint all officers and directors of the Master Association and to direct the business of the Master Association pursuant to Section 6.03E.

PERSON shall mean a natural individual or any other entity with the legal right to hold title to real property.

PLANS AND SPECIFICATIONS shall mean any and all documents designed to guide or control the Improvement or other proposal in question, including but not limited to those indicating size, shape, configuration or materials, all site plans, excavation and grading plans, foundation plans, drainage plans, landscaping and fencing plans, elevation drawings, floor plans, specifications on all building products and construction techniques, samples of exterior colors, plans for utility services, and all other documentation or information relevant to the Improvement of proposal in question.

RECORD, RECORDED, AND RECORDATION shall mean, with respect to any document, the recordation of such document in the office of the Clerk and Recorder of the county wherein the land lies.

RECREATION AND OPEN SPACE shall mean all areas designated by Grantor as thereafter to be held for recreational purposes for the benefit of all Members; provided, however, that access to any area or facility may be limited to dues-paying members, subject to fees and other charges, or otherwise conditioned or restricted, and made available to nonmembers, all on such terms and conditions as the Board may determine.

SUBASSOCIATION shall mean any nonprofit Colorado corporation or unincorporated association and its successors, organized and established by Grantor or by Grantor and a Major Developer pursuant to or in connection with a Supplemental Declaration recorded by Grantor or by Grantor and a Major Developer, as provided in Sections 2.01 and 6.01.

SUBDIVISION shall mean a parcel of land which has been shown on a final and recorded subdivision plat pursuant to C.R.S. Chapter 106, Article 2, as amended.

SUPPLEMENTAL DECLARATION shall mean any declaration of covenants, conditions and restrictions which may be hereafter recorded by Grantor or by Grantor and a Major Developer.

## **ARTICLE II** **Development of Ken-Caryl Ranch; Annexation**

**SECTION 2.01 Subdivision and Development by Grantor.** Grantor intends to divide Ken-Caryl Ranch into several areas, to develop some of said areas and, at Grantor's option, to dedicate some of said areas as Local Common Areas, Recreation and Open Space, or for other purposes for the benefit

of the developed areas, in accordance with a master plan for the Ranch. It is contemplated that the Ranch will be developed pursuant to such master plan, as it may from time to time be amended or modified, as a unified planned development district in which the development of, and restrictions upon, each portion thereof will benefit each other portion and the whole thereof. As each area is developed or dedicated, Grantor, or if the area is owned by a Major Developer, Grantor and such Major Developer, may record one or more Supplemental Declarations with respect thereto which will refer to the Master Declaration and designate the use classification, and which may supplement the Master Declaration with such additional covenants, conditions, and restrictions as Grantor or Grantor and such Major Developer may deem appropriate for that area. Such Supplemental Declaration may, but need not, provide for the establishment of a Subassociation to be comprised of Owners within the area subject thereto. Any Supplemental Declaration may provide its own procedure for the amendment of any provisions thereof, as, for example, by a specified vote of only the Owners of some of the property within the area subject thereto. All lands, Improvements and uses in each area so developed shall be subject to both this Master Declaration and the Supplemental Declaration, if any, for that area.

SECTION 2.02 Annexation. Grantor, and other Persons with Grantor's written consent, may at any time and from time to time add to the lands which are subject to this Declaration all or any portion of the lands now or hereafter described in Exhibit "B" attached hereto. Except as provided in paragraph D of this Section 2.02 and in Section 2.04F, upon the recording of a Notice of Addition of Land containing the provisions set forth below in this Section 2.02 (which Notice may be contained within any Supplemental Declaration affecting such land), the covenants, conditions and restrictions contained in this Declaration shall apply to the added land in the same manner as if it had been originally subject to this Declaration; and thereafter, except as provided in paragraph D of this Section 2.02 and in Section 2.04F, the rights, privileges, duties and liabilities of the Persons subject to this Declaration shall be the same with respect to the added land as with respect to the lands originally covered by this Declaration.

- The Notice of Addition of Land referred to hereinabove shall contain the following provisions:
- A. A reference to this Declaration, which reference shall state the date of recordation hereof and the book and page numbers wherein this Declaration is recorded;
  - B. A statement that the provisions of this Declaration shall apply to the added land as set forth herein;
  - C. An adequate legal description of the added land; and
  - D. Grantor's written consent if the added land is not then owned by Grantor, as part of such written consent, Grantor may agree with the Person who owns such land as to the terms and conditions upon which grantor will exercise its rights and duties, as Grantor under this Master Declaration, with respect to such added land. Such terms and conditions may provide for joint exercise, as to such added land, of Grantor's said rights and duties.
  - E. The Veterans Administration's written approval pursuant to Section 10.07 if the annexation is to be effective during the Period of Grantor Control.

SECTION 2.03 Lands Owned By Major Developer. If an area has been sold to a Major Developer, any Supplemental Declaration with respect thereto shall be executed by both Grantor and such Major Developer.

SECTION 2.04 Enlargement of Exhibit "B". Grantor, and other Persons with Grantor's written consent, may at any time and from time to time enlarge the area which is now described on Exhibit "B" by adding thereto lands which are not now described thereon. Any such enlargement shall require Veterans Administration approval pursuant to Section 10.07 below. Additionally, any such enlargement which would add to Exhibit "B" any land already developed or intended to be developed for purposes other than Recreation and Open Space shall require the consent of two-thirds of the Nondeveloper Votes. If other lands are so added to Exhibit "B", this Master Declaration shall thenceforth apply to them in the same manner as would have been the case had such other lands been initially described on Exhibit "B". Such other lands shall be added to Exhibit "B" by the recording of a Notice of Enlargement of Exhibit "B" which shall contain the following provisions:

- A. A reference to this Declaration, which reference shall state the date of recordation hereof

- and the book and page numbers wherein this Declaration is recorded;
- B. A statement that Exhibit "B" is enlarged to include the lands being added;
- C. An adequate legal description of the lands being added to Exhibit "B";
- D. Grantor's written consent if the land being added to Exhibit "B" is not owned by Grantor. As part of such written consent, Grantor may agree with the Person who owns such lands as to the terms and conditions upon which Grantor will exercise its rights and duties, as Grantor under this Master Declaration, with respect to such lands added to Exhibit "B" in the event that such lands or any of them are thereafter subjected to this Declaration pursuant to Section 2.02 above. Such terms and conditions may provide for joint exercise, as to such lands added to Exhibit "B", of Grantor's said rights and duties.
- E. The Veterans Administration's written and acknowledged consent to the enlargement;
- F. If the enlargement does not contain any land which is already developed or intended to be developed for other than Recreation and Open Space purposes, a statement to that effect. Such statement shall include a covenant running with and binding upon the land within the enlargement that if any of such land shall ever be developed for other than Recreation and Open Space purposes prior to annexation pursuant to Section 2.02, subsequent annexation of the land so developed shall require consent of the Veterans Administration pursuant to Section 10.07 and of two-thirds of the Nondeveloper Votes, and that if any of such land shall ever be proposed for development for other than Recreation and Open Space purposes subsequent to its annexation pursuant to Section 2.02, such development shall require consent of the Veterans Administration pursuant to Section 10.07 and of two-thirds of the Nondeveloper Votes; and
- G. If the enlargement contains any land already developed or intended to be developed for other than Recreational and Open Space purposes, a statement executed and acknowledged by the president of the Master Association, and attested by the secretary of the Master Association, certifying that the enlargement has been approved by at least two-thirds of the Nondeveloper Votes.

Subject to paragraph F of this Section 2.04, the lands, or any part thereof, described in a Notice of Enlargement of Exhibit "B" may thereafter be subjected to this Master Declaration by the recording of a Notice of Addition of Land as provided above in Section 2.02.

SECTION 2.05 Development Maxima. With regard to the lands described in Exhibits "A" and "B" as of the date of recording of this amendment, the maximum number of dwelling units permitted upon the Ranch shall be 6,000 and the maximum number of acres devoted to Commercial Use upon the Ranch shall be 663 acres.

### **ARTICLE III** **General Restrictions**

All real property within Ken-Caryl Ranch shall be owned, held, conveyed, encumbered, leased, used, occupied and enjoyed subject to the following limitations and restrictions:

SECTION 3.01 Antennas. Except for any which may, at Grantor's option, be erected by Grantor or Grantor's designated representative, no exterior radio or television antenna or aerial shall be erected or maintained in Ken-Caryl Ranch without the prior written approval of the Architectural Committee.

SECTION 3.02 Insurance Rates. Nothing shall be done or kept in Ken-Caryl Ranch which will increase the rate of insurance on any Association Property without the approval of the Board, nor shall anything be done or kept in Ken-Caryl Ranch which would result in the cancellation of insurance on any Association Property or which would be in violation of any law.

SECTION 3.03 No Further Subdividing. No Lot, Local Common Area, Multi-Family Site or Condominium Unit shall be further divided or subdivided, nor may any easement or other interest therein less than the whole be conveyed by the Owner thereof (including any Subassociation) without

the prior written approval of the Architectural Committee; provided, however, that when Grantor is the Owner thereof, Grantor may further divide and subdivide any Lot, Local Common Area, Multi-Family Site and Condominium Unit and convey any easement or other interest less than the whole, all without the approval of the Architectural Committee; and provided, further, that nothing herein shall be deemed to require the approval of the Architectural Committee for the transfer or sale of any Lot, including Improvements thereon, or Condominium Unit to more than one person to be held by them as tenants in common or joint tenants, or for the granting of any Mortgage or deed of trust.

SECTION 3.04 Signs. No sign of any kind shall be displayed to the public view without the approval of the Architectural Committee; provided, however, that signs not more than three feet by two feet of plain white with black block letters may be displayed on or from a residence advertising the residence for sale or lease. No flashing or moving signs shall be permitted on Ken-Caryl Ranch.

SECTION 3.05 Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate upon any property within Ken-Caryl Ranch and no odors shall be permitted to arise therefrom so as to render any such property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property or to its occupants. No noise or other nuisance shall be permitted to exist or operate upon any such property so as to be offensive or detrimental to any other property or to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes) shall be located, used or placed on any such property without the prior written approval of the Board.

SECTION 3.06 Repair of Buildings. No Improvement hereafter constructed upon any land within Ken-Caryl Ranch shall be permitted to fall into disrepair, and each such Improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished by the Owner (including any Subassociation) thereof.

SECTION 3.07 Improvement and Alterations. There shall be no construction other than repairs pursuant to Section 3.06 above, excavation, alteration which in any way alters the exterior appearance of any Improvement, or removal of any improvement without the prior approval of the Architectural Committee.

SECTION 3.08 Violation of Ken-Caryl Ranch Restrictions. There shall be no violation of the Ken-Caryl Ranch Restrictions once adopted and made available to the Persons affected thereby. If any Owner or his family or any guest, licensee, lessee or invitee of such Owner or his family violates the Ken-Caryl Ranch Restrictions, the Board may invoke any one or more of the following remedies: (a) impose a special charge upon such Owner of not more than Fifty Dollars for each violation; (b) suspend the right of such Owner and his family, guests, licensees, lessees, and invitees to use Association Property under such conditions as the Board may specify, for a period of not to exceed thirty days for each violation; (c) cause the violation to be cured and charge the cost thereof to such Owner; and (d) obtain injunctive relief against the continuance of such violation. Before invoking any such remedy, the Board shall give such Owner Notice and Hearing except that the Board may suspend the right of any Owner and his family, guests, licensees, lessees and invitees without Notice and Hearing for any period during which any Assessment owned by such Owner is past due and unpaid. Any assessment or charge imposed under this Section 3.08 which remains unpaid for a period of ten days or more, shall become a lien upon the Owner's land or Condominium Unit and may be collected as provided in Article IX below for the collection of other Assessments. The duties and powers of the Board pursuant to this section may be delegated to a committee of Members, directors, or both.

SECTION 3.09 Drainage. There shall be no interference with the established drainage patterns over any property within Ken-Caryl Ranch, except by Grantor, unless adequate provision is made for proper drainage and approved by the Architectural Committee.

SECTION 3.10 No Hazardous Activities. No activities shall be conducted on any property and no Improvements constructed on any property which are or might be unsafe or hazardous to any

person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any property except in the portions of Recreation and Open Space areas designated for skeet shooting or rifle or pistol range purposes by Grantor, or by the Master Association as to Association Property; and no open fires shall be lighted or permitted on any property except in a contained barbecue unit while attended and in use for cooking purposes or within a safe and well-designed interior fireplace or except such campfires or picnic fires in the portions of Recreation and Open Space areas designated for such use by Grantor, or by the Master Association as to Association Property.

SECTION 3.11 No Temporary Structures. No tent or shack or other temporary building, improvement or structure shall be placed upon any property, except that, subject to the Ken-Caryl Ranch Rules, tents may be used for overnight recreational camping on designated portions of Recreation and Open Space areas; and except that temporary structures necessary for storage of tools and equipment and for office space for architects, builders and foremen during actual construction may be maintained with the prior approval of Grantor, such approval to include the nature, size and location of such structure.

SECTION 3.12 No Mining and Drilling. No Property shall be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing water, oil, gas or other hydrocarbons, minerals of any kind, rocks, stones, sand, gravel, aggregate or earth, except that (a) Grantor or the Master Association may, by appropriate written permit, grant, license or easement, allow the drilling of wells and the installation of infiltration galleries for the extraction of water, and (b) the Master Association, with the prior written consent of 100% of all votes entitled to be cast and, during the Period of Grantor Control of Grantor, may, by appropriate written permit, grant, license, or easement, allow any of the foregoing activities not referred to in (a) above to the extent permitted by applicable zoning.

SECTION 3.13 Vehicles. The use of all vehicles, including but not limited to helicopters, gliders, trucks, automobiles, graders, boats, tractors, pickups, mobile homes, trailers, buses, campers, recreational vehicles, bicycles, motorcycles, motor scooters, wagons, sleighs and snowmobiles, shall be subject to the Ken-Caryl Ranch Rules, which prohibit or limit the use thereof within specified parts of Ken-Caryl Ranch, and which may also provide parking regulations and adopt other rules regulating the same.

SECTION 3.14 Construction Activities. This Master Declaration shall not be construed so as to unreasonably interfere with or prevent normal construction activities during the construction of Improvements by any Owner (including Grantor) upon property within Ken-Caryl Ranch, provided that when completed such Improvements shall in all ways conform to this Master Declaration. Specifically, no such construction activities shall be deemed to constitute a nuisance or a violation of this Master Declaration by reason of noise, dust, presence of vehicles or construction machinery, posting of signs or similar activities, provided that such construction is pursued to completion with reasonable diligence, is in compliance with applicable federal, state and local laws and ordinances and any rules and regulations adopted pursuant thereto, and conforms to usual construction practices in the area. In the event of any dispute, a temporary waiver of the applicable provision, including but not limited to any provision prohibiting temporary structures, may be granted by the Architectural Committee, provided that such waiver shall be only for the reasonable period of such construction. Such waiver may, but need not, be recorded or in recordable form. No construction activities shall be carried on in such a way as to create a health hazard or unreasonably interfere with the use and enjoyment of any homeowner or his family of the homeowner's home.

SECTION 3.15 Exemption of Grantor. Notwithstanding anything in this Master Declaration to the contrary, neither Grantor nor any of Grantor's activities shall in any way be subject to the control of or under the jurisdiction of the Architectural Committee. Without in any way limiting the generality of the preceding sentence, this Master Declaration shall not prevent or limit the right of Grantor to excavate and grade, to construct and alter drainage patterns and facilities, to construct any and all other types of Improvements, to maintain model homes and construction, sales and leasing offices and similar facilities, and to post signs incidental to construction, sales and leasing, all anywhere on the

Ranch; provided, however, that no such activities shall be carried on in such a way as to create a health hazard or unreasonably interfere with the use and enjoyment by any homeowner or his family of the homeowner's home.

SECTION 3.16 Assignment by Grantor. Any other provision of this Master Declaration to the contrary notwithstanding, Grantor may assign in whole or in part any of its privileges, exemptions rights and duties under this Master Declaration to any other Person and may permit the participation in whole or in part by any other Person in any of its privileges, exemptions, right and duties hereunder. Without in any way limiting the generality of the preceding sentence, Grantor may exempt from the control and jurisdiction of the Architectural Committee any Major Developer, or any assignee or successor in interest of all or substantially all of Grantor's interests, rights, and responsibilities in and to the Ranch.

## **ARTICLE IV**

### **Permitted Uses and Restrictions - Residential Areas**

SECTION 4.01 Residential and Residential Common Areas. All property within any residential area (excluding any Recreation and Open Space in such residential area) shall be improved and used solely for residential use; except that any Local Common Areas in such residential area may be improved and used for active and passive recreational purposes for the primary benefit of the Owners and occupants of Lots and Multi-Family Sites in such residential area; and except that, as to any specific area, Grantor (or the Board if delegated by Grantor) may, in its sole and absolute discretion, permit other Improvements and uses consistent with the zoning then in effect for such specific area by so providing in a Supplemental Declaration recorded with respect to such specific area. The Supplemental Declaration recorded for a residential area shall designate such area to be either a single-family residential area or a multi-family residential area, and may further designate such residential use for that area to be attached or detached single-family residences or any combination thereof in the case of a single-family residential area, or one or more apartment houses or condominium buildings or townhouses or any combination thereof in the case of a multi-family residential area. The Supplemental Declaration may designate an area as a planned unit development combining both single-family and multi-family residences where permitted by the applicable zoning and the Ken-Caryl Ranch Restrictions.

#### SECTION 4.02 Improvements and Use.

A. Except as provided in Section 4.01 hereof, no Lot shall be improved or used except by a dwelling or structure designed to accommodate no more than a single family and its servants and occasional guests, plus a garage, fencing and such other improvements as are necessary or customarily incident to a single-family residence; provided, however, that separate guest houses, and servants' quarters, and barns, stables and corrals may be erected on any Lot if permitted by the appropriate Supplemental Declaration and the applicable zoning.

B. Except as provided in Section 4.01 hereof, no Multi-Family Site shall be improved or used except by an apartment house, condominium building, or townhouse, or any combination thereof, except that a Multi-Family Site may also be used for single-family residential purposes to the extent permitted by applicable zoning and the Ken-Caryl Ranch Restrictions.

SECTION 4.03 Residential Use; Rentals. No residence on any Lot or Multi-Family Site shall be used for any purpose other than single-family residential purposes. However, nothing in this Declaration shall prevent the rental of property within a residential area by the Owner thereof for residential purposes, on either a short or long-term basis subject to all the provisions of the Ken-Caryl Ranch Restrictions. No commune, co-operative or similar type living arrangement shall be permitted anywhere on Ken-Caryl Ranch.

SECTION 4.04 Animals. No kennel or other facility for raising or boarding dogs or other animals for commercial purposes shall be kept on any Lot or Multi-Family Site. No animals of any kind shall be raised, bred or kept on any Lot or Multi-Family Site except dogs, cats or other ordinary household pets; provided, however, that horses may be raised, bred and kept on any Lot to the extent permitted by applicable zoning and the Ken-Caryl Ranch Restrictions. No poultry may be kept on any Lot or Multi-Family Site.

SECTION 4.05 Unsightly Articles. No unsightly article shall be permitted to remain on any Lot or Multi-Family Site so as to be visible from adjoining property or public or private thoroughfares. Without limiting the generality of the foregoing, trailers, mobile homes, recreation vehicles, graders, trucks other than pickups, boats, tractors, campers, wagons, buses, sleighs, motorcycles, motor scooters, snowmobiles, snow removal equipment and garden and maintenance equipment shall be kept at all times, except when in actual use, in an enclosed structure or screened from view and no repair or maintenance work shall be done on any of the foregoing, or on any automobile, other than minor emergency repairs, except in an enclosed garage or other structure; refuse, garbage and trash shall be kept at all times in a covered, noiseless container and any such container shall be kept within an enclosed structure or appropriately screened from view; service areas, storage areas, compost piles and facilities for hanging, drying or airing clothing or household fabrics shall be appropriately screened from view, no lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials or scrap or refuse or trash shall be kept, stored or allowed to accumulate on any property except within an enclosed structure or appropriately screened from view; and liquid propane gas, oil and other exterior tanks shall be kept within an enclosed structure or permanently screened from view.

## **ARTICLE V** **Permitted Uses and Restrictions - Other Areas**

SECTION 5.01 Recreation and Open Space Areas. Any other provision of this Master Declaration to the contrary notwithstanding, no land within any Recreation and Open Space area shall be improved by any Improvement, used or occupied except in such manner as shall have been approved by Grantor in its sole and absolute discretion. Such required approval shall extend to the nature and type of use, occupancy, and Improvement, and may be given by recorded Supplemental Declaration. Grantor may delegate its right to grant such approvals to the Board. No approvals shall be granted which would be in contravention of the zoning then in effect for the area in question.

SECTION 5.02 Commercial Areas. No noxious or offensive trades, services, activities, or businesses shall be conducted on any Commercial Site, nor shall anything be done thereon which may be or become an annoyance or nuisance to other Owners or to other occupants of lands within Ken-Caryl Ranch, by reason of unsightliness, or excessive emissions of fumes, exhaust, odors, glare, vibration, gases, air, wind, radiation, dust, liquid waste, solid waste, heat, smoke, noise or otherwise. Each Owner and each occupant of a Commercial Site shall keep such Site and the Improvements thereon in a safe, clean, neat and wholesome condition, and shall comply in all respects with all applicable governmental requirements and the Ken-Caryl Ranch Restrictions.

## **ARTICLE VI** **Ken-Caryl Ranch Master Association**

SECTION 6.01 Organization. The Master Association is a nonprofit Colorado corporation created for the purposes, charged with the duties, and invested with the powers prescribed by law or set forth in its Articles and Bylaws or in this Master Declaration. Neither the Articles nor Bylaws shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Master Declaration. In case of conflict between the Master Declaration and the Articles of Incorporation and Bylaws, the Master Declaration shall control, and in case of conflict between the Articles of Incorporation and Bylaws, the Articles of Incorporation shall control. Nothing in this Master Declaration shall prevent the creation, by provision therefore in Supplemental Declarations executed and recorded by Grantor, or, as to lands owned by a Major Developer, by Grantor and such Major

Developer, of Subassociations to own, assess, regulate, operate, maintain or manage the portions of Ken-Caryl Ranch subject to such Supplemental Declarations or to own or control portions thereof for the common use or benefit of Owners and occupants of lands or Condominium Units in the portion of Ken-Caryl Ranch subject to such Supplemental Declarations. In case of actual conflict between the Master Declaration and Articles of Incorporation of the Ken-Caryl Ranch Master Association on the one hand and the Supplemental Declaration and other organizational documents of any Subassociation on the other hand, the Master Declaration and Articles of Incorporation of Ken-Caryl Ranch Master Association shall control.

SECTION 6.02 Membership. Only the Owners defined in Section 6.03A below and Grantor shall be Members of the Master Association; provided, however, that no Person shall be a Member by reason of ownership of lands used for public school or governmental or quasi-governmental purposes, or by reason of ownership of any park, public land, road, easement, right of way, mineral interest, mortgage or deed of trust. Each Owner as defined in the preceding sentence shall automatically be a Member of the Master Association without the necessity of any further action on his part, and Master Association membership shall be appurtenant to and shall run with the property interest ownership of which qualifies the Owner thereof to membership. Membership may not be severed from or in any way transferred, pledged, mortgaged, or alienated except together with the title to the property interest, ownership of which qualifies the Owner thereof to membership, and then only to the transferee of title to said property interest. Any attempt to make a prohibited severance, transfer, pledge, mortgage or alienation shall be void.

Notwithstanding any other provision of this Master Declaration, the Board shall have the authority to determine that the Owners of all or some certain designated Commercial Sites on the Ranch shall no longer be Members of the Master Association. This authority may be exercised only if and when the United States Internal Revenue Service shall have determined both (a) that the Master Association is ineligible for exemption from taxation pursuant to 26 U.S.C. 501(c)(4), and (b) that such termination or partial termination of membership is necessary and substantially sufficient to qualify the Master Association for 26 U.S.C. 528 treatment. Any such termination shall terminate the right to vote, the obligation to pay after-accruing assessments, and all other incidents of membership in the Master Association but shall not otherwise remove the affected land from the burdens and benefits of this Master Declaration.

#### SECTION 6.03 Voting Rights.

A. Entitlement. The right to cast votes, and the number of votes which may be cast, for election of members to the Board of Directors of the Master Association and on all other matters to be voted on by the Members shall be calculated as follows:

- (a) The Owner (including Grantor) of each Custom Home Lot shall have one vote for each such Lot;
- (b) The Owner (including Grantor) of a single-family residence, constructed upon any Lot other than a Custom Home Lot and for which a certificate of occupancy has been issued by the appropriate governmental authorities, shall have one vote for each such residence;
- (c) The Owner (including Grantor) of each completed Condominium Unit in a Condominium Building shall have one vote for each such Condominium Unit for which a certificate of occupancy has been issued by the appropriate governmental authorities. (For purposes of calculating the right to and the number of votes which may be cast, townhouse units shall be treated the same as Condominium Units);
- (d) The Owner (including Grantor) of each completed apartment house shall have one vote for each dwelling unit for which a certificate of occupancy has been issued by the appropriate governmental authorities, within said apartment house;
- (e) The Owner (including Grantor) of each Commercial Site shall be entitled to one vote for each full acre and one vote for each additional fractional acre less than a full acre in such Commercial Site; provided, however, that if such Commercial Site

contains less than one full acre, the Owner thereof shall be entitled to one vote;

To the extent that certificates of occupancy are not then required for any single-family residence, Condominium Unit, townhouse or apartment house dwelling unit at the time of completion of construction the Owner thereof shall be a Member and shall have a vote under subparagraph (b), (c) or (d), as the case may be, upon completion of construction and notwithstanding that no certificate of occupancy has been issued.

B. Joint or Common Ownership. If any property interest, ownership of which entitles the Owner thereof to vote, is held jointly or in common by more than one Person, the vote or votes to which such property interest is entitled shall also be held jointly or in common in the same manner. However, the vote or votes for such property interest shall be cast, if at all, as a unit, and neither fractional votes nor split votes shall be allowed. In the event that such joint or common Owners are unable to agree among themselves as to how their vote or votes shall be cast as a unit, they shall lose their right to cast their vote or votes on the matter in question. Any joint or common Owner shall be entitled to cast the vote or votes belonging to the joint or common Owners unless another joint or common Owner shall have delivered to the Secretary of the Master Association prior to the election a written statement to the effect that the Owner wishing to cast the vote or votes has not been authorized to do so by the other joint or common Owner or Owners.

C. Proxy Voting. Any Owner, including Grantor, may give a revocable written proxy to any person authorizing the latter to cast the Owner's votes on any matter. Such written proxy shall be in such form as may be prescribed by the Bylaws of the Master Association.

D. Cumulative Voting. The cumulative system of voting shall not be used for any purpose.

E. Period of Grantor Control. Notwithstanding the provisions of Section 6.03A of this Master Declaration, Grantor shall have the right, at Grantor's option, to appoint all the officers and directors of the Master Association and to direct the business of the Master Association (except as limited by this Master Declaration and the Articles of Incorporation of the Master Association) for a period of time determined as hereinafter indicated, after which period Grantor's right to appoint all or any of the officers and directors of the Master Association and to direct the business of the Master Association shall cease and determine except to the extent of Grantor's voting rights according to the provision of Section 6.03A. This Period of Grantor Control shall extend as follows:

- (a) Until 2,687 dwelling units subject to this Master Declaration have been completed or until January 1, 1985, which ever comes first; or
- (b) If and only if all of the lands referred to herein as the "Final Phase Lands" (as defined below) are annexed by a properly executed, notarized and recorded Notice of Addition of Land pursuant to Section 2.02 before the deadline specified in subsection (a) above, then until 4,125 dwelling units subject to this Master Declaration have been completed, or until January 1, 1990, whichever comes first; or
- (c) If and only if some but not all of said Final Phase Lands are annexed as aforesaid (i) before the deadlines specified in subsection (a) in the case of the first such partial annexation of Final Phase Lands, or (ii) before the then operative deadline as determined under this subsection (c) in the case of each and every subsequent such partial annexation of Final Phase Lands, then until a certain number of dwelling units subject to this Master Declaration have been completed, or a certain date, whichever comes first. Said "certain number of dwelling units" shall be equal to the number of dwelling units specified in the theretofore operative deadline plus three-fourths (3/4) of the number which bears the same proportion to 1,917 as the acreage of the land being annexed bears to the acreage of all the Final Phase Lands. Said "certain date" shall

be a date following the date specified in the theretofore operative deadline by the number of days which bears the same proportion to 1,826 as the acreage of the land being annexed bears to the acreage of all the Final Phase Lands. In order to extend the Period of Grantor Control under this Section 6.03E(c), any such partial annexations of Final Phase Lands must consist of lands which are reasonably related, in terms of contiguity, cross-access, and similar factors, to lands already subject to this Master Declaration, and which contain approximately the same relative proportions of developable land and Recreation and Open Space land as are contained in the Final Phase Lands as a whole under the Official Development Plan of the Ken-Caryl Ranch, filed with the Clerk and Recorder of Jefferson County, Colorado, under Reception No. 554186, as amended to the date of recording of this amendment. The Veterans Administration review, pursuant to Section 10.07 of this Master Declaration, of any such partial annexation shall include consideration of these requirements, and Veterans Administration approval of any such partial annexation shall be deemed conclusive evidence that these requirements have been satisfied unless explicitly stated otherwise in the letter, certificate, or other document indicating said approval by the Veterans Administration.

For purposes of this Section 6.03E, a dwelling unit shall be deemed "completed" when its Owner first becomes entitled to a vote on its account by virtue of Section 6.03A. For purposes of this Section 6.03E, "Final Phase Lands" are all those lands within the limits of Exhibit "B" to this Master Declaration, except (i) those lands conveyed to Ken-Caryl Ranch Corporation by Johns-Manville Sales Corporation by deed recorded in Jefferson County on September 6, 1973, in Book 2547 at page 101 (ii) those lands conveyed to Johns-Manville Investment Corporation by Johns-Manville Sales Corporation by deed recorded in Jefferson County on July 30, 1976, in Book 2884 at Page 97, and (iii) NE  $\frac{1}{4}$  SW  $\frac{1}{4}$  and NW  $\frac{1}{4}$  SE  $\frac{1}{4}$  and NE  $\frac{1}{4}$  SE  $\frac{1}{4}$ , Section 4, Township 6 South, Range 69 West of the 6<sup>th</sup> P.M. Any failure by Grantor to exercise all or some of its optional rights under this Section 6.03E shall not constitute a waiver of those rights, the exercise of which Grantor may forego or resume as it chooses.

SECTION 6.04 Meetings of Members. There shall be an annual regular meeting of the Members of the Master Association on the first Tuesday in March of each year at 10:00 a.m. at the principal office of the Master Association. Except as in the next sentence provided, no notice need be given of said annual regular meeting. Said annual regular meeting may be held at such other reasonable place or time (not more than 30 days before or after the aforesaid date) as may be designated by notice of the Board given to the Members not less than ten nor more than fifty days prior to the date fixed for said regular meeting. Special meetings of the Members may be called at any reasonable time and place by notice by the Board or by notice by Members having one-fifth of the total votes, delivered not less than ten or mailed not less than fifteen days prior to the date fixed for said special meeting, to all Members if given by the Board and to all other Members if given by said Members. All notices of meetings shall be addressed to each Member as his address appears on the books of the Master Association.

The presence at any meeting, in person or by proxy, of Members entitled to vote at least a majority of the total votes outstanding shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Members present, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours nor more than 30 days from the time set for the original meeting, at which adjourned meeting the quorum requirement shall be the Members entitled to vote 25% of the total votes.

The Chairman of the Board of Directors, or in his absence the Vice Chairman, shall call meetings of Members to order and act as chairman of such meetings. In the absence of both of said officers, any Member entitled to vote thereat or any proxy of any such Member may call the meeting to order, and a chairman of the meeting shall be elected. The Secretary of the Master Association, or in his absence the Assistant Secretary, shall be selected in the manner aforesaid for selecting a chairman of the meeting.

Except as provided otherwise in the Master Declaration , any action may be taken at any legally convened meeting of the Members upon the affirmative vote of the Members having a majority of the total votes present at such meeting in person or by proxy.

SECTION 6.05 Duties of the Master Association. Subject to and in accordance with the Ken-Caryl Ranch Restrictions, the Master Association shall have and perform each of the following duties for the benefit of the Members of the Master Association:

A. Recreation and Open Space Areas - Association Property. To accept, own, operate and maintain all Recreation and Open Space areas and all other property, real and personal, which may be conveyed to it by Grantor, together with all Improvements of whatever kind and for whatever purpose which may be located in said areas.

B. Title to Property Upon Dissolution. To pay over or convey, upon dissolution of the Master Association, the assets of the Master Association to one or more exempt organizations of the kind described in Section 501(c) of the Internal Revenue Code of 1954, as amended from time to time.

C. Repair and Maintenance of Association Property. To maintain in good repair and condition all lands, Improvements, and other Association Property owned by the Master Association.

D. Payment of Taxes. To pay all real and personal property taxes and other taxes and assessments levied upon or with respect to any property owned by the Master Association, to the extent that such taxes and assessments are not levied directly upon the Members. The Master Association shall have all rights granted by law to contest the legality and the amount of such taxes and assessments.

E. Insurance. To obtain and maintain in effect policies of insurance adequate, in the opinion of the Board, in kind and amount. Without limiting the generality of the preceding sentence, such policies of insurance shall include:

- (1) Fire and extended coverage insurance on all Improvements owned by the Master Association the amount of such insurance to be not less than 90% of the aggregate full insurable value, meaning actual replacement cost exclusive of the costs of excavations, foundations and footings. Such insurance shall insure the Master Association and the mortgagees, as their interests may appear. As to each such policy which will not be thereby voided or impaired, the Master Association hereby waives and releases all claims against the Board and Grantor, and the officers, agents and employees of each thereof, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but only to the extent that insurance proceeds are received in compensation for such loss. If the foregoing exculpatory clause is held to be invalid, then the liability of the insurance company shall be primary, and the liability of the Board, Grantor, and the officers, agents and employees of the Board and of Grantor shall be secondary.
- (2) Bodily injury liability insurance, with limits of not less than \$500,000 per person and \$1,000,000 per occurrence and property damage liability insurance of not less than \$50,000 per occurrence, insuring against liability for death, bodily injury or property damage arising from activities of the Master Association or with respect to property under its jurisdiction, including, if obtainable, a cross-liability endorsement insuring each insured against liability to each other insured. The liability insurance policies referred to above shall name as separately protected insureds Grantor, the Master Association, the Board and each of its members, the Architectural Committee and each of its members, and the Manager, and such policies may also name some or all of the respective officers, employees and agents of the foregoing.
- (3) Workmen's Compensation insurance to the extent necessary to comply with all applicable laws.

(4) A fidelity bond in the penal amount of not less than \$25,000, naming the members of the Board and such other persons as may be designated by the Board as principals and the Master Association as obligee.

(5) Standard Directors and Officers Liability Insurance in amounts and coverages as determined by the Board.

(6) Such other insurance, including indemnity and other bonds, as the Board shall deem necessary or expedient to carrying out the Master Association's functions. The Master Association shall be deemed trustee of the interests of all Members in all insurance proceeds, and shall have full power to receive and to deal with such proceeds.

F. Ken-Caryl Ranch Rules. To make, establish and promulgate, and in its discretion to amend or repeal and reenact, such Ken-Caryl Ranch Rules, not in contradiction of this Master Declaration, as it deems proper covering any and all aspects of its functions including the use and occupancy of Association Property. Without limiting the generality of the foregoing sentence, such Rules may set dues and fees and prescribe the regulations governing the operation of Association Property. Each member shall be entitled to examine such Rules at any time during normal working hours at the principal office of the Association.

G. Architectural Committee. To appoint and remove members of the Architectural Committee as provided in Section 8.02 hereof, and to insure that at all reasonable times there is available a duly constituted and appointed Architectural Committee.

H. Enforcement Hereof. To enforce, in its own behalf and in behalf of all Owners, all of the covenants, conditions and restrictions set forth in this Master Declaration, under an irrevocable agency (hereby granted) coupled with an interest, as beneficiary of said covenants, conditions and restrictions, and as assignee of Grantor; and to perform all other acts, whether or not anywhere expressly authorized, as may be reasonably necessary to enforce any of the provisions of the Ken-Caryl Ranch Restrictions or of the Architectural Committee Rules.

I. Audit. To provide an annual audit by an independent certified public accountant of the accounts of the Master Association and to make a copy of such audit available to each Member during normal business hours at the principal office of the Master Association. Any Member may at any time and at his own expense cause an audit or inspection to be made of the books, records and papers of the Master Association by a certified public accountant or attorney, provided that such audit or inspection is made during normal business hours and without unnecessary interference with the operations of the Master Association. The Master Declaration, the Articles of Incorporation and the Bylaws shall be available for inspection by any Member at the principal office of the Master Association, where copies may be purchased at a reasonable cost.

J. Other. To carry out all duties of the Master Association set forth in the Ken-Caryl Ranch Restrictions, or the Articles or Bylaws of the Master Association.

SECTION 6.06 Powers and Authority of the Master Association. The Master Association shall have all of the powers of a Colorado nonprofit corporation, subject only to such limitations upon the exercise of such power as are expressly set forth in this Master Declaration. It shall further have the power to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers granted to it by the laws of Colorado or by this Master Declaration. Without in any way limiting the generality of the two preceding sentences, the Master Association shall have the power and authority at all times:

A. Assessments. To levy Assessments as in this Section 6.06A provided. An Assessment is defined for purposes of this Section 6.06A as that sum which must be levied in the manner and against the property set forth below in this Section 6.06A in order to raise the

total amount for which the levy in question is being made, and each individual Assessment shall be equal to each other individual Assessment. The Master Association shall levy:

- (a) One Assessment against each Custom Home Lot;
- (b) One Assessment against each Single-Family Residence constructed upon a Lot other than a Custom Home Lot and for which a certificate of occupancy has been issued by the appropriate governmental authorities;
- (c) One Assessment against each completed Condominium Unit for which a certificate of occupancy has been issued by the appropriate governmental authorities. (For purposes of calculating Assessments, townhouses shall be treated the same as Condominium Units);
- (d) That number of Assessments against each apartment house as is equal to the number of dwelling units for which a certificate of occupancy has been issued by the appropriate governmental authorities, within the apartment house; and
- (e) That number of Assessments against each Commercial Site as is equal to the number of votes to which the Owner thereof is entitled pursuant to Section 6.03A(e) above.

To the extent that a certificate of occupancy is not required for any single-family residence, condominium unit, townhouse, or apartment house dwelling unit at the time of completion of construction thereof, Assessments shall be levied under subparagraphs (b), (c), or (d) of this Section 6.06A, as the case may be, at the time of completion of construction notwithstanding that no certificate of occupancy has been issued.

During the Period of Grantor Control, Grantor shall not be subject to assessments nor be required to pay any assessments, dues or fees. Grantor shall, however, furnish to the Master Association a cash subsidy which, together with assessments, dues and fees paid by other Members of the Master Association, will be sufficient to maintain the Master Association in a sound and solvent financial condition. After the Period of Grantor Control, Grantor shall be subject to assessments, dues and fees in like manner as any other Member of the Master Association.

Where the obligation to pay an Assessment first arises after the commencement of the year or other period for which the Assessment was levied, the Assessment shall be prorated, as of the date when said obligation first arose, in proportion to the amount of the assessment year or other period remaining after said date.

Until March 7, 1978, the maximum amount which could be levied (but does not necessarily have to be levied) for each individual regular annual Assessment shall be \$420.00. From and after March 7, 1978, such maximum annual Assessment shall be increased each year by 5% above the maximum amount for the previous year, except that greater increases may be effected with the written consent of a majority of the Nondeveloper Votes during the Period of Grantor Control or of all the votes entitled to be cast thereafter. The actual amount of each individual regular annual Assessment in any year shall be determined by the Board; provided, however, that such actual amount shall never exceed the maximum amount as herein established.

In addition to the regular annual Assessments authorized above, the Master Association may levy special Assessments for the purpose of defraying in whole or in part the cost of any construction, reconstruction, repair or replacement of a capital improvement upon Association Property, including fixtures and personal property related thereto, or to meet any financial emergency of the Master Association, provided that any such Assessment shall have the written consent of a majority of Nondeveloper Votes during the Period of Grantor Control or of all the votes entitled to be cast thereafter, and provided further that any such special

Assessment shall be fully payable within the twelve-month period immediately following its approval by such majority.

During the Period of Grantor Control and for so long thereafter as Grantor controls 10% or more of the votes pursuant to Section 6.03A, but no longer, Grantor shall have the authority to veto any proposed special Assessment and any proposed increase in the maximum regular annual Assessment which requires written consent of a majority of Nondeveloper Votes or of all the votes entitled to be cast, as the case may be.

Assessments shall be both a personal obligation and a lien against each such Custom Home Lot and each such other Lot and all Improvements thereon, each such Condominium Unit (and townhouse), each such apartment house and the land upon which the same is situated, and each such Commercial Site and all Improvements thereon. The Master Association may enforce payment of such Assessments in accordance with the provisions of Article IX below.

B. Right of Entry and Enforcement. To enter, after 24 hours written notice, without being liable to any Owner upon any Lot or Commercial Site or into any Improvement, including Condominium Unit, townhouse, and apartment house dwelling unit, or onto any Local Common Area, for the purpose of maintaining or repairing any area, Improvement or other facility, if for any reason whatsoever the Owner thereof fails to maintain or repair any such area as required by the Ken-Caryl Ranch Restrictions. The Master Association shall also have the power and authority from time to time in its own name and on its own behalf, or in the name of and on behalf of any Owner who consents thereto, to commence and maintain actions and suits to enforce by mandatory injunction or otherwise, or to restrain and enjoin any breach or threatened breach of, the Ken-Caryl Ranch Restrictions.

C. Conveyances. To grant and convey to any person real property and interests therein, including fee title, leasehold estates, easements, rights of way, mortgages and deeds of trust, out of, in, on, over, or under any Master Association Property for the purpose of constructing, erecting, operating or maintaining thereof, therein, or thereunder:

- (1) Parks, parkways, campgrounds, or other recreational facilities;
- (2) Roads, streets, walks, driveways, trails, and paths;
- (3) Lines, cables, wires, conduits, pipelines or other devices for utility purposes;
- (4) Sewers, water systems, storm water drainage systems, sprinkler systems and pipelines; and
- (5) Any similar public, quasi-public, or private improvements or facilities.

Nothing above contained, however, shall be construed to permit use or occupancy of any land, Improvement or other facility in a way which would violate applicable zoning or use and occupancy restrictions imposed thereon by other provisions of this Master Declaration.

Notwithstanding the above, any lease of Recreation and Open Space or Improvements thereupon by the Master Association to Grantor or any of its corporate affiliates, which lease is for a term in excess of one year, shall require the prior written approval of the Veterans Administration.

D. Security Services. To provide watchmen, guards and police at points of entry onto Ken-Caryl Ranch, for Association Property and at such other places and for such other purposes as the Board shall determine.

E. Manager. To retain and pay for the services of a person or firm (the "Manager") to manage and operate the Master Association, including its Property, to the extent deemed advisable by the Board, together with such other personnel as the Board shall determine

advisable for the operation of the Master Association, the conduct of its business, and the management of its Property. Such personnel may be employed directly by the Master Association or may be furnished by the Manager. To the extent permitted by law, the Master Association and the Board may delegate any of their duties, powers and functions to the Manager.

Each and every independent contract with a Manager, for comprehensive management services by or under the direction of said Manager, which is entered into by or otherwise made binding upon the Master Association during the Period of Grantor Control, shall be terminable by the Master Association with or without cause, in the Board's sole and absolute discretion, and upon no more than thirty days prior written notice, at any time after termination of the Period of Grantor Control. Any such contract shall also require approval of the Veterans Administration pursuant to Section 10.07, and shall specifically state that, notwithstanding any other provision contained in the contract, it shall be subject to this second paragraph of this Section 6.06E of this Master Declaration. The provisions of this paragraph are not intended to apply to any contract of employment between the Master Association and its own employees nor to any contract between the Master Association and its own employees, nor to any contract between the Master Association and any independent contractor for the provision of legal accounting, special consulting, or other management-related services which are not comprehensive in nature.

During the Period of Grantor Control, Grantor may not act as Manager for the Master Association.

F. Legal and Accounting Services. To retain and pay for legal and accounting services necessary or proper in the operation of the Master Association, the operation and management of its Property, the enforcement of the Ken-Caryl Ranch Restrictions, or in the performance of any other duty, right, power or authority of the Master Association.

G. Association Property Services. To pay for water, sewer, garbage removal, electricity, telephone, gas, snow removal, landscaping, gardening, and all other utilities, services and maintenance for the Property of the Master Association.

H. Other Areas. To maintain and repair easements, roads, roadways, rights of way, parks, parkways, median strips, sidewalks, paths, trails, ponds, lakes, entry details, guardhouses, and other areas of Ken-Caryl Ranch owned by or leased to the Master Association, and to contribute toward the cost of operation and maintenance of private roads and any other improvements or other facilities owned by Subassociations on Ken-Caryl Ranch but used in part by Persons who are Members of the Master Association but not member of the Subassociation.

I. Recreational Facilities. To own and operate any and all types of facilities for both active and passive recreation, both on and off the Ranch, including, but not limited to: golf courses and related facilities; tennis courts and related facilities; swimming pools; ice rinks; community clubs; equestrian facilities; campgrounds and picnic areas; parks and playgrounds; glider ports and facilities; rifle, pistol, and archery ranges; facilities for skeet and trapshooting; trails for hiking, bicycles and horseback riding; lakes and ponds for swimming, water skiing, fishing and other water sports; and other similar and dissimilar recreational facilities.

J. Other Services and Properties. To obtain and pay for any other property and services, and to pay any other taxes or assessments which the Master Association or the Board is required to secure or to pay for pursuant to applicable law, the terms of the Ken-Caryl Ranch Restrictions, this Master Declaration, or the Articles or Bylaws of the Master Association.

K. Construction on Association Property. To construct new Improvements or additions to Master Association properties, or demolish existing Master Association Improvements, subject to the approval of the Architectural Committee as in this Master Declaration required.

L. Collection for Subassociations. To collect on behalf of and for the account of any Subassociation (but not to levy) any assessment made by a Subassociation created pursuant to this Master Declaration, provided that such Subassociation has delegated the right, authority and power to the Master Association to make such collections on its behalf and has agreed to pay and does pay all the costs of making and handling such collections.

M. Contracts. To enter into contracts with Grantor and with Subassociations, Major Developer, and other Persons on such terms and provisions as the Board shall determine, to operate and maintain any Local Common Area or recreational or other facility or area, or to provide any service or perform any function on behalf of Grantor or such Subassociation, Major Developer or other Person. As to any such contract into which the Association may enter with a Subassociation, the Association may make, establish and promulgate, and in its discretion may amend or repeal and reenact, rules of the kind described in Section 6.05F with respect to the Subassociation's property.

N. Long Term Financing. Subject, during the Period of Grantor Control, to the prior written consent of a majority of the Nondeveloper Votes and of the Veterans Administration, and subject, after the Period of Grantor Control, to the prior written consent of a majority of all the votes entitled to be cast, execute mortgages and deeds of trust, both construction and permanent, for construction of facilities, including Improvements, of property owned by the Master Association. Such financing may be effected through conventional mortgages or deeds of trust, the issuance and sale of development or other bonds, or in any other form or manner as may be deemed appropriate. The mortgage, deed of a first lien or a second or other junior lien, as shall be deemed appropriate, on the Improvement or other facility to be constructed, together with such underlying and surrounding lands as the Master Association deems appropriate. The debt secured by such mortgage, deed of trust or other security instrument may be retired from revenues generated by dues, use fees, assessment of the Members of the Master Association, or otherwise, or any combination thereof as may be deemed appropriate, but subject to the limitations imposed by this Master Declaration. During the Period of Grantor control and for so long thereafter as Grantor controls 10% or more of the votes pursuant to Section 6.03A, but no longer, Grantor shall have the authority to veto any proposal to mortgage or otherwise encumber property owned by the Master Association.

O. Merge, Consolidate, or Dissolve. To merge, consolidate, or dissolve the Master Association, but, during the Period of Grantor Control, only with the consent of the Veteran's Administration, Grantor, and three-fourths of the Nondeveloper Votes, and, after the Period of Grantor Control, only with the consent of three-fourths of all votes.

P. To obtain and hold any and all types of permits and licenses, and to operate restaurants.

Q. To acquire and own and to dispose of all manner of real and personal property, whether by grant, lease, gift or otherwise.

R. If it shall ever be ruled or held that an exemption under the Internal Revenue Code is unavailable to the Master Association because of one or more rights, powers, duties, obligations or functions given to the Master Association by the Master Declaration, the Master Association may create a subsidiary or other association to perform the rights, powers, duties obligations or functions which prevent the obtaining of the tax exemption; or, alternatively, the Master Association may retain the rights, powers, duties, obligations and functions which prevent the obtaining of the tax exemption and transfer some or all of its other rights, powers,

duties, obligations and functions to such subsidiary or other association.

SECTION 6.07 Indemnification.

A. Third Party Action. The Master Association may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, administrative, or investigative (other than an action by or in the right of the Master Association) by reason of the fact that he is or was a director, officer, employee, servant or agent of the Master Association against expenses (including attorneys' fees), judgments, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Master Association. The termination of any action, suit or proceeding by judgment, order, or settlement shall not of itself create a presumption that the person did not act in good faith or in a manner which he reasonably believed to be in or not opposed to the best interests of the Master Association.

B. Derivative Actions. The Master Association may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding by or in the right of the Master Association to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee, servant or agent of the Master Association, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action, proceeding or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Master Association, except that no indemnification shall be made in respect to any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Master Association.

C. Determination. Any indemnification which the Master Association has elected to provide under paragraph A or B of this Section 6.07 (unless ordered by a court) shall be made by the Master Association only as authorized in the specific case upon a determination that indemnification of the officer, director, employee, servant or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in paragraph A or B of this Section 6.07. Such determination shall be made (a) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion; provided, however, that if a director, officer, employee, servant or agent of the Master Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in paragraph A or B of this Section 6.07, or in defense of any claim, issue or matter therein, then, to the extent that the Master Association has elected to provide indemnification, he shall automatically be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith without the necessity of any such determination that he has met the applicable standard of conduct set forth in paragraph A or B of this Section 6.07.

D. Payment in Advance. Expenses incurred in defending a civil action, suit or proceeding may, in the discretion of the Board, be paid by the Master Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board as provided in paragraph C of this Section 6.07 upon receipt of an undertaking by or on behalf of the director, officer, employee, servant or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Master Association as authorized in this Section 6.07.

E. Insurance. The Board may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, servant, or agent of the Master Association,

against any liability asserted against him or incurred by him in any such capacity, or arising out of his status as such, whether or not the Master Association would have the power to indemnify him against such liability hereunder or otherwise, provided, however, that the Board shall purchase and maintain such insurance as provided in Section 6.05E(5).

F. Other Coverage. The indemnification provided by this Section 6.07 shall not be deemed exclusive of any other rights to which anyone seeking indemnification may be entitled under this Master Declaration, agreement, vote of the Members, vote of disinterested directors, Colorado law, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and may continue as to a person who has ceased to be a director, officer, employee, servant or agent and may inure to the benefit of the heirs and personal representatives of such a person.

G. Grantor Subsidization. During the Period of Grantor Control, Grantor shall be liable to the Master Association for the costs of any and all indemnifications which the Board has elected to provide to the extent necessary to maintain the Master Association in a sound and solvent financial condition pursuant to Section 6.06A.

#### SECTION 6.08 Reduced Assessments.

A. Exhibit "A" Lands. Notwithstanding any other provision of this Master Declaration, each Owner of a lot within the lands described in Exhibit "A" hereto shall have the option, exercisable at such reasonable intervals as the Board shall determine, either to pay full regular Assessments and receive full rights to use Association Property or to pay 25% of full regular Assessments and forego the right to use all Recreation and Open Space, including Improvements thereupon, except for such mountain open spaces as are predominantly unimproved and left in a natural state, which mountain open spaces the Board shall from time to time identify more precisely.

B. Commercial Sites. Notwithstanding any other provision of this Master Declaration, the Board shall have the authority to levy reduced Assessments upon all Owners of Commercial Sites anywhere within Ken-Caryl Ranch. Such reduced Assessments may be either mandatory or optional to the affected Owners, but in either case Assessment reduction shall be accompanied by loss of the right to use such Association Property as the Board, in its sole discretion, may from time to time specify. Reduced Assessments thus levied shall bear a reasonable relationship, as determined by the Board in its sole discretion, to those expenses of the Master Association properly shared even by those Owners who have lost the right to use said specified Association Property. Payment of full Assessments by the Owner of a Commercial Site shall entitle the Owner, its lessees, and their employees to the use of Association Property in a manner and to the extent determined by the Board in its sole discretion; provided, however, that the manner and extent of such use may in no case exceed the equivalent of one family or five individual memberships per full Assessment paid by the Owner of each Commercial Site. For purposes of this subsection, a "family membership" shall entitle one designated person and the members of his family who reside with him to the use of Association property as though such family resided on the Ranch, and an "individual membership" shall entitle one designated person to the use of Association property as though he resided on the Ranch.

SECTION 6.09 Diseased Trees. The Master Association may enter upon any part of Ken-Caryl Ranch at any time to inspect for, prevent and control diseased trees and other plant life and insect infestation of trees and other plant life. If any diseased or insect infested trees or other plant life are found, the Master Association may spray, remove diseased trees and other plant life, and take such other remedial measures as it deems expedient. The cost thereof applicable to privately owned property may be levied by the Master Association against such property and as a personal obligation of the Owner of such property in the same manner as though it were an Assessment.

**ARTICLE VII**  
**Association Property**

**SECTION 7.01 Use.** Except as provided in Section 6.08, and unless a lessee resides on the Custom Home Lot, each Owner of a Custom Home Lot, whether or not he resides on the Ranch, and the members of his family who reside with him; and each other Member of the Master Association who resides on the Ranch and the member of his family who reside with him; and each lessee of a Custom Home Lot or other Lot, a Condominium Unit, or a dwelling unit in an apartment house, who, in each of these instances, resides on the Ranch and the members of his family who reside with him; and each family or individual entitled to use Association Property on account of a Commercial Site pursuant to Section 6.08 shall be entitled to use the Property of the Master Association, subject to:

- (a) The provisions of the Ken-Caryl Ranch Restrictions, and each person who uses any Property of the Association, in using the same, shall be deemed to have agreed to comply therewith;
- (b) The right of the Association to charge reasonable dues and use and other fees;
- (c) The right of the Association to suspend the rights to the use of any Property of the Association by any Member or lessee and their respective families, guests and invitees for any period during which any Assessment against the Member's property remains past due and unpaid; and, after Notice and Hearing by the Board, the right of the Association to invoke any remedy set forth above in Section 3.08 for any other infraction of the Ken-Caryl Ranch Restrictions;
- (d) The right of the Association to require that security deposits be made and kept with the Association to secure all sums, and to guarantee performance of all duties, due and owing or to become due and owing to the Association;
- (e) The right of the Association to allow the general public, or certain segments thereof, to use any Property of the Association, and, in the discretion of the Board, to charge use or other fees therefore;
- (f) Such covenants, conditions, and restrictions as may have been imposed by the Association or prior owners on Property of the Association.

**SECTION 7.02 Damages.** Each Member and lessee described above in Section 7.01 shall be liable to the Master Association for any damage to Property of the Association which may be sustained by reason of the negligent or intentional misconduct of such person or of his family, guests or invitees. If the property, the ownership or leasing of which entitles the Owner or lessee thereof to use Association Property, is owned or leased jointly or in common, the liability of all such joint or common Owners or lessees shall be joint and several. The amount of such damage may be assessed against such person's real and personal property on or within the Ranch, including the leasehold estate of any lessee, and may be collected as provided in Article IX below for the collection of Assessments.

**SECTION 7.03 Damage and Destruction.** In the case of destruction of or damage to Association Property by fire or other casualty:

A. **Reconstruction - Minor.** If the insurance proceeds do not exceed the sum of \$100,000 and the cost of repairing or rebuilding does not exceed the amount of the available insurance proceeds by more than \$25,000, such insurance proceeds shall be paid to the Association, which thereupon shall contract to repair or rebuild the Association Property so damaged; and if the insurance proceeds are insufficient to pay all of the cost of repairing or rebuilding the damage, the Master Association may levy a special Assessment pursuant to Section 6.06A to make good any deficiency.

B. **Reconstruction - Major.** If the insurance proceeds exceed \$100,000 or the cost of repairing or rebuilding exceeds the available insurance proceeds by more than \$25,000, then:

(a) The insurance proceeds shall be paid to such bank or trust company as may be designated by the Board, to be held in separate trust for the benefit of the Members, as their respective interests shall appear. The Association is authorized to enter, on behalf of the Members, into an agreement with such insurance trustee relating to its powers, duties and compensation, on such terms as the Board may approve consistent herewith.

(b) The Association shall obtain firm bids from two or more responsible contractors to repair and rebuild any or all portions of the Association Property and shall call a special meeting of the Members to consider such bids. At such special meeting, the Members may by three-fourths of the votes cast at such meeting elect to reject such bids and thus not to rebuild. Failure to thus reject such bids shall be deemed acceptance of such bid as may be selected by the Board. If a bid is accepted, the Association may levy special Assessments on the Members to make up the deficiency between the total insurance proceeds and the contract price of repairing or rebuilding the Association Property and such Assessments and all insurance proceeds shall be paid to said insurance trustee to be used for such rebuilding. Such Assessments may be made due on such dates as the Association may designate, and the Association may borrow money to pay the aforesaid deficiency and may secure such borrowing by an assignment of its right to collect such Assessments, by a pledge of or mortgage on any personal property owned by the Association or held by it in trust for the Members, or by a mortgage or deed of trust on the facility to be rebuilt or on any other real property owned by the Association. If the Members elect not to rebuild, the proceeds, after payment for demolition of damaged structures and clean-up of the premises, shall be retained by the Master Association for use in performing its functions under the Ken-Caryl Ranch Restrictions.

C. Decision Not to Reconstruct. If the Board determines not to rebuild any Property so destroyed or damaged, or to build facilities substantially different from those which were destroyed or damaged it shall call a special meeting of the Members to consider such decision. If the Members, by three-fourths of the votes cast at such meeting, elect to ratify such decision, the Board shall act accordingly, but if the Members do not by such percentage elect to ratify such decision, the Board shall proceed to repair or rebuild the damaged or destroyed facility pursuant to paragraph A or B, as the case may be, of this Section 7.03. During the Period of Grantor Control and for so long thereafter as Grantor controls 10% or more of the votes pursuant to Section 6.03A, Grantor shall have the authority to veto any decision to repair or rebuild.

SECTION 7.04 Conveyance to Master Association. When any Recreation and Open Space land, improved or otherwise, is conveyed to the Master Association by Grantor or any Major Developer, it shall be conveyed in fee simple with marketable title, free and clear of all liens, encumbrances and prior grants, reservations or exceptions, except those set forth in the deed from Thomas A. Waters to Johns-Manville Sales Corporation, dated and recorded July 20, 1971, Book 2280 at Page 213; in the deed from Johns-Manville Sales Corporation to Ken-Caryl Ranch Corporation, dated and recorded September 6, 1973, Book 2547 at Page 101; and in or on any applicable final and recorded subdivision plat; and except this Master Declaration and any applicable Supplemental Declaration; and except those two mineral leases recorded October 10, 1974, in book 2671 at Pages 339 (Reception Number 670355) and 367 (Reception Number 670357), Jefferson County, Colorado (provided, however, that Grantor shall covenant to the Master Association not to engage in any mining or mineral exploratory or development activity under such leases without first obtaining Master Association consent pursuant to Section 3.12); and except those other conditions, covenants, restrictions, easements or rights-of-way, if any, as are not inconsistent with and will not materially interfere with the intended use of such Recreation and Open Space land.

No Recreation or Open Space or Improvements thereupon may be leased by Grantor to the Master Association.

**ARTICLE VIII**  
**Architectural Committee**

**SECTION 8.01 Members of Committee.** The Architectural Committee is the Architectural and Environmental Control Committee referred to in the “Official Development Plan for the Ken-Caryl Ranch” approved by the Board of County Commissioners for Jefferson County on October 24, 1972. It shall consist always of either three members or five members. The Board may reduce the number of members of the committee to three and increase it to five as often as it wishes. Each member of the Committee shall hold office until such time as he has resigned or has been removed or his successor has been appointed, as provided herein. Members of the Committee may be removed at any time without cause.

**SECTION 8.02 Appointment and Removal.** The Board shall have the right to appoint and remove all members of the Committee, except that during the Period of Grantor Control, Grantor may appoint and remove all members of the Committee.

**SECTION 8.03 Review of Proposed Construction.** Whenever in this Master Declaration or in any Supplemental Declaration the approval of the Architectural Committee is required, it shall have the right to consider all of the Plans and Specifications for the Improvement or proposal in question and all other facts which in its sole discretion are relevant. Except as provided in Section 3.15 and 3.16 above, prior to commencement of any construction of any Improvement on Ken-Caryl Ranch, the Plans and Specifications therefore shall be submitted to the Architectural Committee, and construction thereof may not commence unless and until the Committee has approved such Plans and Specifications in writing. The Committee shall consider and act upon any and all Plans and Specifications submitted for its approval pursuant to this Master Declaration, and perform such other duties assigned to it by this Master Declaration or as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with Plans and Specifications approved by the Committee. The Committee shall approve Plans and Specifications submitted for its approval only if it deems that the construction, alterations, or additions contemplated thereby in the locations indicated will not be detrimental to the surrounding area or Ken-Caryl Ranch as a whole, and that the appearance of any structure affected thereby will be in harmony with the surrounding structures. The Committee may condition its approval of Plans and Specifications on such changes therein as it deems appropriate, and may require submission of additional Plans and Specifications or other information prior to approving or disapproving the material submitted. The Committee may also issue rules or guidelines regarding anything relevant to its functions, including but not limited to minimum standards, procedures for the submission of Plans and Specifications for approval, and fines or other reasonable penalties for prosecution of work in violation of this Article. The Committee may require a reasonable fee to accompany each application for approval. The Committee may require such detail in Plans and Specifications submitted for its review and such other information as it deems proper, including without limitation, environmental impact statements. Until receipt by the Committee of all required Plans and Specifications and other information, the Committee may postpone review of anything submitted for approval. Upon receipt by the Committee of all required Plans and Specifications and other information, the Committee shall have thirty days in which to approve or disapprove such Plans and Specifications in writing. If the Committee fails so to approve or disapprove within said thirty day period, the Plans and Specifications shall be deemed to have been approved as though written approval had been given by the Committee.

**SECTION 8.04 Meetings of the Committee.** The Committee shall meet from time to time as necessary to perform its duties hereunder. The Committee may from time to time by resolution unanimously adopted in writing designate one of its members to take any action or perform any duties for and on behalf of the Committee, except the granting of variances pursuant to Section 8.09. In the absence of such designation, the vote of a majority of all of the members of the Committee, or the written consent of a majority of all of the members of the Committee taken without a meeting, shall constitute an act of the Committee.

SECTION 8.05 No Waiver of Future Approvals. The approval or consent of the Committee to any Plans or Specifications for any work done or proposed or in connection with any other matter requiring the approval or consent of the Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any Plans or Specifications or other matter whatever subsequently or additionally submitted for approval or consent by the same or a different Person.

SECTION 8.06 Compensation of Members. The members of the Committee shall be entitled to reasonable compensation from the Association for services rendered, together with reimbursement for expenses incurred by them in the performance of their duties hereunder. Such compensation shall be determined by Grantor while it has the right to approve or disapprove the members of the Committee pursuant to Section 8.02 above and thereafter by the Board.

SECTION 8.07 Inspection of Work.

A. Completed Work. Inspection of completed work and correction of defects therein shall proceed as follows:

- (a) Upon the completion of any improvement for which approved Plans or Specifications are required under this Master Declaration, the Owner shall give written notice of completion to the Committee.
- (b) Within such reasonable time as the Committee may set in its Rules but not to exceed fifteen days thereafter, the Committee or its duly authorized representative may inspect such improvement. If the Committee finds that such work was not done in strict compliance with all approved Plans and Specifications submitted or required to be submitted for its prior approval, it shall notify the Owner in writing of such noncompliance within such period, specifying in reasonable detail the particulars of noncompliance, and shall require the Owner to remedy the same.
- (c) If upon the expiration of thirty days from the date of such notification the Owner shall have failed to remedy such noncompliance, the Committee shall notify the Board in writing of such failure. Upon Notice and Hearing, the Board shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If noncompliance exists, the Owner shall remedy or remove the same within a period of not more than forty-five days from the date of announcement of the Board ruling. If the Owner does not comply with the Board's ruling within such period, the Board, at its option, may either remove the noncomplying improvement or remedy the noncompliance, and the Owner shall reimburse the Master Association upon demand for all expenses incurred in connection therewith. If such expenses are not promptly repaid by the Owner or the Master Association, the Board shall levy an assessment against such Owner and the Improvement in question and the land upon which the same is situated for reimbursement and the same shall constitute a lien upon such land and Improvement and be enforced as in this Master Declaration provided.
- (d) If for any reason after receipt of said written notice of completion from the Owner, the Committee fails to notify the Owner of any noncompliance within the period provided above in subparagraph (b) of Section 8.07A the improvement shall be deemed to be in accordance with said approved Plans and Specifications.

B. Work in Progress. The Committee may inspect all work in progress and give notice of noncompliance as provided above in subparagraph (b) of Section 8.07A. If the Owner denies that such noncompliance exists, the procedures set out in subparagraph (c) of Section 8.07A shall be followed, except that no further work shall be done, pending resolution of the dispute, which would hamper correction of the noncompliance if the Board shall find that such noncompliance exists.

SECTION 8.08 Nonliability of Committee Members. Neither the Committee nor any member thereof nor the Board nor any member thereof shall be liable to the Association or to any Owner or to any other Person for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's or the Board's respective duties under this Master Declaration unless due to the willful misconduct or bad faith of the Committee or its member or the Board or its member, as the case may be. Except insofar as its duties may be extended with respect to a particular area by a Supplemental Declaration filed by Grantor or by Grantor and a Major Developer, as the case may be, the Committee shall review and approve or disapprove all Plans and Specifications submitted to it for any proposed improvement, including the construction, alteration or addition thereof or thereto, solely on the basis of aesthetic considerations and the overall benefit or detriment which would result of the surrounding area and Ken-Caryl Ranch generally. The Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features, but shall not be responsible for reviewing, nor shall its approval of any Plans or Specifications be deemed approval thereof from the standpoint of structural safety, engineering soundness, or conformance with building or other codes.

SECTION 8.09 Variances. The Committee may authorize variances from compliance with any of the architectural provisions of this Master Declaration or any Supplemental Declaration, including restrictions upon height, bulk, size, shape, floor area, land area, placement of structures, set-backs, building envelopes, colors, materials, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental consideration may, in its sole and absolute discretion, warrant. Such variances must be evidenced in writing and must be signed by at least a majority of all of the members of the Committee. If such a variance is granted, no violation of the covenants, conditions or restrictions contained in this Master Declaration or any Supplemental Declaration shall be deemed to have occurred with respect to the matter of which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Master Declaration or of any Supplemental Declaration for any purpose except as to the particular property and particular provision and in the particular instance covered by the variance.

SECTION 8.10 Obligations With Respect to Zoning and Subdivision.

A. The Architectural Committee shall require all Persons to comply fully with the Planned Development District Zoning Resolution enacted for the Ken-Caryl Ranch on October 24, 1972, by the Board of County Commissioners of Jefferson County insofar as the same is applicable and as the same may heretofore or hereafter be amended. Prior to submission to the Board of Adjustment of Jefferson County of any matter governed or meant to be governed by the Planned Development District Zoning Resolution for Ken-Caryl Ranch, such matters shall first be reviewed and approved by the Architectural Committee.

B. The Architectural Control Committee shall have authority to reduce the dimensions of the building envelopes shown on the aforesaid plat of the Ken-Caryl Ranch Highlands Subdivision filed on December 12, 1973, in Book 43 at Pages 28 through 33, but no part of any reduced building envelope shall extend outside of the building envelope lines as shown on said plat.

SECTION 8.11 Relinquishment of Architectural Control to Subassociations. During the Period of Grantor Control, Grantor may relinquish to any Subassociation established pursuant to a Supplemental Declaration under Sections 2.01 and 6.01 above the right to appoint its own architectural control committee for the area which is subject to such Supplemental Declaration; and after the Period of Grantor Control, the Board of the Master Association may make such relinquishment. No such relinquishment shall be effective, however, without the written acceptance of the Subassociation. If such relinquishment is made, then the architectural committee of such Subassociation shall have all rights, powers, functions, duties and obligations with respect to the area subject to the Supplemental Declaration as are granted to the Architectural Committee by Sections 8.01 through 8.10 of this Article VIII or by any other sections of this Master Declaration and the Subassociation architectural committee as are granted to the Master Association with respect to the Architectural Committee by said Sections 8.01 through 8.10 or by any other sections of this Master Declaration.

**ARTICLE IX**  
**Funds and Assessments**

SECTION 9.01 Ken-Caryl Ranch Maintenance Fund. The Board shall establish a fund (the "Ken-Caryl Ranch Maintenance Fund") into which shall be deposited all moneys paid to the Master Association and from which disbursements shall be made in performing the functions of the Association under the Ken-Caryl Ranch Restrictions. The funds of the Master Association must be used solely for purposes related to the areas and improvements owned by or leased to the Association, or subject by the Ken-Caryl Ranch Restrictions to maintenance or operation by the Association, or otherwise for purposes authorized by the Ken-Caryl Ranch Restrictions as they may from time to time be amended. No funds of the Master Association may be used to maintain or improve any lands or improvements owned by Grantor. Nothing contained herein shall limit, preclude or impair the establishment of other maintenance funds by any subassociation pursuant to any Supplemental Declaration.

SECTION 9.02 Regular Annual Assessments. Prior to the beginning of each fiscal year, the Board shall estimate the expenses to be incurred by the Master Association during such year in performing its functions under the Ken-Caryl Ranch Restrictions, including a reasonable provision for contingencies and appropriate replacement reserves, less any expected income and any surplus from the prior year's fund. Uniform and equal Assessments sufficient to pay such estimated net charges shall then be levied as in Section 6.06A provided. If the sums collected prove inadequate for any reason, including nonpayment of any individual Assessment, the Association may at any time and from time to time levy further Assessments in the same manner as aforesaid. All such regular Assessments shall be due and payable to the Master Association during the fiscal year in equal monthly installments on or before the first day of each month, or in such other reasonable and uniform manner as the Board may designate with the assent of a majority vote of the Members at any regular or special meeting or

the Members at which a quorum is present in person or by proxy; subject, however, to the limitations of Section 6.06A.

SECTION 9.03 Special Assessments. In addition to the regular annual Assessments provided for above in Section 9.02, the Board may levy special Assessments, upon the property, for the purposes, and in the manner set forth in Section 6.06A.

SECTION 9.04 Late Charges. If any Assessment, whether regular or special, is not paid within fifteen days after it is due, or within such longer period of time after due as the Board may determine, the Owner may be required by the Board to pay a late charge of ten percent of the unpaid Assessment.

SECTION 9.05 Unpaid Assessments as Personal Liabilities and Liens. The amount of any delinquent Assessment, whether regular or special, assessed against any property and any late payment charge attributable thereto, plus interest on such Assessment and charge at a rate of twelve percent per annum simple interest, and the costs of collecting the same, including reasonable attorneys' fees, shall be both a personal liability of the Owner, enforceable in any court of competent jurisdiction, and a lien upon such Custom Home Lot or other Lot and the Improvements thereon, Condominium Unit, or apartment house and the land upon which the same is located or Commercial Site and the Improvements thereon, as the case may be. Such lien shall be prior to any homestead exemption. Such lien may be foreclosed in the same manner as is provided in the laws of Colorado for the foreclosure of mortgages on real property. A certificate executed and acknowledged by any two members of the Board stating the indebtedness secured by such lien shall be conclusive upon the Master Association as to the amount of such indebtedness as of the date of the certificate, in favor of all Persons who rely thereon in good faith, and such certificate shall be furnished to any Owner upon request at a reasonable fee, not to exceed Ten Dollars (\$10.00).

SECTION 9.06 Mortgage Protection. Notwithstanding any other provision of the Ken-Caryl Ranch Restrictions, every lien created under this Article IX, or under any other Articles of this Master Declaration, or under any provision of the Articles of Incorporation of the Master Association, or under any of the organizational documents for any Subassociation, shall be subordinate to any first Mortgage of record, or first Deed of Trust of record, or executory land sales contract wherein the Administrator of Veterans Affairs of the Veterans Administration is seller (whether owned by the said Administrator, or assigned to another, and whether the said executory land sales contract is recorded or not), upon a Custom Home Lot or other Lot, Condominium Unit, apartment house or Commercial Site made in good faith and for value. However, after the foreclosure of any such first Mortgage, first Deed of Trust, or executory land sales contract, or after cancellation or forfeiture of any such executory land sales contract, or after any conveyance in lieu of foreclosure, such Custom Home Lot or other Lot, Condominium Unit, apartment house or Commercial Site shall remain subject to the Ken-Caryl Ranch Restrictions and shall be liable for all regular and special assessments levied subsequent to completion of such foreclosure, or cancellation or forfeiture, or delivery of such conveyance in lieu of foreclosure, and for all installments of all regular and special Assessments levied prior to completion of such foreclosure, or cancellation or forfeiture, or delivery of such conveyance in lieu of foreclosure, but falling due after such completion, cancellation, forfeiture, or delivery. Nothing herein contained shall extinguish, toll, or otherwise affect the personal obligation of an Owner to pay all Assessments.

SECTION 9.07 Effect of Amendments on Mortgages. No amendment of any provisions of this Master Declaration nor of any other instrument of the Master Association shall in any way affect the priority of any lender or holder of any recorded first mortgage, or recorded first deed of trust, or of any executory land sales contract wherein the Administrator of Veterans Affairs of the Veterans Administration is named seller, whether the said contract is recorded or not, except upon the express written consent of such lender or holder; provided, however, that after the foreclosure of any such first mortgage, first deed of trust, or executory land sales contract, or after cancellation or forfeiture of any such executory land sales contract, or after any conveyance in lieu of foreclosure, the property which was subject to such mortgage deed of trust, or executory land sales contract shall be fully subject to such amendment.

**ARTICLE X**  
**Miscellaneous**

**SECTION 10.01 Term.** This Master Declaration, including all of the covenants, conditions and restrictions hereof, shall run with and bind the land until December 31, 2020, unless amended as herein provided. After December 31, 2020, this Master Declaration, including all such covenants, conditions and restrictions shall be automatically extended for successive period of ten years each, unless amended or extinguished by a written instrument executed by at least three-fourths of the Owners in Ken-Caryl Ranch and recorded in the county real property records.

**SECTION 10.02 Amendment.** Until December 31, 2020, this Master Declaration may be amended as hereinafter indicated. During the Period of Grantor Control, amendment shall require the written approval of Grantor, of at least two-thirds of the Nondeveloper Votes, and of the Veterans Administration. Amendment shall be effected by recordation of an instrument setting forth the amendment and including a statement of Grantor's consent, executed and acknowledged by Grantor; a statement executed and acknowledged by the president and secretary of the Master Association certifying that such amendment has been approved in writing by at least two-thirds of the Nondeveloper Votes entitled to be cast; and a statement of consent by the Veterans Administration. After the Period of Grantor Control, amendment shall require the approval of at least two-thirds of the total votes (including Grantor's) as defined in Section 6.03A. Amendment shall be effected by recordation of an instrument setting forth the amendment and including a statement executed and acknowledged by the president and secretary of the Master Association certifying that such amendment has been approved in writing by at least two-thirds of the total votes entitled to be cast. Evidence sufficient to establish the truth of the Master Association certification on any recorded amendatory instrument shall be retained by the Master Association in its permanent files.

**SECTION 10.03 Notices.** Any notice permitted or required to be given by the Master Declaration shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered on the third day (other than a Sunday or a legal holiday) after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to the Person at the address given by such Person to the Master Association for the purpose of service of notices, or to the residence of such Person if no address has been given to the Master Association. Such address may be changed from time to time by notice in writing given by such Person to the Master Association.

**SECTION 10.04 Interpretation.** The provisions of this Master Declaration shall be liberally construed to effectuate their purposes of creating a uniform plan for the development and operation of Ken-Caryl Ranch and of promoting and effectuating the fundamental concepts of Ken-Caryl Ranch as set forth in this RECITALS and DECLARATION of this Master Declaration. This Declaration shall be construed and governed under the laws of the State of Colorado.

**SECTION 10.05 Enforcement and Nonwaiver.**

A. **Right of Enforcement.** Except as otherwise provided herein, any Owner at his own expense, Grantor, and the Board shall have the right to enforce all of the provisions of the Ken-Caryl Ranch Restrictions against any property within Ken-Caryl Ranch and the Owners thereof. Such right of enforcement shall include both damages for and injunctive relief against the breach of any such provision. The right of any Owner to so enforce such provisions shall be equally applicable without regard to whether the land (or other interest) of the Owner seeking such enforcement or the land (or other interest) whereon or with respect to which a violation of such provisions is alleged is initially set forth on Exhibit "A" or is hereafter subjected to this Declaration pursuant to Section 2.02 above.

B. **Violation a Nuisance.** Every act or omission whereby any provision of the Ken-

Caryl Ranch Restrictions is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated by any Owner at his own expense, Grantor or the Board, whether or not the relief sought is for negative or affirmative action. However, only Grantor, the Board and the duly authorized agents of either of them may enforce by self-help any of the provisions of the Ken-Caryl Ranch Restrictions, and then only if such self-help is preceded by reasonable notice to the Owner in question.

C. Violation of Law. Any violation of any federal, state or local law, ordinance or regulation pertaining to the ownership, occupancy or use of any property within Ken-Caryl Ranch is hereby declared to be a violation of the Ken-Caryl Ranch Restrictions and subject to all of the enforcement procedures set forth in said Restrictions.

D. Remedies Cumulative. Each remedy provided by the Ken-Caryl Ranch Restrictions is cumulative and not exclusive.

E. Nonwaiver. The failure to enforce any provision of the Ken-Caryl Ranch Restrictions at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provision of said Restrictions.

SECTION 10.06 Construction.

A. Restrictions Severable. Notwithstanding the provisions of the foregoing Section 10.04, each of the provisions of the Ken-Caryl Ranch Restrictions shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision.

B. Singular Includes Plural. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

C. Captions. All captions and titles used in this Master Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect that which is set forth in any of the paragraphs, Sections or Articles hereof.

SECTION 10.07 Veterans Administration Approval. During the Period of Grantor Control, the following actions shall require approval of the Veterans Administration: (a) annexation pursuant to Section 2.02, (b) enlargement of Exhibit "B" pursuant to Section 2.04, (c) conveyance of Recreation and Open Space, (d) amendment of this Master Declaration, (e) merger, consolidation or dissolution of the Master Association, (f) mortgaging of Recreation and Open Space by the Master Association, (g) amendment of the Articles of Incorporation of the Master Association, (h) entering into of any such independent contract with a Manager as is described in the second paragraph of Section 6.06E, and (j) the entering into of any such lease of Recreation and Open Space as is described in the last paragraph of Section 6.06C.

IN WITNESS WHEREOF, Grantor has executed this Master Declaration the day and year first above written.

KEN-CARYL RANCH CORPORATION

BY s/ Dennis E. Carruth  
President

[SEAL]

ATTEST:

s/ Darrell S. Windes  
Assistant Secretary

STATE OF COLORADO        )  
                                          ) ss.  
COUNTY OF JEFFERSON    )

The foregoing instrument was acknowledged before me this 13<sup>th</sup> day of June, 1978, by Dennis E. Carruth as President and by Darrell S. Windes as Assistant Secretary of Ken-Caryl Ranch Corporation, a corporation.

My notarial commission expires March 25, 1980.

Witness my hand and official seal.

[SEAL]

s/ R. Marcene Shepherd  
Notary Public

**MASTER ASSOCIATION CERTIFICATION**

The undersigned, for and on behalf of the Ken-Caryl Ranch Master Association, a Colorado nonprofit corporation, hereby certify that the foregoing AMENDED AND RESTATED MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF KEN-CARYL RANCH was duly adopted pursuant to Section 10.02 of the Master Declaration of Covenants, Conditions and Restrictions of Ken-Caryl Ranch made April 25, 1974, and recorded on April 26, 1974, in Book 2616 at Pages 163-237 of the real property records of Jefferson County, Colorado (the "Original Declaration"), and, more particularly, that the Notice and Hearing provided for in said Section 10.02 of the Original Declaration was given and held and that the Board of Directors of said Association did not within 15 days after said hearing receive written objections to the foregoing AMENDED AND RESTATED MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF KEN-CARYL RANCH from the Owners, other than Grantor, entitled to cast 75% or more of the votes entitled to be cast pursuant to Section 6.03A of the Original Declaration, and that 80% or more of the total number of votes entitled to be cast pursuant to Section 6.03A of the Original Declaration adopted the amendment to Section 10.02 of the Original Declaration.

s/ Dennis E. Carruth  
President of Ken-Caryl Ranch Master Association

[SEAL]

s/ R. Marcene Shepherd Secretary of Ken-Caryl  
Ranch Master Association

STATE OF COLORADO        )  
                                          ) ss.  
COUNTY OF JEFFERSON    )

The foregoing instrument was acknowledged before me this 13<sup>th</sup> day of June, 1978, by Dennis E. Carruth as President and by Marcene Shepherd as Secretary of Ken-Caryl Ranch Master Association, a corporation.

My notarial commission expires April 26, 1980.

Witness my hand and official seal.

[SEAL]

s/ Karla K. Carlock Notary Public

**EXHIBIT A TO**  
**MASTER DECLARATION OF**  
**COVENANTS, CONDITIONS AND RESTRICTIONS OF**  
**KEN-CARYL RANCH**

The Ken-Caryl Ranch Highlands Subdivision according to the Plat thereof recorded on December 12, 1973, in Book 43 at Pages 28-33 of the Jefferson County, Colorado real property records.

**EXHIBIT B TO**  
**MASTER DECLARATION OF**  
**COVENANTS, CONDITIONS AND RESTRICTIONS OF**  
**KEN-CARYL RANCH**

Beginning at the Southeast corner of Section 33, Township 5 South, Range 69 West of the 6<sup>th</sup> P.M.; thence North 00°32'10" East along the East line of Section 33 a distance of 5280.65 feet, more or less, to the Northeast corner of said Section 33; thence North 89°25'05" West along the North line of said Section 33 a distance of 2665.98 feet, more or less, to the North quarter corner of said Section 33; thence North 89°47'50" West along the North line of said Section 33 a distance of 2643.45 feet, more or less, to the Northwest corner of said Section 33; thence North 00°42'28" East along the East line of Section 29, said Township and Range, a distance of 2627.76 feet, more or less, to the East quarter corner of said Section 29; Thence North 89°26'53" West along the Eastwest centerline of said Section 29, a distance of 2678.26 feet, more or less, to the center of said Section 29; thence North 89°26'53" West along the Eastwest center line of said Section 29 a distance of 1808.32 feet; thence South 00°07'00" East a distance of 350.00 feet; thence North 89°45'30" West a distance of 791.90 feet; thence North 00°07'00" West a distance of 350.00 feet, more or less, to the West quarter corner of said Section 29; thence North 89°22'38" West along the Eastwest centerline of Section 30, said Township and Range, a distance of 1320.70 feet, more or less, to the Southwest corner of the East half of the Northeast quarter of Section 30, said Township and Range; thence North 00°34'13" East along the West line of the East half of the Northeast quarter of said Section 30 a distance of 2570.35 feet, more or less, to the Northwest corner of the East half of the Northeast quarter of said Section 30; Thence North 89°51'19" East along the North line of said Section 30 a distance of 860.00 feet; thence North 15°56'41" West a distance of 2780.00 feet, more or less, to the Eastwest centerline of Section 19, said Township and Range; thence North 89°35'19" West a distance of 1340.00 feet, more or less, to the center of said Section 19; thence North 89°41'00" West along the Eastwest centerline of said Section 19 a distance of 2551.64 feet, more or less, to the West quarter corner of said Section 19; thence South 88°08'19" West along the Eastwest centerline of Section 24, Township 5 South, Range 70 West, a distance of 3960.16 feet, more or less, to the Northeast corner of the West half of the Southwest quarter of Section 24, Township 5 South, Range 70 West; thence South 01°10'59" West a distance of 2579.09 feet, more or less, to the Southeast corner of the West half of the Southwest quarter of said Section 24; thence South 89°45'54" West along the South line of said Section 24 a distance of 1315.10 feet, more or less, to the Northwest corner of Section 25, said Township and Range; thence South 89°45'54" West along the North line of Section 26, said Township and Range, a distance of 5482.37 feet, more or less, to the Northwest corner of Section 26, said Township and Range; thence South 89°49'56" West along the North line of Section 27, said Township and Range, a distance of 2618.42 feet, more or less, to a point on the North line of Section 27 which is 125 feet easterly of the North quarter corner of Section 27, said Township and Range; thence (following the easterly boundary of the Ken-Caryl Ranch Highlands Subdivision) South 40°44'21" East, 1905.33 feet; thence South 71°22'20" East, 939.20 feet; thence South 03°46'20" East, 455.99 feet; thence South 52°11'36" East, 4771.64 feet; thence South 02°37'21" East, 1311.37 feet; thence South 25°26'43" East, 1373.21 feet; thence South 34°22'49" West, 1151.09 feet; thence South 10°15'13" West, 3287.47 feet to the Northwest corner of the South half of the Northeast quarter of Section 2 Township 6 South, Range 70 West;

thence South 88°48'51" East a distance of 2741.02 feet, more or less, to the Southeast corner of the North half of the Northeast quarter of said Section 2; thence South 00°04'17" West along the East line of said Section 2 a distance of 1282.98 feet, more or less, to the East quarter corner of said Section 2; thence South 00°21'37" West along the West line of Section 1, said Township and Range, a distance of 2615.93 feet, more or less, to the Southwest corner of said Section 1; thence South 87°57'35" East along the South line of said Section 1 a distance of 2638.53 feet, more or less, to the South quarter corner of said Section 1; thence South 02°20'04" West to the Southwest corner of the North half of the Northeast quarter of Section 12, said Township and Range; Thence South 87°58'15" East along the South line of the North half of the Northeast quarter of said Section 12, a distance of 2570.64 feet, more or less, to the Southeast corner of the North half of the Northeast quarter of said Section 12; thence South 00°30'28" East along the West line of Section 7, Township 6 South, Range 69 West, to its intersection with the North right-of-way line of Deer Creek Road, Colorado State Highway No. 124; thence Easterly and Northeasterly along the Northerly right-of-way line of said Deer Creek Road, Colorado State Highway No. 124, to its intersection with the Northerly line of Deer Creek Park; thence Northeasterly along the Northwesterly line of Deer Creek Park to its intersection with the East line of said Section 7; thence North 00°40'43" West a distance of 396.3 feet, more or less, to the Northeast corner of said Section 7; thence South 89°39'42" West along the North line of Section 8, said Township and Range, a distance of 942.00 feet, more or less, to its intersection with the Northerly line of Deer Creek Park; thence Easterly along the Northerly and Northeasterly line of Deer Creek Park to its intersection with the Northerly right-of-way line of Deer Creek Road, Colorado State Highway No. 124; thence Southeasterly along the Northeasterly right-of-way line of Deer Creek Road, Colorado State Highway No. 124, to its intersection with the South line of Section 5, said Township and Range; thence South 88°36'02" West along the South line of said Section 5 to its intersection with the Northwesterly right-of-way line of Deer Creek Road, Colorado State Highway No. 124; thence Northeasterly along the Northwesterly right-of-way line of Deer Creek Road, Colorado State Highway No. 124, to its intersection with the East line of said Section 5; thence North 05°33'34" West along the East line of said Section 5 to the Southwest corner of the North half of the South half of Section 4, said Township and Range; thence 89°46'19" West along the South line of the North half of the South half of said Section 4 a distance of 2315.40 feet, more or less, to its intersection with the Northerly right-of-way line of Deer Creek Road, Colorado State Highway No. 124; thence Easterly along the Northerly right-of-way line of Deer Creek Road, Colorado State Highway No. 124, to its intersection with the South line of the North half of the South half of said Section 4; thence North 89°46'19" West along the South line of the North half of the South half of said Section 4 a distance of 1834.19 feet, more or less, to the Southeast corner of the North half of the South half of said Section 4; thence North 00°12'56" East along the East line of said Section 4 a distance of 1332.10 feet, more or less, to the Northeast corner of the North half of the South half of said Section 4; thence North 89°50'04" West along the Eastwest centerline of said Section 4 a distance of 3938.62 feet, more or less, to the Southeast corner of the Southwest quarter of the Northwest quarter of said Section 4; thence North 00°05'04" East a distance of 1345.37 feet, more or less, to the Northeast corner of the Southwest quarter of the Northwest quarter of said Section 4; thence North 89°48'28" West a distance of 1305.62 feet, more or less, to the Northwest corner of the Southwest quarter of the Northwest quarter of said Section 4; thence North 00°21'08" West a distance of 1637.85 feet, more or less, to the Northwest corner of said Section 4; thence South 89°42'45" East a distance of 203.70 feet, more or less, along the South line of Section 32, Township 5 South, Range 69 West, to the Southwest corner of Section 33, said Township and Range; thence South 89°37'45" East along the South line of said Section 33 a distance of 2429.43 feet, more or less, to the North quarter corner of Section 4, Township 6 South, Range 69 West; thence South 89°36'00" East along the South line of Section 33, Township 5 South, Range 69 West, a distance of 204.40 feet, more or less, to the South quarter corner of said Section 33; thence South 89°36'00" East along the South line of said Section 33, a distance of 2429.02 feet, more or less, to the Northeast corner of Section 4, Township 6 South, Range 69 West; thence South 89°18'00" East along the South line of said Section 33, Township 5 South, Range 69 West, a distance of 213.38 feet, more or less, to the Southeast corner of said Section 33, the point of beginning, all in Jefferson County, Colorado.