

MANOR RIDGE

SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

The following Supplemental Declaration of Covenants, Conditions and Restrictions for Manor Ridge in the Valley of Ken-Caryl Ranch was recorded October 22, 1982, Reception No. 82073893, Jefferson County, Colorado.

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

SUPPLEMENTAL DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR MANOR RIDGE
IN THE VALLEY OF KEN-CARYL RANCH

THIS SUPPLEMENTAL DECLARATION of Covenants, Conditions and Restrictions (hereinafter the "Supplemental Declaration") is made this 21st day of October, 1982, by Ken-Caryl Ranch Corporation, a Delaware corporation (hereinafter "Grantor"), and The Valley Joint Venture, a Colorado joint venture (hereinafter "Declarant").

R E C I T A L S

WHEREAS, on April 25, 1974, Grantor executed that certain Master Declaration of Covenants, Conditions and Restrictions of Ken-Caryl Ranch recorded on April 26, 1974 under Reception No. 635595 in Book 2616 at pages 163 through 237 of the Jefferson County, Colorado real property records, which Master Declaration, as Amended and Restated was recorded again on June 30, 1978, under Reception No. 78059201 in the same records (the "Master Declaration"), as owner of lands set forth in Exhibits A and B thereto and referred to in the Master Declaration as Ken-Caryl Ranch; and

WHEREAS, Ken-Caryl Ranch is an area of unique natural beauty, featuring distinctive terrain; and

WHEREAS, by subjecting certain portions of Ken-Caryl Ranch to this Supplemental Declaration in addition to the Master Declaration, it is the desire, intent and purpose of Grantor and Declarant to create a community in which such beauty shall be substantially preserved, to enhance the desirability of living on those portions of Ken-Caryl Ranch, and to increase and preserve the attractiveness, quality and value of the lands and improvements therein; and

WHEREAS, Declarant is the owner of that certain real property located in the County of Jefferson, State of Colorado and described on Exhibit I attached hereto and by this reference incorporated herein; and

WHEREAS, this Supplemental Declaration shall apply only to the real property described on Exhibit I hereto, and to such additional real property as may be hereafter subjected to this Supplemental Declaration in the manner set forth below in Article II. All real property described on Exhibit I hereto, together with all real property which may be hereafter so subjected to this Supplemental Declaration from and after the date of such subjection, are hereafter called "Manor Ridge"; and

WHEREAS, this Supplemental Declaration is made and recorded pursuant to Article II, Section 2.01 of the Master Declaration and the provisions hereof may be enforced as provided in the Master Declaration or as provided for herein.

D E C L A R A T I O N

NOW, THEREFORE, Grantor and Declarant hereby declare that Manor Ridge is and shall henceforth be owned, held, conveyed, devised, encumbered, leased, improved, used, occupied and enjoyed subject to the following uniform terms, covenants, conditions, restrictions, easements, uses, reservations, limitations and obligations, all of which are in furtherance of, and shall constitute, a general plan for the ownership, improvement, sale, use and occupancy of Manor Ridge and are also for the purpose of enhancing and protecting the value, desirability and attractiveness of Manor Ridge. Grantor and Declarant further publish and declare that the following terms, covenants, conditions, restrictions, easements, uses, reservations, limitations and obligations shall be deemed to run with Manor Ridge as covenants running with the land and equitable servitudes enforceable at law or in equity, as the case may be, and shall be a burden upon Manor Ridge and be a burden upon and inure to the benefit of all parties having, acquiring or owning any right, title or interest in Manor Ridge or in any improvements located thereon, their grantees, successors, heirs, personal representatives, devisees and assigns, however said right, title or interest is obtained. Further, this Supplemental Declaration shall be enforceable by Grantor and its successors in interest, by Declarant and its successors in interest, by each Owner and his successors in interest, by Ken-Caryl Ranch Master Association and its successors in interest, and by The Manor Ridge Association and its successors in interest.

ARTICLE I DEFINITIONS

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

SECTION 1.01. Architectural Committee. "Architectural Committee" shall mean the committee referred to in or created pursuant to Article XI hereof.

SECTION 1.02. Assessments. "Assessments" shall mean the sums levied for the purposes set forth in Article XIII hereof.

SECTION 1.03. Board. "Board" shall mean the Board of Directors of The Manor Ridge Association.

SECTION 1.04. Declarant. "Declarant" shall mean The Valley Joint Venture, a Colorado joint venture, and its successors and assigns.

SECTION 1.05. Grantor. "Grantor" shall mean Ken-Caryl Ranch Corporation, a Delaware corporation, and its successors by corporate merger or dissolution.

SECTION 1.06. Improvement. "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, aerials, 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, walls, 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.

SECTION 1.07. Local Common Area. "Local Common Area" shall mean all of the real

property, together with all improvements located thereon, now or hereafter owned by The Manor Ridge Association for the common use and enjoyment of the Owners. The Local Common Area to be owned by The Manor Ridge Association at the time of the conveyance of the first Lot is described on Exhibit II attached hereto and by this reference incorporated herein.

SECTION 1.08. Lot. "Lot" shall mean any unit of land which is designated on any recorded subdivision plat of Manor Ridge with the exception of the Local Common Area, whether or not said unit of land is improved.

SECTION 1.09. Managing Agent. "Managing Agent" shall mean any person, firm or corporation employed by The Manor Ridge Association pursuant to Section 12.04C of this Supplemental Declaration and delegated any of the duties, powers or functions of The Manor Ridge Association or the Board pursuant to said Section.

SECTION 1.10. Manor Ridge. "Manor Ridge" shall mean that certain real property described on Exhibit I attached hereto and any additional real property may be hereafter subjected to this Supplemental Declaration pursuant to Article II below from and after the date of such subsection, together with all improvements located or to be located thereon.

SECTION 1.11. Master Association. "Master Association" shall mean Ken-Caryl Ranch Master Association, the nonprofit Colorado corporation described in Article VI of the Master Declaration, and its successors.

SECTION 1.12. Master Declaration. "Master Declaration" shall mean the Master Declaration of Covenants, Conditions and Restrictions of Ken-Caryl Ranch recorded on April 26, 1974, under Reception No. 635595 in Book 2616 at page 163 of the real property records of Jefferson County, Colorado, as Amended and Restated of record on June 30, 1978 and recorded under Reception No. 78059201 in the real property records of Jefferson County, Colorado.

SECTION 1.13. Member. "Member" shall mean any person or entity who is a member of The Manor Ridge Association.

SECTION 1.14. Mortgage. "Mortgage" shall mean any mortgage or deed of trust, as the case may be, granted on a Lot or the Local Common Area to secure the payment of a debt, which mortgage or deed of trust is duly recorded in the real property records of Jefferson County, Colorado. The term "Mortgage" shall also mean any executory land sales contract for a Lot wherein the Administrator of Veterans Affairs, an officer of the United States of America, is identified as the seller, whether or not such contract is recorded and whether such contract is owned by the Administrator or has been assigned to another and whether or not the real property records in the office of the Clerk and Recorder of the County of Jefferson, Colorado, show the said Administrator as having the record title to the Lot.

SECTION 1.15. Mortgagee. "Mortgagee" shall mean a mortgagee under a mortgage or a beneficiary under a deed of trust, as the case may be, which mortgage or deed of trust is given on a Lot or the Local Common Area to secure payment of a debt and is duly recorded in the real property records of Jefferson County, Colorado. The term "Mortgagee" shall also mean the Administrator of Veterans Affairs, an officer of the United States of America, and his assigns under any executory land sales contract for a Lot wherein the said Administrator is identified as the seller, whether or not such contract is recorded and whether or not the real property records in the office of the Clerk and Recorder of the County of Jefferson, Colorado, show the said Administrator as having the record title to the Lot.

SECTION 1.16. Natural Materials. "Natural Materials" shall mean stone, rock, stucco, finished or unfinished lumber, brick or other similar materials but shall not mean cinder block, concrete block, or metal siding. The determination as to whether any specific material constitutes a Natural Material as its use is proposed in a given structure in Manor Ridge shall be made by the Architectural Committee.

SECTION 1.17. Notice and Hearing. "Notice and Hearing" shall mean ten (10) days' prior written notice given as in Section 18.05 of this Supplemental Declaration 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.

SECTION 1.18. Owner. "Owner" shall mean (1) the record owner, whether one or more persons or entities and including Grantor and Declarant, of an aggregate fee simple interest in a Lot, or, as the case may be, (2) the purchaser of an aggregate fee simple interest in a Lot under an executory contract sale.

SECTION 1.19. Person. "Person" shall mean a natural individual or any partnership, joint venture, corporation, unincorporated association, trust or other entity with the legal right to hold title to real property.

SECTION 1.20. Plans and Specifications. "Plans and Specifications" shall mean any and all documents designed to guide or control the construction or alteration of the Improvement or other proposal in question, including but not limited to documents indicating the size, shape, configuration and/or materials to be incorporated, 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 or proposal in question.

SECTION 1.21. Supplemental Declaration. "Supplemental Declaration" shall mean this instrument as it may be amended from time to time.

SECTION 1.22. The Manor Ridge Association. "The Manor Ridge Association" shall mean the nonprofit Colorado corporation described in Article XII hereof, and its successors.

SECTION 1.23. Incorporation by Reference. Except as above provided in this Article I, and unless the context otherwise specifies or requires, the words and phrases used in this Supplemental Declaration shall have the meanings specified in Article I of the Master Declaration.

ARTICLE II SUBJECTION OF LAND TO THIS SUPPLEMENTAL DECLARATION

Grantor and Declarant acting together, and other Persons with their written consent, hereby reserve the right, to be exercised before December 31, 1989, to submit in phases, from time to time all or some of the additional real property described on Exhibit III attached hereto and by this reference incorporated herein, and the Improvements constructed or to be constructed thereon, to the provisions of this Supplemental Declaration in accordance with the procedures set out in the Article II. Upon the recording of a Notice of Addition of Real Property containing the provisions set forth below in this Article, the terms, covenants, conditions, restrictions, easements, uses, reservations, limitations and obligations contained in this Supplemental Declaration shall apply to such added real property in the same manner as to the real property originally subject to this Supplemental Declaration; and thereafter, such added real property, together with the Improvements constructed or to be constructed thereon, shall for all purposes be treated as an integral part of Manor Ridge and the rights, privileges, duties and liabilities of all persons subject to this Supplemental Declaration shall be the same with respect to all added real property as with respect to the real property originally covered by this Supplemental Declaration. The Notice of Addition of Real Property referred to hereinabove shall contain the following provisions:

- A. A reference to this Supplemental Declaration, which reference shall state the date of recordation hereof and the reception number wherein this Supplemental Declaration is recorded;
- B. A statement that the provisions of this Supplemental Declaration shall apply to the added real property as set forth herein;
- C. An adequate legal description of the added real property; and
- D. Grantor's and Declarant's written consent.

When additional real property is subjected to this Supplemental Declaration, the total number of votes in The Manor Ridge Association available to be cast on any matter shall increase, reducing each Owner's vote in relation to all votes available to be cast. The Assessments against Lots and the votes appurtenant to Lots, which Lots constitute part of any such expansion of Manor Ridge, shall become effective in accordance with the terms of This Supplemental Declaration upon the recording in the Jefferson County, Colorado, real property records of the Notice of Addition of Real Property. The minimum number of Lots to be included in Manor Ridge shall be thirty-five (35) Lots, and the maximum number of Lots that may be included in Manor Ridge, as expanded, shall be three hundred (300) Lots. In the event of expansion of Manor Ridge, the definitions used in this Supplemental Declaration automatically shall be expanded to encompass and refer to Manor Ridge as so expanded. No additional land may be added to Manor Ridge without the prior written consent of the Veterans Administration; no other consent of Owners or Mortgagees

shall be required. Improvements installed within areas to be added to this Supplemental Declaration shall be consistent with the initial Improvements in terms of quality of construction. Any lien arising from ownership or construction upon land added to this Supplemental Declaration shall appertain only to such land and shall not affect the rights of existing owners or the priority of Mortgages on Lots or Local Common Areas within the theretofore existing portion of Manor Ridge.

ARTICLE III BASIC BUILDING RESTRICTIONS

SECTION 3.01. Use of Property. Each Lot shall be used solely for one single-family residence, which residence may, however, include quarters for guests and household servants. Accessory outbuildings if permitted by applicable County zoning and subdivision resolutions and regulations, barns, stables and gazebos are also permitted if they are first approved by the Architectural Committee.

SECTION 3.02. Architectural Committee Approval. The Plans and Specifications, including the location, of all improvements must be approved in writing by the Architectural Committee prior to commencement of any construction in accordance with and subject to the provisions of Article XI hereof. The Architectural Committee may issue rules and guidelines regarding matters relevant to its function, including but not limited to minimum standards and procedures for the submission of Plans and Specifications for approval. All such rules and guidelines must be strictly followed.

SECTION 3.03. Floor Space. The minimum size of each single story or multilevel dwelling unit shall be 2,200 square feet of interior floor space. The minimum size of each two-story dwelling unit shall be 2,400 square feet of interior floor space, of which at least 1,700 square feet shall be on the first floor. Interior floor space does not include basements, garages, porches, patios, decks, balconies, overhangs or other unfinished living areas.

SECTION 3.04. Exterior Surfaces. All exterior surfaces of any building shall be of Natural Materials and of a color approved by the Architectural Committee.

SECTION 3.05. Roofs. All roofs shall be of a pitch or slope, material, color and texture first approved by the Architectural Committee.

SECTION 3.06. Height. No building shall exceed thirty-five (35) feet in height measured from the highest ground level adjacent to such building to the highest point of the ridge line of such building.

SECTION 3.07. Garages. An enclosed garage of at least 400 square feet capable of parking a minimum of two (2) automobiles shall be constructed on each Lot. Said garage may be detached from or attached to the residential structure.

SECTION 3.08. New Construction. All dwelling units shall be of new construction and no existing building shall be moved onto any Lot. No other building (including but not limited to playhouses and storage sheds) may be moved onto a Lot without prior written approval of the Architectural Committee.

SECTION 3.09. Storage of Building Materials. No building materials shall be stored on any Lot except temporarily during continuous construction of an Improvement or its

alteration, renovation or remodeling.

SECTION 3.10. Occupancy During Construction. No Improvement structure shall be occupied in the course of original construction until all required certificates of occupancy have been issued by the appropriate governmental authorities. All work of construction shall be prosecuted diligently and continuously from the time of commencement until fully completed.

SECTION 3.11. Temporary Structures. No trailer, mobile home, tent or shack or other temporary building, improvement or structure shall be placed upon any property, except that temporary structures necessary for storage of tools and equipment and for office space for architects, sales personnel, builders and foremen during actual construction may be maintained with the prior approval of the Architectural Committee, such approval to include the nature, size, and location of such structure.

SECTION 3.12. Construction Activities. This Supplemental Declaration shall not be construed so as to unreasonably interfere with or prevent normal construction of Improvements by any Owner, provided that when completed such Improvements shall in all ways conform to this Supplemental Declaration and the Master Declaration. Specifically, no such construction activities shall be deemed to constitute a nuisance or a violation of this Supplemental 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 initial construction. Such waiver may, but need not, be recorded or in recordable form.

ARTICLE IV ANIMALS

One or (if and to the extent permitted by the Architectural Committee) more horses may be kept on those Lots designated by the Architectural Committee as equestrian parcels; no horses may be kept on Lots not so designated. Before any Owner shall bring a horse onto any Lot pursuant to the preceding sentence, he shall first obtain the Architectural Committee's written approval of his plans as to where and how said horse will be cared for, housed and fenced, and where said horse will be permitted to graze. No hay or grain or other feed may be stored except in an enclosed outbuilding or appropriately screened from view, which outbuilding or screening shall have been previously approved in writing by the Architectural Committee. No other animals shall be kept on any Lot except for an aggregate of two (2) domesticated dogs or cats, and except domesticated birds and fish and other small domestic animals, and then only if kept as pets. All dogs shall be kept on a hand-held leash except when on their Owner's own Lot. Each Owner shall keep his horses, dogs and other animals quiet and under control at all times so that they do not constitute a nuisance or danger to other persons or their property. No kennel or other facility for raising or boarding dogs or other animals for commercial purposes shall be kept on any Lot. No poultry may be kept on any Lot. No rare, exotic or unusual animals or other pets (except nondangerous birds and fish) shall be kept on any Lot without the prior written approval of the Board. Each Owner of a horse, dog or other animal shall be financially responsible and liable for any

damage caused by said Owner's horse, dog or other animal, and shall be responsible for the pickup and disposal of any excrement deposited by his horse, dog or other animal.

ARTICLE V UTILITIES

SECTION 5.01. To Be Underground. Each Lot shall be and is hereby made subject to all easements for gas, electric, telephone, cable television, water, sewer and other lines as are necessary to provide utility services to said Lot, adjoining lots, and the Improvements located thereon. Each Owner hereby agrees to execute such further grant or other documentation as may be required by any utility or other company or public, governmental or quasi-governmental entity for such purposes. Subsequent to the date of execution of this Supplemental Declaration, all electrical, telephone, gas, water, sewer, cable television and other utility conduits, lines and pipes on any Lot shall be placed underground. No transformer, or electric, gas, water or other meter or device of any type, or any other apparatus shall be located on any pole. All such installations shall be subject to the prior written approval of the Architectural Committee.

SECTION 5.02. Rules and Regulations. Each Owner agrees to abide by all applicable rules and regulations of all utility and other companies and public, governmental and quasi-governmental entities which supply any of the services mentioned in Section 5.01 above.

SECTION 5.03. Street Lighting. If street light are installed, all Lots shall be subject to and bound by any utility company tariffs which are now or may in the future be filed with and approved by the Public Utilities Commission of the State of Colorado relating to street lighting, together with rates, rules and regulations therein provided, and subject to all future amendments and changes thereto so approved. The Owner of each Lot shall pay as billed a portion of the cost of street lighting according to such utility company rates, rules and regulations, including future amendments and changes, on file with and approved by the Public Utilities Commission of the State of Colorado.

ARTICLE VI USE AND RESTRICTIONS

SECTION 6.01. Single-Family Use Only. No Lot and no residence on any Lot shall be used for any purpose other than for one single-family residence. However, nothing in this Supplemental Declaration shall prevent the rental of the dwelling constructed on a Lot by the Owner thereof for residential purposes in accordance with Section 6.12 below, subject to all the provisions of the Master Declaration, this Supplemental Declaration and the Ken-Caryl Ranch Rules, as the same may be amended from time to time. No commune, cooperative or similar type living arrangement shall be permitted on any Lot.

SECTION 6.02. Antennas. No aerial or antenna for reception of radio or television or other electronic signal shall be maintained on the roof of any building nor shall any be maintained at any location so as to be visible from neighboring property or adjacent streets.

SECTION 6.03. Transmitters. No electronic or radio transmitter of any kind, other than garage door openers, shall be located or operated in or on any Improvement or on any Lot without the prior written approval of the Architectural Committee.

SECTION 6.04. Repair of Buildings. No Improvement upon any Lot 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 before the surfacing becomes weather-beaten or worn off. Materials which are customarily left unfinished, such as cedar shake shingle roofs and cedar stockade fences, are permitted so long as in the opinion of the Architectural Committee they have not become unsightly.

SECTION 6.05. Reconstruction of Buildings. Any Improvement located on a Lot which has been destroyed in whole or in part by fire, hail or windstorm or any other cause or act of God, shall be rebuilt or restored by and at the expense of the Owner of said Lot with reasonable promptness, and in any event within nine (9) months after the event causing the damage or destruction. Further, said Owner shall remove all debris from the Lot and shall restore the Lot to a slightly condition within thirty (30) days after the event causing the damage or destruction. Notwithstanding the foregoing, the Owner and first Mortgagees of any or all of the destroyed or damaged Improvements on a Lot may agree that the destroyed or damaged Improvements shall forthwith be demolished and all debris and rubble caused by such demolition be removed and the Lot(s) regraded and landscaped to the satisfaction of The Manor Ridge Association. The cost of such landscaping and demolition work on any Lot shall be paid for by the Owner of said lot.

SECTION 6.06. Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate upon any Lot and no odors shall be permitted to arise therefrom so as to render any such property or any portion thereof in the opinion of the Board 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 Lot so as to be, in the opinion of the Board, offensive or detrimental to any other property or its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells, wind chimes or other sound devices (other than security devices used exclusively for security purposes) shall be located, used or placed on any Lot without the prior written approval of the Board.

SECTION 6.07. Unsightly Articles. No unsightly article shall be permitted to remain on any Lot or on streets and drives within Manor Ridge so as to be visible from adjoining property or public or private thoroughfares. Without limiting the generality of the foregoing, trailers, recreation vehicles, graders, trucks other than pickups used solely for the private and non-business use of the residents of a dwelling, boats, tractors, campers, wagons, buses, sleighs, motorcycles, motor scooters, snowmobiles, snow removal equipment, garden and maintenance equipment, and all commercial and business vehicles shall be kept at all times, except when in actual use, in an enclosed structure, 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 or plant waste, shrub or tree clippings, metals, bulk materials or scrap shall be kept, stored or allowed to accumulate on any property except within an enclosed structure or appropriately screened from view. Liquid propane gas, oil and other exterior tanks shall be kept within an enclosed structure or permanently screened from view.

SECTION 6.08. Signs. No sign or advertising device of any kind shall be displayed to the public view on any Lot; provided, however, that signs which have received the prior

approval of the Architectural Committee may be displayed on or from a residence advertising the residence for sale or lease. Signs used for sale, administration and directional purposes by Declarant during development of Manor Ridge will be permitted. All signs must be professionally painted, lettered and constructed.

SECTION 6.09. Hazardous Activities. No activities shall be conducted on any Lot and no Improvements shall be constructed on any Lot 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 Lot, and no open fires shall be lighted or permitted on any Lot except in a contained barbecue unit while attended and in use for cooking purposes or within a safe and properly designed interior fireplace.

SECTION 6.10. Garages. The doors of the garage located on any Lot shall be kept closed at all times except when an automobile is entering into or exiting from such garage.

SECTION 6.11. Garage Sales. No garage, patio, porch or lawn sale shall be held on any Lot, except that the Owner of any Lot may conduct such a sale if the items sold are only his own furniture and furnishings, not acquired for purposes of resale; if such sale is held at such time and in such manner as not to disturb any other resident of the area; and if such sale is held in full compliance with all applicable governmental ordinances, statutes, resolutions, rules and regulations.

SECTION 6.12. Leasing of a Dwelling. The Owner of a Lot, including Declarant, shall have the right to lease the dwelling constructed on his Lot under the following conditions:

- A. All leases shall be in writing and shall provide that the terms of the lease and lessee's occupancy of the dwelling shall be subject in all respects to the provisions of the Master Declaration and this Supplemental Declaration and to the provisions of the Articles of Incorporation and the Bylaws of The Manor Ridge Association. Any failure by the lessee to comply therewith shall be a default under the lease, and
- B. No lease shall be for a period of less than ninety (90) days.

ARTICLE VII MAINTENANCE OBLIGATIONS OF OWNERS

SECTION 7.01. Improvements. All Improvements upon each Lot shall be maintained by the Owner of said Lot at said Owner's own expense. Without limiting the generality of the foregoing, this maintenance obligation shall include snow, ice and trash removal, paint, repair, replacement and care of roofs, gutters, downspouts, exterior building surfaces, windows, glass, walks, driveways and other structure, and lawn mowing and raking, weeding, irrigation, tree and shrub pruning and trimming and replacement of diseased or dead plantings, trees and shrubs. An Owner shall not allow any such Improvement upon his Lot 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 and at the expense of the Owner before the surfacing becomes weather-beaten or worn off. Materials which are customarily left unfinished are permitted so long as in the opinion of the Architectural Committee they have not become unsightly. Each Owner shall have the obligation to replace any exterior finishing or other materials removed with similar type or kinds of materials. No Owner shall, however, make any changes or alterations of any type or kind to the exterior surfaces of the building or other Improvements on his Lot without the prior approval of the Architectural Committee.

SECTION 7.02. Failure to Maintain. If any owner fails to carry out or neglects the responsibilities set forth in this Article, The Manor Ridge Association may fulfill the same and charge such Owner therefor. Any amount assessed against an Owner by The Manor Ridge Association pursuant to this Section shall be in addition to any annual or special Assessment to which said Owner's Lot is subject, but The Manor Ridge Association shall have all of the rights pertaining to a special Assessment specified in Article XIII hereof for such amount. Any expense incurred by an Owner under this Article shall be the sole expense of said Owner.

ARTICLE VIII
PROPERTY RIGHTS IN THE LOCAL COMMON AREA

SECTION 8.01. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Local Common Area and such right and easement shall be appurtenant to and shall pass with the title to every Lot. Such right and easement of enjoyment in and to the Local Common Area shall be subject to the following:

A. The right of The Manor Ridge Association, in accordance with its Articles of Incorporation and Bylaws, to borrow money for the purpose of improving the Local Common Area and facilities situated thereon and in aid thereof to mortgage or grant other security interests in the Local Common Area, provided, however, that the rights of any Mortgagee shall be subject to the rights of the Owners while any Mortgage is current and not in default, and further provided that no funds may be borrowed nor shall any Mortgage be given unless an instrument signed by Owners entitled to cast two-thirds (2/3) of the votes of the Class A membership and two-thirds (2/3) of the votes of the Class B membership, if any, agreeing to such action has been recorded with the Clerk and Recorder of Jefferson County, Colorado.

B. The right of The Manor Ridge Association to dedicate, transfer, grant or convey all or any part of the Local Common Area, subject to the ingress and egress and utility easements created by recorded subdivision plats of Manor Ridge, to any public agency, authority, utility or other Person or to the Master Association for those purposes provided in Section 12.04F below or for such other purposes and subject to such conditions as may be agreed to by the Members and by Persons holding Mortgages on any portion of the subject property. Except as provided in Section 12.04F below, no such dedication, transfer, grant or conveyance shall be effective unless an instrument signed by Owners entitled to cast two-thirds (2/3) of the votes of the Class A membership and two-thirds (2/3) of the votes of the Class B membership, if any, and by all first Mortgagees of the Local Common Area has been recorded, agreeing to such dedication, transfer, grant or conveyance. Declarant shall have the right at any time to use so much of the Local Common Area as it may deem reasonably necessary and advisable for the purpose of aiding in the construction and development of the unimproved Lots and the Local Common Area, and the maintenance and repair of the same, provided, however, that such use may not unreasonably interfere with an Owner's use and access to the Local Common Area nor with an Owner's right of ingress and egress to his Lot.

SECTION 8.02. Delegation of Use. Each Owner's right and easement of enjoyment in and to the Local Common Area shall extend to the members of said Owner's family who reside on his Lot and to said Owner's guests. Any Owner may delegate his right of enjoyment to the Local Common Area to his tenants who reside on his Lot.

ARTICLE IX
FURTHER SUBDIVISION

No Lot shall be further divided or subdivided, nor may any easement, right-of-way or other interest therein less than the whole, other than a leasehold estate or interest in or to the Lot or an easement across the Lot in question to serve only said Lot or the Improvements located thereon, be conveyed by the Owner of said Lot, nor shall any two or more Lots be combined into a single parcel, without the prior written approval of Declarant

so long as there is a Class B membership pursuant to Section 12.02 below, and thereafter without the prior written approval of the Board of Directors of The Manor Ridge Association. Notwithstanding the foregoing, however, while Declarant is the Owner thereof, Declarant may further divide and subdivide any Lot, convey any easement, right-of-way or other interest less than the whole and combine any two or more Lots into a single parcel. Nothing herein shall prohibit transfer or sale of any Lot to more than one Person to be held by them as tenants in common or joint tenants or prohibit the granting of any Mortgage. Nothing herein shall prohibit easements created by recorded subdivision plats for utilities, drainage or vehicular or pedestrian ingress and egress.

ARTICLE X LANDSCAPING AND DRAINAGE

SECTION 10.01. Approval. Prior to commencement of any construction of any fence, screening wall, retaining wall, arbor, gazebo, patio cover or landscaping (not including lawns, groundcover, or flowers), and prior to any planting of trees or shrubs, approval of the Architectural Committee shall be obtained pursuant to Article XI hereof.

SECTION 10.02. Completion of Landscaping. Promptly after completion of construction of a dwelling on any Lot, and in any event within ninety (90) days after completion of such construction or occupancy, whichever occurs last, between March 1 and September 1 or within one hundred eighty (180) days after completion of such construction or occupancy, whichever occurs last, at any other time, all yard area shall be landscaped in accordance with plans approved by the Architectural Committee and thereafter carefully maintained. All Lots shall be kept free from plants infected with noxious insects or plant diseases which in the opinion of the Architectural Committee are likely to spread to other property, and all Lots shall be kept free from weeds.

SECTION 10.03. Drainage. No material change may be made in the ground level, slope, pitch or drainage patterns of any Lot as fixed by the original finish grading except after first obtaining the prior written approval of the Architectural Committee. Grading shall be maintained at all times so as to conduct irrigation and surface waters away from buildings and so as to protect foundations and footings from excess moisture.

ARTICLE XI
ARCHITECTURAL COMMITTEE

SECTION 11.01. The Architectural Committee. The Architectural Committee shall be the architectural committee of the Master Association created pursuant to Article VIII of the Master Declaration (referred to in this Section as the "Master Architectural Committee") unless and until there is relinquishment of architectural control by Grantor or by the Board of Directors of the Master Association to The Manor Ridge Association as in Section 8.11 of the Master Declaration provided, if and when Grantor or the Board of Directors of the Master Association shall have relinquished to The Manor Ridge Association the right to appoint its own architectural committee for Manor Ridge (which relinquishment The Manor Ridge Association shall accept), then and thereafter all references in this Supplemental Declaration to the Architectural Committee shall be construed to mean the architectural committee of The Manor Ridge Association (referred to in this Section as the "Manor Ridge Architectural Committee"). If such relinquishment is made and accepted, then the Manor Ridge Architectural Committee shall have all rights, powers, functions, privileges, exemptions, immunities, duties and obligations with respect to the area subject to this Supplemental Declaration as are granted to the Master Architectural Committee by Sections 8.01 through 8.10 or by any other sections of the Master Declaration and The Manor Ridge Association shall have all rights, powers, functions, privileges, exemptions, immunities, duties and obligations with respect to the Manor Ridge Architectural Committee as are granted to the Master Association with respect to the Master Architectural Committee by said Sections 8.01 through 8.10 and by any other sections of the Master Declaration.

SECTION 11.02. Members of the Architectural 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 (3) members or five (5) members. The Board may reduce the number of members of the Architectural Committee to three and increase it to five as often as it wishes. Each member of the Architectural 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 Architectural Committee may be removed at any time without cause by the Board.

SECTION 11.03. Appointment and Removal. The Board shall have the right to appoint and remove all members of the Architectural Committee.

SECTION 11.04. Review of Proposed Construction. Whenever in the Master Declaration or in this Supplemental Declaration the approval of the Architectural Committee is required, the Architectural Committee 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 Article XIX below, prior to commencement of any construction of any Improvement in Manor Ridge, the Plans and Specifications therefor shall be submitted to the Architectural Committee, and construction thereof may not commence unless and until the Architectural Committee has approved such Plans and Specifications in writing. The Architectural Committee shall consider and act upon any and all Plans and Specifications submitted for its approval pursuant to this Supplemental Declaration and perform such other duties assigned to it by this Supplemental 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 Architectural

Committee. The Architectural 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 Architectural Committee may condition its approval of Plans and Specifications on such changes as 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 Architectural 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 Architectural Committee may require such detail in Plans and Specifications submitted for its review and such other information as it deems proper. Until receipt by the Architectural Committee of all required Plans and Specifications and other information, the Architectural Committee may postpone review of anything submitted for approval.

SECTION 11.05. Meetings of the Architectural Committee. The Architectural Committee shall meet from time to time as necessary to perform its duties hereunder. The Architectural 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 Architectural Committee, except the granting of variances pursuant to Section 11.10 hereof. In the absence of such designation, the vote of a majority of all of the members of the Architectural Committee, or the written consent of a majority of all of the members of the Architectural Committee taken without a meeting, shall constitute an act of the Architectural Committee.

SECTION 11.06. No Waiver of Future Approvals. The approval or consent of the Architectural Committee to any Plans and Specifications for any work done or proposed or in connection with any other matter requiring the approval or consent of the Architectural Committee shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any Plans and specifications or other matter whatever subsequently or additionally submitted for approval or consent by the same or a different person.

SECTION 11.07. Compensation of Members. The Members of the Architectural Committee shall be entitled to reasonable compensation from The Manor Ridge 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 the Board.

SECTION 11.08. Inspection of Work.

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

(i) Upon the completion of any Improvement for which approved Plans and Specifications are required under the Master Declaration or this Supplemental Declaration, the Owner shall give written notice of completion to the Architectural Committee.

(ii) Within such reasonable time as the Architectural Committee may set in its rules, but not to exceed fifteen (15) days thereafter, the Architectural Committee or its duly authorized representative may inspect such

Improvement. If the Architectural 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 said inspection period, specifying in reasonable detail the particulars of noncompliance, and shall require the Owner to remedy the same.

(iii) If upon the expiration of thirty (30) days from the date of such notification the Owner shall have failed to remedy such noncompliance, the Architectural 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 the Board finds that noncompliance exists, the Owner shall remedy or remove the same within a period of not more than forty-five (45) days from the date of announcement of the Board's ruling. If the Owner does not comply with the Board's ruling within that period, the Board, at its option, may either remove the noncomplying Improvement or remedy the noncompliance, and the Owner shall reimburse The Manor Ridge Association upon demand for all expenses incurred in connection therewith. If such expenses are not promptly repaid by the Owner to The Manor Ridge Association, the Board shall levy an Assessment against such Owner and the Improvement in question and the Lot upon which said Improvement is situated for reimbursement and said Assessment shall constitute a lien upon such Lot and Improvement and be enforced as in this Supplemental Declaration provided.

(iv) If for any reason after receipt of said written notice of completion from the Owner, the Architectural Committee fails to notify the Owner of any noncompliance within the period provided above in subsection (ii) of this Section 11.08A, the Improvement shall be deemed to be in accordance with the approved Plans and Specifications.

B. Work in Progress. The Architectural Committee may inspect all work in progress and give notice of noncompliance as provided above in subsection (ii) of Section 11.08A. If the Owner denies that such noncompliance exists, the procedure set out in subsection (iii) of Section 11.08A 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 11.09. Nonliability of Architectural Committee Members. Neither the Architectural Committee nor any member thereof nor the Board nor any member thereof shall be liable to The Manor Ridge 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 Architectural Committee's or the Board's respective duties under this Supplemental Declaration unless due to the willful misconduct or bad faith of the Architectural Committee or its members or its members or the Board or its members, as the case may be. The Architectural 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 to the surrounding area and Ken-Caryl Ranch generally. The Architectural 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 11.10. Variances. The Architectural Committee may authorize variances from compliance with any of the architectural provisions of the Master Declaration or this Supplemental Declaration, including restrictions upon height, bulk, size, shape, floor area, land area, placement of structure, 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 Architectural Committee. If such variance is granted, no violation of the covenants, conditions or restrictions contained in the Master Declaration or this Supplemental Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such variance shall not operate to waive any of the terms and provisions of the Master Declaration or of this Supplemental Declaration for any purpose except as to the particular property and particular provision and in the particular instance covered by the variance.

SECTION 11.11. Obligations With Respect to Zoning and Subdivision. 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.

ARTICLE XII
THE MANOR RIDGE ASSOCIATION

SECTION 12.01. Membership. Every Owner of a Lot shall be a Member of The Manor Ridge Association. Such membership shall be appurtenant to and may not be separated from the Lot of said Owner and the ownership of a membership for a Lot shall automatically pass with fee simple title to the Lot. Ownership of a Lot shall be the sole qualification for membership in The Manor Ridge Association. No Person other than an Owner of a Lot may be a Member of The Manor Ridge Association and the memberships in The Manor Ridge Association may not be transferred except in connection with the transfer of a Lot.

SECTION 12.02. Voting Rights. The Manor Ridge Association shall have two (2) classes of voting membership.

Class A. Class A Members shall be all of the Owners with the exception of Declarant. Each Class A Member shall be entitled to one (1) vote per Lot for each Lot in Manor Ridge owned by said Class A Member. When more than one Person owns any Lot, all such Persons shall be Members; provided, however, that the vote appurtenant to such Lot shall be exercised as the several Owners among themselves determine and in no event shall more than one(1) vote be cast with respect to any Lot. No Class A Member shall have a right to vote unless such Member is in good standing.

Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes per Lot for each Lot in Manor Ridge owned by said Class B

Member, provided that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever shall first occur:

- (a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) December 31, 1989.

If the Class B membership has ceased to exist pursuant to subsection (a) above, and other real property is thereafter subjected to this Supplemental Declaration, the Class B membership shall be reinstated and for purposes of determining the total number of votes to which the Class B Member is entitled, all Lots then owned by Declarant anywhere in Manor Ridge shall be counted.

SECTION 12.03. Organization and Purpose. The Manor Ridge 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 of Incorporation and Bylaws or in this Supplemental Declaration. Neither the Articles of Incorporation nor Bylaws of The Manor Ridge Association shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Supplemental Declaration. In case of conflict between this Supplemental Declaration and the Articles of Incorporation or the Bylaws of The Manor Ridge Association, this Supplemental Declaration shall control. In case of conflict between the Articles of Incorporation and the Bylaws of The Manor Ridge Association, the Articles of Incorporation shall control. The Manor Ridge Association shall be charged with the administration of Manor Ridge and of the terms and provisions of this Supplemental Declaration.

SECTION 12.04. Specific Powers of The Manor Ridge Association. The Manor Ridge Association shall have all of the powers of a Colorado nonprofit corporation and all of the powers set forth in its Articles of Incorporation and Bylaws or in this Supplemental Declaration. The Manor Ridge Association 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 its express powers granted to it by the laws of the State of Colorado, by its Articles of Incorporation or Bylaws or by this Supplemental Declaration. Without in any way limiting the generality of the two preceding sentences, The Manor Ridge Association shall have the following powers and authority at all times:

A. Right of Entry and Enforcement. The Manor Ridge Association may enter, after twenty-four (24) hours written notice, without being liable to any Owner, onto any Lot for the purpose of enforcing by peaceful means the provisions of this Supplemental Declaration. If any Owner unreasonably fails to comply with any obligation of such Owner under this Supplemental Declaration, the Manor Ridge Association, after Notice and Hearing, may also suspend such Owner's voting rights in The Manor Ridge Association for a reasonable period of time. The Manor Ridge Association may exercise any right or privilege given to it expressly by this Supplemental Declaration or by law, and every right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege. The Manor Ridge Association shall also have the power and authority, in its own name and behalf or in the name and behalf of any Owner who consents thereto, to take judicial action against any Owner to enforce by mandatory

injunction or otherwise, or to restrain and enjoin any breach or threatened breach of the provisions of this Supplemental Declaration or the Articles of Incorporation or the Bylaws of The Manor Ridge Association or the decisions of The Manor Ridge Association or the Board thereof made pursuant to such documents, or to obtain damages for noncompliance, all to the extent permitted by law. Owners shall have a right of action against The Manor Ridge Association for failure to comply with the provisions of this Supplemental Declaration or the Articles of Incorporation or the Bylaws of The Manor Ridge Association or with the decisions of The Manor Ridge Association or the Board thereof made pursuant to such documents; provided, however, that decisions of such bodies may be reversed or altered from time to time.

B. Fines. If any Owner, or any member of his family, or any of his guests, agents, employees, licensees, invitees or tenants, shall breach any covenant, condition or restriction contained in this Supplemental Declaration, and if such Owner shall not cease and remedy such breach (or cause such other person to cease or remedy such breach) after Notice and Hearing. The Manor Ridge Association may levy a reasonable fine, not to exceed One Hundred Dollars (\$100.00) for each breach per month while the breach remains uncured, against such Owner and such Owner shall be personally liable to pay the same and the same shall become a lien against such Owner's Lot and all Improvements located thereon, and payment may be enforced as is hereinafter provided for Assessments.

C. Management and Other Services. The Manor Ridge Association may obtain and pay for the services of any person or entity (the "Managing Agent") to manage its affairs, or any part thereof, to the extent deemed advisable by the Board, as well as such other personnel as the Board shall determine to be necessary or desirable for the proper operation of Manor Ridge, whether such personnel are furnished or employed directly by The Manor Ridge Association or by the Managing Agent. To the extent permitted by law, The Manor Ridge Association and the Board may delegate any of their duties, powers or function to the Managing Agent or to any other Person or committee of Persons. If professional management of The Manor Ridge Association has been previously required by the Veterans Administration, any decision to establish self-management by The Manor Ridge Association shall require the prior consent of the Members expressed by a vote of two-thirds (2/3) of the votes of the Class A Members and two-thirds (2/3) of the Votes of the Class B Members present, either in person or by proxy, at a meeting duly called for this purpose, which meeting shall comply with the notice and quorum requirements set forth in Section 18.04 hereof, and shall require the approval of fifty-one percent (51%) of the first Mortgagees of the Lots (based on one (1) vote for each first Mortgage). Each and every management contract made between The Manor Ridge Association and a Managing Agent while there is a Class B membership as in Section 12.02 hereof provided shall terminate no later than thirty (30) days after the termination of the Class B membership, shall require approval of the Veterans Administration pursuant to Section 18.10 hereof; and shall specifically state that, notwithstanding and other provision contained in the contract, it shall be subject to this sentence of Section 12.04C of the Supplemental Declaration. In addition to the foregoing, The Manor Ridge Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of Manor Ridge or the enforcement of this Supplemental Declaration. The Manor Ridge Association may also arrange with others to furnish lighting, heating, water, trash collection, sewer service, snow removal, landscaping, gardening and other common services to the Local Common

Area and, to the extent the Manor Ridge Association is responsible therefor under this Supplemental Declaration, to the Lots. The cost of such management and other services shall be borne as provided in Article XIII hereof.

D. Contracts. The Manor Ridge Association may enter into contracts with Grantor, Declarant, the Master Association and all other Persons to provide any service or perform any function, including but not limited to contracts delegating to the Master Association some or all of the duties of The Manor Ridge Association under this Supplemental Declaration and the right to collect and remit (but not to levy) Assessments and fines levied by The Manor Ridge Association.

E. Personal Property for Common Use. The Manor Ridge Association may acquire and hold for the use and benefit of the Owners tangible and intangible personal property and may dispose of the same by sale or otherwise. Each Owner shall have the right to use such property in accordance with the purpose for which it is intended without hindering or encroaching upon the lawful rights of other Owners.

F. Conveyances. The Manor Ridge Association may grant to any Person or private, public, governmental or quasi-governmental entity the right to enter upon the private roads in Manor Ridge and the easements adjacent thereto as shown on the plats of Manor Ridge in order to provide fire and police protection, school buses, postal service, cable television and similar services. With the prior consent of the Master Association, The Manor Ridge Association shall have the right to grant and convey to the Master Association any of its properties or interests therein, rights, privileges and duties. The Manor Ridge Association may permit other Persons to use the private roads and other Local Common Area in Manor Ridge, subject to such restrictions and limitations and on such other terms and conditions as the Board in its sole and absolute discretion may determine.

G. Long Term Financing. The Manor Ridge Association may borrow money to finance any function or activity which it is authorized to perform and may execute Mortgages to secure the repayment of all borrowed sums in accordance with Section 8.01A hereof.

H. Control of Use of Private Roads. The Manor Ridge Association may adopt such reasonable rules and regulations as it shall determine regulating the use of the private roads in Manor Ridge, including but not limited to the hours during which the same shall be open for various uses, restrictions on the size of trucks and vans permitted on the private roads, and prohibiting the use of lug-treaded and other vehicles which may in the opinion of the Board damage said roads. The Board may require any Owner to pay the costs of repair of any damage caused by him or by his family, guests, employees, agents, licensees, invitees or lessees. The Manor Ridge Association also may enact reasonable rules and regulations regarding the use of the private roads by pedestrians, bicycles and horses, but subject to easements heretofore or hereafter granted by Declarant.

I. Rules and Regulations. The Manor Ridge Association may from time to time adopt, amend and terminate, and Owners shall comply with, such other reasonable rules and regulations governing the use of the Local Common Area, the Lots, and personal property for common use and covering any or all aspects of its functions hereunder, which rules and regulations shall be consistent with the rights and duties established

in this Supplemental Declaration and shall be uniform and non-discriminatory. Each Owner, by the acceptance of his deed or other instrument of conveyance or assignment, agrees to accept and be bound by any such adopted rules and regulations.

J. Private Security Personnel. The Manor Ridge Association may provide private security personnel to patrol the Lots in Manor Ridge, provided, however, that all aspects thereof shall be in the discretion of the Board, including but not limited to the number of such private security personnel, the hours during which they shall be on duty, the frequency with which the private roads are patrolled, the nature of their equipment, and all other aspects of their duties. The Manor Ridge Association may contract with an independent agency to provide such private security personnel or it may directly employ its own personnel. The Manor Ridge Association also may employ a guard to monitor any entrance gate to Manor Ridge during such hours and on such days as the Board shall decide. The cost of such private security personnel and guard shall be a common expense to be paid as provided in Article XIII of this Supplemental Declaration.

SECTION 12.05. Specific Duties of The Manor Ridge Association. The Manor Ridge Association shall have and perform each of the following duties for the benefit of the Members of The Manor Ridge Association.

A. Ownership of Private Roads. The Manor Ridge Association shall accept conveyance from Declarant of the private roads in Manor Ridge after a twenty-four foot strip therein has been paved and otherwise constructed in accordance with the standards of Jefferson County, Colorado, and it shall thereafter own, operate, maintain and repair the private roads, provided, however, that such conveyance of the private roads to The Manor Ridge Association shall be subject to such easements therein and rights to the use thereof as Declarant shall have heretofore granted or shall hereafter grant, including but not limited to any easements or rights of use granted to any utility or other company or public, governmental or quasi-governmental entity for utility purposes or for fire and police protection, school buses, postal services, cable television or similar purposes. The Manor Ridge Association shall maintain said private roads in good repair and condition at all times, including the removal of snow from said twenty-four foot paved strip as promptly after storms as is reasonable. The cost of such operation, maintenance and repair shall be borne as provided in Article XIII of this Supplemental Declaration. All driveways, bridges, culverts, graveling, grading, snow removal and other facilities and services for the area between the edge of said twenty-four foot paved strip and the Lot line as are necessary to provide access to the Lot line, and all lawns and landscaping in said area, shall be the responsibility of and at the expense of the Owner of the Lot.

B. Ownership of Other Local Common Area. The Manor Ridge Association shall accept conveyances from declarant of other Local Common Area within Manor Ridge, free and clear of liens but subject to reasonable easements, right-of-way, covenants, restrictions, reservations and exceptions. The Local Common Area to be conveyed to The Manor Ridge Association by Declarant prior to the conveyance of the first Lot is described on Exhibit II attached hereto. The Manor Ridge Association shall be responsible for the exclusive management, control, operation, maintenance, repair, improvement and replacement of the Local Common Area and all Improvements located thereon (including furnishings and equipment related thereto), and shall keep the same in good, clean, safe, attractive and sanitary condition, order and repair. The

cost of such management, operation, maintenance, repair, improvement and replacement shall be borne as provided in Article XIII of the Supplemental Declaration. Any other provision of this Supplemental Declaration to the contrary notwithstanding, so long as there is a Class B membership pursuant to Section 12.02 hereof, no land or interest in land within any Local Common Area shall be improved by any improvement, used or occupied except in such manner as shall have been approved by Grantor and Declarant in their sole and absolute discretion. Such required approval shall extend to the nature and type of use, occupancy and Improvement. Grantor and Declarant may delegate their right to grant such approvals to the Board. No approval shall be granted which would be in contravention of the zoning then in effect for the area in question.

C. Slope Easements Adjacent to Private Roads. The Manor Ridge Association shall accept conveyance from Declarant of the easements, twenty feet wide, reserved on the plats of Manor Ridge along both sides of the private roads in Manor Ridge, after Declarant has completed all necessary excavating, filling, grading and seeding of cut and fill slopes. Thereafter, The Manor Ridge Association shall maintain such slope easements in good condition and repair at all times. The cost of such maintenance and repair shall be borne as in Article XIII of this Supplemental Declaration provided.

D. Easement for Identification. The Manor Ridge Association shall accept conveyance from Declarant of certain parcels of land within Manor Ridge as easements for identification signs, landscaping and entry structure, after Declarant has completed installation of such identification signs, landscaping and entry structures as Declarant shall have determined to be advisable. Thereafter, The Manor Ridge Association shall maintain said parcels of land and the structures and Improvements located thereon in good condition and repair at all times. The cost of such maintenance and repair shall be borne as provided in Article XIII of this Supplemental Declaration.

E. Easement for The Manor Ridge Association. The Manor Ridge Association (including its agents, employees and contractors) shall have a non-exclusive easement to make use of the Local Common Area and each Lot as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Supplemental Declaration.

F. Insurance. The Manor Ridge Association shall 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:

(i) Casualty insurance covering the Local Common Area and all personal property belonging to The Manor Ridge Association against loss or damage by fire and lightning, vandalism and malicious mischief, under extended coverage and all-risk endorsements. Such insurance shall name as insureds The Manor Ridge Association and any authorized Mortgagee of the Local Common Area, as their interests may appear.

(ii) Bodily injury and property damage liability insurance insuring against liability for death, bodily injury or property damage arising from activities of The

Manor Ridge 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. Such liability insurance policy shall name as separately protected insureds The Manor Ridge Association, the Managing Agent, the Board, each member of the Board, the Architectural Committee and such policy may also name some or all of the respective officers, employees and agents of the foregoing.

(iii) Workmen's compensation coverage as is necessary to comply with all applicable laws.

(iv) Fidelity bonds in an amount to comply with the regulations of the Veterans Administration for coverage against dishonesty of officers, directors or employees or any other person handling funds of or administered by The Manor Ridge Association, destruction or disappearance of money or securities, and forgery. Said fidelity bonds shall name the members of the Board and such other persons as may be designated by the Board as principals and The Manor Ridge Association as obligee.

G. Enforcement Hereof. The Manor Ridge Association shall enforce, in its own behalf and in behalf of all Owners, all of the covenants, conditions and restrictions set forth in this Supplemental Declaration, under an irrevocable agency (hereby granted) coupled with an interest, as beneficiary of said covenants, conditions and restrictions, and as assignee of Declarant; and it shall perform all other acts, whether or not anywhere expressly authorized, as may be reasonably necessary to enforce any of the provisions of this Supplemental Declaration.

H. Audit. If directed by a vote of the Members at any regular or special meeting, The Manor Ridge Association shall provide an audit by an independent certified public accountant of its accounts and shall make a copy of such audit available to each Member during normal business hours. The cost of any such audit shall be borne as provided in Article XIII of this Supplemental Declaration. Any Member may at any time and at his own expense cause an audit or an inspection to be made of the books and records of The Manor Ridge Association by a certified public accountant provided that such audit or inspection is made during normal business hours and without unnecessary interference with the operations of The Manor Ridge Association.

I. Payment of Taxes. The Manor Ridge Association shall pay all real and personal property taxes and other taxes and assessments levied upon or with respect to any property owned by The Manor Ridge Association to the extent that such taxes and assessments are not levied directly upon the Members. Such taxes and assessments shall constitute part of the Assessments provided for in Article XIII hereof. The Manor Ridge Association shall have all rights granted by law to contest the legality and the amount of such taxes and assessments.

J. Other. The Manor Ridge Association shall carry out all duties of The Manor Ridge Association set forth herein or in its Articles of Incorporation or Bylaws.

ARTICLE XIII ASSESSMENTS

SECTION 13.01 Creation of the Lien of and Personal Obligation for Assessments.

Declarant, for each Lot owned by it in Manor Ridge, hereby covenants, and each Owner of any Lot by acceptance of a deed or other instrument of conveyance therefor, whether or not it shall be so expressed in any such deed or other instrument of conveyance, is deemed to covenant and agree to pay to The Manor Ridge Association

- A. Annual Assessments or charges; and
- B. Special Assessments for capital improvements.

Such Assessments shall be fixed, established and collected from time to time as hereinafter provided. The annual and special Assessments together with such interest thereon, costs of collection thereof and attorneys' fees as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such Assessment is made. Each such Assessment, together with such interest, collection costs and attorneys' fees, shall be a lien on such Lot and shall also be the personal obligation of the Owner of such Lot, provided, however, that the personal obligation for delinquent Assessments shall not pass to such Owner's successors in title unless expressly assumed by them.

SECTION 13.02. Purpose of Annual Assessments. The annual Assessments levied by The Manor Ridge Association through its Board of Directors shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in Manor Ridge and in particular, for the services and facilities devoted to this purpose and related to the use and enjoyment of any Local Common Area within Manor Ridge owned by The Manor Ridge Association, and further, for the purpose of repairing, reconstructing, replacing and maintaining private roads and ways, footpaths, utilities, landscaping, and any such other maintenance or improvement obligations which may be deemed necessary for the common benefit of the Owners and the maintenance of property values or which may be incurred by virtue of agreement with or requirement of the County of Jefferson, Colorado, or other governmental authorities. The annual Assessments shall further be used for the purpose of carrying out the duties of The Manor Ridge Association specified in this Supplemental Declaration or in the Articles of Incorporation or Bylaws of The Manor Ridge Association, including, without limitation, to pay any authorized compensation to the members of the Architectural Committee or the Board, to pay taxes and assessments not separately assessed to the Owners by taxing authorities, to pay any deficit remaining from a previous period and to provide management services, legal and accounting services, adequate insurance of any and all types and amounts specified in this Supplemental Declaration or deemed necessary by the Board and to provide such reserves as may be deemed necessary in order to accomplish the objects and purposes of The Manor Ridge Association. A portion of the annual Assessments shall further be used to provide a reserve fund for the replacement and maintenance of the Local Common Area and the Board shall be obligated to establish such reserve fund.

SECTION 13.03 Amount of Annual Assessments. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner other than Declarant, the maximum annual Assessment shall be One Thousand Two Hundred Dollars (\$1,200) per Lot.

- A. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner other than Declarant, the maximum annual Assessment may be increased by the Board each year either by not more than fifteen percent (15%) above the maximum annual Assessment for the previous year or by the percentage increase, if any, in the most recent available CPI as of November 1 of the previous year, whichever is greater, without a vote of the membership. "CPI" shall mean the Consumer Price Index for All Urban Consumers for Denver-Boulder, Colorado, for All

Items, 1967 = 100, as published by the U.S. Department of Labor, Bureau of Labor Statistics, or if said index should ever cease being published, such reasonably similar index as may be designated by the Board.

B. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner other than Declarant, the maximum annual Assessment may be increased by the Board each year by an amount greater than that set forth in subsection A above; provided, however, that for a period of time not to exceed thirty (30) days after the date on which Owners are given notice of the increased Assessment pursuant to Section 13.04 below, any such increased Assessment may be vetoed by a vote of fifty-one percent (51%) of the Class A Members or fifty-one percent (51%) of the Class B Members who are voting in person or by proxy at a meeting duly called for this purpose.

C. The Board may, after consideration of the current maintenance costs and the financial requirements of The Manor Ridge Association, fix the annual Assessment at an amount less than the maximum, but the maximum annual Assessment for the previous year, rather than the actual annual Assessment, shall in all cases be used as the basis for determining the maximum annual Assessment for the current year.

SECTION 13.04. Date of Commencement of Annual Assessments; Due Dates. The annual Assessment with respect to each Lot shall be payable in advance on a calendar month basis or such other reasonable basis as the Board may determine, but in no event more frequently than monthly or less frequently than yearly. The annual Assessments provided for herein shall commence on all Lots in Manor Ridge upon conveyance of the first Lot to an Owner other than Declarant. Declarant shall pay full installments of the annual Assessment with respect to each Lot owned by it until the conveyance of said Lot to an Owner other than Declarant. All other Owners shall be subject to full annual Assessments and shall commence payment thereof upon the purchase of their Lots. The first annual Assessment shall be adjusted according to the number of months remaining in the calendar year. Installments of the annual Assessments shall be payable on or before the first day of each calendar month or such other installment period adopted by the Board. The Board shall fix the amount of the annual Assessment against each Lot and written notice of the amount of the annual Assessment shall be sent to every Owner at least thirty (30) days in advance of each annual Assessment period. The Manor Ridge Association shall upon demand of any Owner, prospective mortgagee, furnish a certificate in writing signed by an officer of The Manor Ridge Association setting forth whether the Assessments on a specified Lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

SECTION 13.05. Special Assessments for Capital Improvements. In addition to the annual Assessments authorized above, The Manor Ridge Association may levy through its Board of Directors, in any Assessment year, a special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any reconstruction, repair or replacement of a capital improvement which is situated upon the Local Common Area owned by The Manor Ridge Association, including fixtures and personal property related thereto, provided that any such Assessment shall have the assent of two-thirds (2/3) of the votes of the Class A Members and two-thirds (2/3) of the votes of the Class B Members who are voting in person or by proxy at a meeting duly called for this purpose. Notwithstanding the foregoing, however, in the event of any emergency expenditure by The Manor Ridge

Association, the Board may fix and collect without a vote of the membership a special Assessment in an amount not to exceed Five Thousand Dollars (\$5,000) for the purpose of defraying, in whole or in part, the cost of said emergency expenditure. Notice in writing of the amount of any special Assessment levied by The Manor Ridge Association pursuant to this Section and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given; provided, however, that special Assessments due to failure to maintain Improvements pursuant to Article VII hereof or due to neglect, willful or tortious damages may be made due upon receipt of such notice.

SECTION 13.06. Notice and Quorum for any Action Authorized Under Sections 13.03 and 13.05. Written notice of any meeting called for the purpose of taking any action authorized under Sections 13.03 and 13.05 above shall be sent to all Members not less than ten (10) days nor more than thirty (30) days in advance of the meeting. At the first such meeting called, the presence of Members or proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, other meetings may be called subject to the same notice requirement, and the required quorum at each subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting until a quorum is obtained. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

SECTION 13.07. Uniform Rate of Assessment. Both annual and special Assessments must be fixed at a uniform rate for all Lots.

SECTION 13.08. Assessment for Damages. Any cost incurred by The Manor Ridge Association in the repair of damages caused by the negligent or willful or tortious act of an Owner, member of his family, his agents, employees, invitees, licensees or lessees or any cost incurred by The Manor Ridge Association to cure an Owner's default hereunder, including reasonable attorneys' fees, shall be the responsibility of such Owner. The Manor Ridge Association shall assess such Owner for such costs and shall have all of the rights pertaining to a special Assessment for such an Assessment for damages.

SECTION 13.09. Late Charges and Interest. If any Assessment or any installment thereof shall remain unpaid after the due date thereof, The Manor Ridge Association may impose a late charge on such defaulting Owner in an amount established by the Board sufficient to cover the extra cost and expense involved in handling such delinquent Assessment or installment thereof, in addition to the following interest charges. If any Assessment or any installment thereof is not paid within fifteen (15) days after the due date, the Assessment installment shall bear interest from the date due until the date it is actually paid at the rate of eighteen percent (18%) per annum.

SECTION 13.10. Lien for Assessments. All sums assessed to any Lot pursuant to this Article, together with interest and late charges thereon as provided in this Article and together with the costs of collection thereof, including reasonable attorneys' fees, shall be secured by a lien on such Lot and all Improvements located thereon in favor of The Manor Ridge Association. Such lien shall be superior to all other liens and encumbrances on such Lot, voluntary and involuntary, whether granted by operation of law or otherwise, except only for:

- A. Valid tax and special assessment liens on the Lot in favor of any government assessing authority; and

B. A lien for all sums unpaid on a first Mortgage duly recorded in the Jefferson County, Colorado, real property records, including all unpaid obligatory advances to be made pursuant to such Mortgage; and

C. Any executory land sales contract for the Lot wherein the Administrator of Veterans Affairs, an officer of the United States of America, is identified as the seller, whether such contract is owned by the said Administrator or its assigns and whether or not such contract is recorded; and

D. Any assessment of the Master Association levied with respect to the Lot pursuant to the Master Declaration.

The sale or transfer of any Lot shall not affect the Assessment lien thereon, except that sale or transfer of any Lot pursuant to the foreclosure of any duly recorded first Mortgage or any executory land sales contract of the type referenced in subsection C above, or any proceeding in lieu thereof (including deed in lieu of foreclosure), or pursuant to the cancellation or forfeiture of any such executory land sales contract shall extinguish the lien of such Assessment charges which became due prior to any such sale or transfer pursuant to foreclosure, or any proceeding in lieu of foreclosure, or pursuant to cancellation or forfeiture of any such executory land sales contract. No such sale or transfer pursuant to foreclosure, or any proceeding in lieu of foreclosure, or pursuant to cancellation or forfeiture of any such executory land sales contract shall relieve any Lot from liability for or the lien of any Assessment charges becoming due after such sale or transfer.

To evidence a lien for sums assessed pursuant to this Article, The Manor Ridge Association may prepare a written notice of lien setting forth the amount of the Assessment, date due, the amount remaining unpaid, the name of the Owner of the Lot and the description of the Lot. Such a notice shall be signed by The Manor Ridge Association and may be recorded in the office of the Clerk and Recorder of Jefferson County, Colorado. No notice of lien shall be recorded until there is delinquency in payment of the Assessment. Such lien may be enforced by judicial foreclosure by The Manor Ridge Association in the same manner in which mortgages on real property may be foreclosed in the State of Colorado. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding, the costs and expenses of filing a notice of lien and all reasonable attorneys' fees. All such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to The Manor Ridge Association any Assessments against the Lot which become due during the period of foreclosure. The Manor Ridge Association shall have the right and power to bid at the foreclosure sale or other legal sale and to acquire, hold, convey, encumber and otherwise deal with the Lot and all Improvements located thereon as the Owner thereof.

A release of notice of lien shall be executed by The Manor Ridge Association and recorded in the Jefferson County, Colorado, real property records at the Owner's expense, upon payment of all sums secured by a lien which has been made the subject of a recorded notice of lien.

Any Mortgagee holding a lien on a Lot may pay, but shall not be required to pay, any amounts secured by the lien created by this Article, and upon such payment such Mortgagee shall be subrogated to all rights of The Manor Ridge Association with respect to

such lien, including priority.

Each Owner hereby agrees that The Manor Ridge Association's lien on a Lot for Assessments as hereinbefore described shall be superior to the Homestead Exemption provided by Colo. Rev. Stat. Ann. §38-41-201, **et seq.** (1973, as amended) and each Owner hereby agrees that the acceptance of the deed or other instrument of conveyance in regard to any Lot within Manor Ridge shall signify such grantee's waiver of the homestead right granted in said sections of the Colorado statutes.

SECTION 13.11. Personal Obligation of Owner. The amount of any Assessment against any Lot shall be the personal obligation of the Owner thereof to The Manor Ridge Association. Suit to recover a money judgment for such personal obligation shall be maintainable by The Manor Ridge Association without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish such personal obligation by waiver of the use and enjoyment of any of the Local Common Area or by abandonment of his Lot. This personal obligation of any Owner for delinquent Assessments shall not pass to successors in title or interest to said Owner's Lot unless assumed by them, provided, however, that any such sale or transfer of the Lot pursuant to a foreclosure shall not relieve the purchaser or transferee from liability for, nor the Lot so sold or transferred from the lien of, any Assessments becoming due after the date upon which such purchaser or transferee acquires title to or possession of the Lot, whichever shall first occur.

SECTION 13.12. Statement of Account. Upon payment of a fee to be established by the Board and upon written request in the manner herein provided by any Owner or any Mortgagee, prospective Mortgagee or prospective purchaser of a Lot. The Manor Ridge Association shall issue a written statement setting forth the amount of the unpaid Assessments, if any, with respect to such Lot, the amount of the current annual Assessment, the date that such Assessments become due and credit for advance payments, which statement shall be conclusive upon The Manor Ridge Association in favor of prospective Mortgagees or prospective purchasers who rely thereon in good faith.

SECTION 13.13. Notice to Mortgagee. The first Mortgagee of a Lot is entitled to written notice from The Manor Ridge Association of any delinquency in the payment of Assessments or charges owned by the Owner of such Lot where such delinquency has continued for a period of sixty (60) days and provided such first Mortgagee requests such notice as provided in Section 18.05 of this Supplemental Declaration.

ARTICLE XIV CASUALTY DAMAGE AND DESTRUCTION OF THE LOCAL COMMON AREA

As soon as practicable after an event causing damage to or destruction of any part of the Local Common Area, The Manor Ridge Association shall obtain reliable and complete estimates of the costs for repair and reconstruction of the part of the Local Common Area damaged or destroyed.

A. Sufficient Insurance Proceeds. Subject to the provisions of subsection C below, if the insurance proceeds with respect to such Local Common Area damaged or destroyed are sufficient to pay the cost of repair and reconstruction thereof, The Manor Ridge Association shall, as soon as practicable, diligently pursue to completion the repair and reconstruction of the part of the Local Common Area damaged or destroyed. The Manor Ridge Association may take all appropriate action to affect

repair or reconstruction and no consent or other action by any Owner shall be necessary in connection therewith. Such repair and reconstruction shall be substantially in accordance with this Supplemental Declaration and the original Plans and Specifications.

B. Insufficient Insurance Proceeds. Subject to the provisions or subsection C below, if the insurance proceeds with respect to such Local Common Area damaged or destroyed are insufficient to pay the costs of repair and reconstruction thereof, The Manor Ridge Association shall present to the Members a notice of special Assessment for approval by the membership in accordance with Section 13.05 hereof, which special Assessment shall be in an amount sufficient to provide funds to pay the costs of repair and reconstruction of that portion of the Local Common Area damaged or destroyed. If said special Assessment is approved by the Members, The Manor Ridge Association shall levy and collect the special Assessment as provided in Article XIII hereof and thereafter shall diligently pursue to completion the repair and reconstruction of that part of the Local Common Area damaged or destroyed. Such repair and reconstruction shall be substantially in accordance with this Supplemental Declaration and the original plans and Specifications. If there is a balance from the special Assessment after payment of all costs of such repair and reconstruction, such balance shall be distributed by The Manor Ridge Association to the Owners in proportion to the contributions each Owner made. If the aforesaid special Assessment is not approved by the Members, the insurance proceeds may be applied in accordance with the wishes of the membership as expressed by a vote of fifty-one percent (51%) of the votes held by Class A Members and fifty-one percent (51%) of the votes held by Class B Members present, either in person or by proxy, at a meeting duly called for this purpose, which meeting shall comply with the notice and quorum requirements set forth in Section 18.04 hereof, except that, at a minimum, the damaged structures on the Local Common Area shall be demolished and the Local Common Area cleaned-up and that any insurance proceeds remaining shall not be distributed to the Owners unless made jointly payable to the Owners and the first Mortgagee of their respective Lots, if any.

C. Decision Not to Rebuild. If the Board determines not to rebuild any Local Common Area so damaged or destroyed, or to rebuild facilities substantially different from those which were damaged or destroyed, it shall call a special meeting of the Members to consider such decision. Any such special meeting shall comply with the notice and quorum requirements set forth in Section 18.04 hereof. If the Members, by two-thirds (2/3) of the total number of 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 Manor Ridge Association shall proceed to repair and reconstruct the Local Common Area damaged or destroyed pursuant to subsection A or B, as the case may be, of the Article XIV.

Notwithstanding the foregoing, if the damage or destruction to all or a portion of the Local Common Area is caused by the negligent or willful or tortious act of an Owner, member of his family, agents, employees, invitees, licensees or lessees, The Manor Ridge Association shall, as soon as practicable, diligently pursue to completion the repair and reconstruction of the Local Common Area damaged or destroyed and the costs of such repair and reconstruction shall be assessed to such Owner by The Manor Ridge Association pursuant to Section 13.08 hereof and shall be added to and become part of the Assessment to which such Owner's Lot is subject and shall be an addition to any annual or special Assessment to

which such Owner's Lot is subject.

ARTICLE XV CONDEMNATION OF THE LOCAL COMMON AREA

If at any time or times during the continuance of ownership pursuant to this Supplemental Declaration, all or any part of the Local Common Area shall be taken in eminent domain or condemned by any public authority or sold or otherwise disposed of in lieu thereof (hereinafter called "condemned"), the following provisions of this Article shall apply.

SECTION 15.01. Proceeds. All compensation, damages or other proceeds from the condemnation of all or any part of the Local Common Area, the sum of which is hereinafter call the "Condemnation Award", shall be payable to the Manor Ridge Association.

SECTION 15.02. Complete Taking. In the event that all of the Local Common Area is condemned, the Condemnation Award shall be apportioned among the Owners equally and, on the basis of this principle, The Manor Ridge Association shall as soon as practicable determine the share of the Condemnation Award to which each Owner is entitled. The Manor Ridge Association shall distribute the Condemnation Award as soon as practicable thereafter to the Owners in the shares so determined, such distribution to be made by checks payable jointly to the Owners and the first Mortgagee of their respective Lots, if any.

SECTION 15.03. Partial Taking. In the event that less than the entire Local Common Area is condemned, the Condemnation Award shall first be applied by The Manor Ridge Association to the repair and reconstruction of those Improvements on the Local Common Area damaged or taken by the condemning public authority, unless the Owners, by a vote of two-thirds (2/3) of the votes held by Class A Members and two-thirds (2/3) of the votes held by Class B Members present, either in person or by proxy at a meeting duly called for this purpose, which meeting shall comply with the notice and quorum requirements set forth in Section 18.04 hereof, agree otherwise. Repair and reconstruction of any such Improvements shall be governed by the procedures outlined in Article XIV hereof and such repair and reconstruction shall be substantially in accordance with this Supplemental Declaration and the original Plans and Specifications. Any portion of the Condemnation Award not used for repair and reconstruction of such Improvements shall be apportioned among the Owners equally and distribution of said apportioned amounts by The Manor Ridge Association shall be by checks payable jointly to the Owners and the first Mortgagee of their respective Lots, if any.

ARTICLE XVI ENFORCEMENT AND NONWAIVER

SECTION 16.01. Right of Enforcement. Each Owner shall comply with the provisions of this Supplemental Declaration, the Articles of Incorporation and the Bylaws of The Manor Ridge Association and the decisions and resolutions of The Manor Ridge Association adopted pursuant thereto as the same may be lawfully amended from time to time. Except as otherwise provided herein, any Owner of any Lot which is subject to this Supplemental Declaration, regardless of when it became so subject, at his own expense, Declarant, Grantor, and the Board, and the Master Association's Board shall have the right to enforce all of the provisions of this Supplemental Declaration, the Articles of Incorporation and the Bylaws of The Manor Ridge Association, and the decisions and resolutions of The Manor

Ridge Association adopted pursuant thereto against any property which is subject to this Supplemental Declaration, regardless of when it became so subject, and the Owners thereof. Such right of enforcement shall include both damages for and injunctive relief against the breach of any such provision. However, only the Board and, until such time as the Class B membership has ceased to exist as provided in Section 12.02 hereof, Declarant and the duly authorized agent of either of them may enforce by self-help any of the provisions of this Supplemental Declaration and then only if such self-help is preceded by reasonable notice to the Owner in violation.

SECTION 16.02. Violation of Law. Any violation of any federal, state or local law, resolution or regulation pertaining to the ownership, occupancy or use of any property subject hereto is declared to be a violation of this Supplemental Declaration and subject to all of the enforcement provisions set forth herein.

SECTION 16.03. Remedies Cumulative. Each remedy provided by this Supplemental Declaration is cumulative and not exclusive.

SECTION 16.04. Nonwaiver. The failure to enforce any provision of this Supplemental Declaration at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provision hereof.

ARTICLE XVII MORTGAGEE PROTECTION

SECTION 17.01. Rights of First Mortgagee of the Lot. The first Mortgagees of the Lots may, jointly or severally, pay taxes or other charges which are in default and which may or have become a charge against any real or personal property owned by The Manor Ridge Association and may pay all the due premiums on hazard insurance policies or secure new hazard insurance coverage on any such property and any such first Mortgagee making such payments shall be owed immediate reimbursement therefor from The Manor Ridge Association.

SECTION 17.02. Professional Management. Any agreement for professional management entered into by The Manor Ridge Association or any other contract providing for services of Declarant, Grantor or any other developer of Manor Ridge may not exceed three (3) years in term. Any such agreement must provide for termination by either party to such agreement with or without cause and without payment of a termination fee on ninety (90) days or less written notice.

ARTICLE XVIII GENERAL PROVISIONS

SECTION 18.01 Rule Against Perpetuity. If any of the options, privileges, covenants or rights created by this Supplemental Declaration shall be unlawful or void for violation of the rule against perpetuities or some analogous statutory provision, then such provisions shall continue only for the period of twenty-one (21) years after the death of the last to die of the group composed of John E. Osborn, Dennis E. Carruth, and their now living descendants.

SECTION 18.02. Mortgage Protection. Notwithstanding any provision of this Supplemental Declaration, no lien arising by reason of the breach of or the enforcement of any provision of this Supplemental Declaration shall defeat or render invalid the rights of the Mortgagee under any recorded Mortgage of first and senior priority now or hereafter upon a Lot made in

good faith and for value. However, after the foreclosure of any such first Mortgage or after any conveyance in lieu of foreclosure, such Lot shall remain subject to this Supplemental Declaration and shall be liable for all Assessments levied subsequent to such foreclosure of conveyance, and all installments of Assessments levied prior to completion of such foreclosure or before such conveyance by falling due after such completion of such conveyance.

SECTION 18.03. Amendment. This Supplemental Declaration may be amended as hereinafter indicated.

A. During Period of Declarant Control. Until such time as the Class B membership has ceased to exist pursuant to Section 12.02 hereof, amendment of this Supplemental Declaration shall require the written approval of Declarant, of Owners holding at least two-thirds (2/3) of the votes of the Class A membership then entitled to be cast, and, if approval of the Manor Ridge project by the Veterans Administration has been obtained or currently is being sought, of the Veterans Administration, Amendment of this Supplemental Declaration shall be effected by recordation in the Jefferson County, Colorado, real property records of an instrument setting forth the amendment and including a statement of Declarant's consent thereto, executed and acknowledged by Declarant; a statement executed and acknowledged by the president and secretary of The Manor Ridge Association certifying that such amendment has been approved in writing by Owners holding at least two-thirds (2/3) of the votes of the Class A membership then entitled to be cast; and, if required, a statement of consent executed by the Veterans Administration.

B. After Period of Declarant Control. Upon the termination of the Class B membership pursuant to Section 12.02 hereof and thereafter, amendment of this Supplemental Declaration shall require the written approval of Owners (including Declarant) holding at least two-thirds (2/3) of the total number of votes in The Manor Ridge Association then entitled to be cast. Amendment of this Supplemental Declaration shall be affected by recordation in the Jefferson County, Colorado, real property records of an instrument setting forth the amendment and including a statement executed and acknowledged by the president and secretary of The Manor Ridge Association certifying that such amendment has been approved in writing by Owners holding at least two-thirds (2/3) of the total number of votes in The Manor Ridge Association then entitled to be cast.

C. Special Provisions. No amendment of Section 18.02 above shall be effective as to any Mortgagee who does not join in the execution thereof, provided that his Mortgage is recorded in the real property records of Jefferson County, Colorado, prior to the recordation of such amendment; provided, however, that after foreclosure or conveyance in lieu of foreclosure, the property which was subject to such Mortgage shall be subject to such amendment. This Supplemental Declaration shall not be amended in such a way that to effect the provisions of the amendment would necessitate a violation of the Master Declaration. No amendment of this Supplemental Declaration shall be effective until executed and recorded in the real property records of Jefferson County, Colorado, in the manner hereinbefore provided.

D. Special Amendments. Notwithstanding and in addition to any other provisions contained in this Supplemental Declaration, Declarant hereby reserves and is granted the right and power to record a Special Amendment to this Supplemental Declaration

at any time and from time to time that amends this Supplemental Declaration (1) to comply with requirements of the Veterans Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, and/or (2) to induce any such agencies or entities to make, purchase, sell, insure or guarantee first Mortgages covering Lots. A vote or consent of the Owners shall not be required for any such Special Amendment. Each Owner, by the acceptance of his deed or other instrument of conveyance for a Lot, acknowledges and consents to the reservation by Declarant of the right and power to make, execute and record Special Amendments as foresaid.

E. Common Owners. For purposes of Sections 18.03A and 18.03B above, if title to any Lot is held jointly or in common by more than one Person, the vote with respect to said Lot shall be held in the same manner. However, neither fractional votes nor split votes shall be allowed, and all joint or common Owners must approve in writing the proposed amendment or the vote with respect to such Lot shall not be counted.

SECTION 18.04 Notice and Quorum Requirements for Certain Meetings. Written notice of any meeting called for the purpose of taking any action authorized under Section 12.04C, Article XIV and Section 15.03 hereof shall be sent to all Members not less than ten (10) days nor more than thirty (30) days in advance of the Meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum if the required quorum is not present, other meetings may be called subject to the same notice requirement, and the required quorum at each subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting until a quorum is obtained. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

SECTION 18.05. Registration of Mailing Address: Notices. Each Owner shall register his mailing address with The Manor Ridge Association as may be further provided in the Bylaws of The Manor Ridge Association and all notices, requests or demands intended to be served upon any Owner shall be sent to such registered address or to the residence of such Owner if no address has been registered with The Manor Ridge Association. Any Mortgagee shall be entitled to such notices as herein specified upon making written request therefor, specifying the address to which such notices are to be sent and the Lot or other property in which he holds an interest. Unless such request is made, no Mortgagee shall be entitled to any notice provided for in this Supplemental Declaration. Any notice referred to in this Section 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 regular United States mail, postage prepaid, addressed to the Owner or Mortgagee, as appropriate, at their address as provided above. All notices, requests and demands intended to be served upon The Manor Ridge Association shall be given by registered or certified mail, postage prepaid, to the address of The Manor Ridge Association as designated in the Articles of Incorporation or the Bylaws of The Manor Ridge Association.

SECTION 18.06. Interpretation. The provisions of this Supplemental Declaration shall be liberally construed to effectuate their purposes of creating a uniform plan for the development of the Lots subject hereto and of promoting and effectuating the fundamental concepts of Ken-Caryl Ranch as set forth in the RECITALS and DECLARATION of the

Supplemental Declaration. This Supplemental Declaration shall be construed and governed under laws of the State of Colorado.

SECTION 18.07. Construction.

A. Restrictions Severable. Notwithstanding the provisions of the foregoing Section 18.06, each of the provisions of this Supplemental Declaration 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 Supplemental Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect that which is set forth in any paragraph, section or article hereof.

SECTION 18.08. Warranty. Grantor and Declarant disclaim any intent to warrant or make representations except as expressly set forth in this Supplemental Declaration.

SECTION 18.09. Successors and Assigns. This Supplemental Declaration shall be binding upon and shall inure to the benefit of Grantor, Declarant, The Manor Ridge Association and each Owner, and the heirs, personal representatives, successors and assigns of each of them.

SECTION 18.10. Veterans Administration Approval. If approval of the Manor Ridge project by the Veterans Administration has been obtained or currently is being sought, the following actions shall require the prior approval of the Veterans Administration so long as there is a Class B membership pursuant to Section 12.02 hereof; (1) annexation of additional properties pursuant to Article II hereof; (2) amendment of this Supplemental Declaration; (3) amendment of the Articles of Incorporation of The Manor Ridge Association; (4) amendment of the Bylaws of The Manor Ridge Association; (5) merger, consolidation or dissolution of The Manor Ridge Association; (6) mortgaging of the Local Common Area or any part thereof by The Manor Ridge Association; (7) conveyance of the Local Common Area or any part thereof by The Manor Ridge Association; and (8) entering into of any independent contract with a Managing Agent as is described in Section 12.04C hereof.

ARTICLE XIX
EXEMPTION OF GRANTOR AND DECLARANT FROM CONTROL OF
ARCHITECTURAL COMMITTEE

Anything to the contrary in any other part of this Supplemental Declaration notwithstanding, this Supplemental Declaration is not meant to, does not and shall not be construed as (i) subjecting Grantor or any of Grantor's activities to the control or jurisdiction of the Architectural Committee; (ii) eliminating or restricting any right, power, privilege or exemption of Grantor under the Master Declaration (including Section 3.15 thereof); or (iii) eliminating or restricting any right, power, privilege or exemption, including but not limited to any exemption from the jurisdiction or control of the Architectural Committee; which Grantor has heretofore or may hereafter assign or grant to Declarant pursuant to the Master Declaration (including Section 3.16 thereof).

IN WITNESS WHEREOF, Grantor and Declarant have executed this Supplemental Declaration as of the day and year first above written.

KEN-CARYL RANCH CORPORATION,
a Delaware corporation, for
itself and as joint venturer in
THE VALLEY JOINT VENTURE

By: s/John E. Osborn
Executive Vice President

[SEAL]

ATTEST:

s/Michael A. Crennen
Assistant Secretary

THE VALLEY JOINT VENTURE,
a Colorado joint venture

By: Colrad Development Corporation,
a Colorado corporation,
joint venturer

By: s/Leo H. Connell, Jr.
President

[SEAL]

Attest

s/Jerry G. Percy
Secretary

STATE OF COLORADO)
) ss,
COUNTY OF JEFFERSON)

The foregoing instrument was acknowledged, subscribed and sworn to before me this 21st day of October, 1982, by John E. Osborn as Executive Vice President and Michael A. Crennen as Assistant Secretary of Ken-Caryl Ranch Corporation, a Delaware corporation, for itself and as joint venturer of The Valley Joint Venture.

Witness my hand and official seal.
My commission expires September 17, 1985.

[SEAL]

s/Vickie L. Penny
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged, subscribed and sworn to before me this 22nd day of October, 1982, by Leo H. Connell, Jr. as President and Jerry G. Percy as Secretary of Colrad Development Corporation, a Colorado corporation, as joint venturer of The Valley Joint Venture, a Colorado joint venture.

Witness my hand and official seal.
My commission expires October 1, 1986.

[SEAL] s/Lynn M. Backstrom
Notary Public

EXHIBIT I
TO
SUPPLEMENTAL DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR MANOR RIDGE
IN THE VALLEY OF KEN-CARYL RANCH
LEGAL DESCRIPTION OF PHASE I PROPERTY

LOTS 1-28, 43-49 on the Plat entitled Ken-Caryl Ranch, The Valley, Filing No. 4, Phase I, recorded June 12, 1982, under Reception No. 82047811 of the Jefferson County, Colorado, real property records.

EXHIBIT II
TO
SUPPLEMENTAL DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR MANOR RIDGE
IN THE VALLEY OF KEN-CARYL RANCH
LEGAL DESCRIPTION OF THE LOCAL COMMON AREA

1. Tracts A, B, C, D, E and F, Ken-Caryl Ranch, The Valley, Filing No. 4, Phase I.
2. Those roads shown as Tamarade Place, Thornapple Place, Shining Oak Court and Shining Oak Drive on the final plat of Ken-Caryl Ranch, The Valley, Filing No. 4, Phase I serving Lots 1-28 and 43-49 of same recorded final plat.

EXHIBIT III
TO
SUPPLEMENTAL DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR MANOR RIDGE
IN THE VALLEY OF KEN-CARYL RANCH
LEGAL DESCRIPTION OF THE ANNEXABLE PROPERTY

- A. Lots 29-42 on the Plat entitled Ken-Caryl Ranch, The Valley, Filing No. 4, Phase 1, recorded June 12, 1982, under Reception No. 82047811 of the Jefferson County, Colorado real property records.
- B. A TRACT OF LAND LOCATED IN SECTION 31, TOWNSHIP 5 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN AND SECTION 6, TOWNSHIP 6 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN JEFFERSON COUNTY, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF KEN-CARYL RANCH THE VALLEY, FILING 4, PHASE 1, AS RECORDED IN JEFFERSON COUNTY RECORDS, SAID POINT BEING THE POINT OF BEGINNING; THENCE EASTERLY ALONG THE SOUTH BOUNDARY OF KEN-CARYL RANCH THE VALLEY, FILING 4, PHASE I, THE FOLLOWING FIVE COURSES:

1. N64°00'00"E A DISTANCE OF 123.00 FEET.
2. N74°00'00"E A DISTANCE OF 220.00 FEET.

3. N59°00'00"E A DISTANCE OF 206.74 FEET.
4. S88°30'00"E A DISTANCE OF 279.70 FEET.
5. N33°00'00"E A DISTANCE OF 135.00 FEET TO THE SOUTHEAST CORNER OF KEN-CARYL RANCH THE VALLEY, FILING 4, PHASE I.

THENCE N78°01'26"E A DISTANCE OF 134.94 FEET; THENCE S77°06'53"E A DISTANCE OF 156.95 FEET; THENCE N57°37'31"E A DISTANCE OF 235.29 FEET TO A POINT ON CURVE; THENCE ALONG THE ARC OF A CURVE RIGHT, WHOSE CENTER BEARS N59°52'35"E HAVING A DELTA OF 08°37'25", A RADIUS OF 215.00 FEET A DISTANCE OF 32.36 FEET MEASURED ALONG THE ARC TO THE POINT OF TANGENT; THENCE N21°30'00"W A DISTANCE OF 14.02 FEET TO THE POINT OF CURVE; THENCE ALONG THE ARC OF A CURVE LEFT HAVING A DELTA OF 82°02'28", A RADIUS OF 30.00 FEET A DISTANCE OF 42.96 FEET MEASURED ALONG THE ARC TO A POINT ON CURVE; THENCE ALONG THE ARC OF A CURVE LEFT, WHOSE CENTER BEARS N13°32'28"W HAVING A DELTA OF 15°55'04", A RADIUS OF 295.00 FEET A DISTANCE OF 81.96 FEET MEASURED ALONG THE ARC TO A POINT ON CURVE; THENCE ALONG THE ARC OF A CURVE LEFT, WHOSE CENTER BEARS S29°27'32"E, HAVING A DELTA OF 82°02'28", A RADIUS OF 30.00 FEET A DISTANCE OF 42.96 FEET MEASURED ALONG THE ARC TO THE POINT OF TANGENT; THENCE S21°30'00"E A DISTANCE OF 14.02 FEET TO A POINT OF CURVE; THENCE ALONG THE ARC OF A CURVE LEFT, HAVING A DELTA OF 20°58'30" A RADIUS OF 185.00 FEET A DISTANCE OF 67.72 FEET MEASURED ALONG THE ARC TO THE POINT OF TANGENT; THENCE S42°28'30"E A DISTANCE OF 419.20 FEET; THENCE S21°46'10"W A DISTANCE OF 348.64 FEET; THENCE DUE SOUTH A DISTANCE OF 295.00 FEET; THENCE S48°31'07"W A DISTANCE OF 437.82 FEET; THENCE N67°02'10"W A DISTANCE OF 833.02 FEET; THENCE N43°45'29"W A DISTANCE OF 642.51 FEET TO THE POINT OF BEGINNING, CONTAINING 27,700 ACRES.

- C. A TRACT OF LAND LOCATED IN SECTIONS 30 AND 31, TOWNSHIP 5 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN AND SECTIONS 25 AND 36, TOWNSHIP 5 SOUTH, RANGE 70 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF JEFFERSON, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE NORTH BOUNDARY OF KEN-CARYL RANCH THE VALLEY, FILING 4, PHASE I, AND THE WESTERLY RIGHT-OF-WAY OF THE VALLEY LOOP ROAD AS RECORDED IN THE JEFFERSON COUNTY UNDER RECEPTION #82008249, SAID POINT BEING THE POINT OF BEGINNING; THENCE WESTERLY AND ALONG THE NORTH LINE OF KEN-CARYL RANCH THE VALLEY, FILING 4, PHASE I, THE FOLLOWING FOUR COURSES:

1. S83°31'12"W A DISTANCE OF 226.37 FEET.
2. S69°55'49"W A DISTANCE OF 1,130.66 FEET.
3. S27°40'20"W A DISTANCE OF 370.36 FEET.
4. S26°44'23"E A DISTANCE OF 146.69 FEET.

THENCE S66°00'00"W A DISTANCE OF 950.00 FEET; THENCE N24°00'00"W A DISTANCE OF 2,445.56 FEET; THENCE N16°00'00"W A DISTANCE OF 1,516.90 FEET TO THE SOUTH ONE-QUARTER CORNER OF SAID SECTION 25; THENCE N45°00'00"W A DISTANCE OF 643.82 FEET; THENCE DUE NORTH A DISTANCE

OF 1,245.75 FEET; THENCE N45°00'00"E A DISTANCE OF 1,697.06 FEET; THENCE DUE EAST A DISTANCE OF 1,910.47 FEET; THENCE S45°00'00"E A DISTANCE OF 1,172.00 FEET; THENCE S36°00'00"W A DISTANCE OF 107.59 FEET TO A POINT OF CURVE; THENCE ALONG THE ARC OF A CURVE LEFT, WHOSE CENTER BEARS S36°00'00"W HAVE A DELTA OF 40°00'00", RADIUS OF 480.00 FEET A DISTANCE OF 335.10 FEET MEASURED ALONG THE ARC TO A POINT OF COMPOUND CURVE; THENCE ALONG THE ARC OF A CURVE LEFT HAVING A DELTA OF 88°00'00", A RADIUS OF 580.00 FEET A DISTANCE OF 890.82 FEET MEASURED ALONG THE ARC TO THE POINT OF TANGENT; THENCE S02°00'00"E A DISTANCE OF 461.16 FEET TO A POINT OF CURVE; THENCE ALONG THE ARC OF A CURVE RIGHT, HAVING A DELTA 32°00'00", A RADIUS OF 1,520.00 FEET A DISTANCE OF 848.93 FEET MEASURED ALONG THE ARC TO THE POINT OF TANGENT; THENCE S30°00'00"W A DISTANCE OF 199.31 FEET TO THE POINT OF CURVE; THENCE ALONG THE ARC OF A CURVE LEFT, HAVING A DELTA OF 93°00'00" A RADIUS OF 830.00 FEET A DISTANCE OF 1,347.22 FEET, MEASURED ALONG THE ARC TO THE POINT OF TANGENT; THENCE S63°00'00"E A DISTANCE OF 620.00 FEET TO A POINT OF CURVE; THENCE ALONG THE ARC OF A CURVE RIGHT, HAVING A DELTA OF 63°00'00" A RADIUS OF 620.00 FEET A DISTANCE OF 681.73 FEET, MEASURED ALONG THE ARC TO THE POINT OF TANGENT; THENCE DUE SOUTH A DISTANCE OF 100.00 FEET TO A POINT OF CURVE; THENCE ALONG THE ARC OF A CURVE LEFT, HAVING A DELTA OF 34°30'00", A RADIUS OF 530.00 FEET A DISTANCE OF 319.13 FEET, MEASURED ALONG THE ARC TO A POINT ON CURVE, SAID POINT BEING THE NORTHWESTERLY CORNER OF THE VALLEY LOOP ROAD AS RECORDED IN JEFFERSON COUNTY RECORDS UNDER RECEPTION #82008249; THENCE ALONG THE WESTERLY RIGHT-OF-WAY OF VALLEY LOOP ROAD AND ALONG THE ARC OF A CURVE LEFT, HAVING A DELTA OF 11°59'25", A RADIUS OF 530.00 FEET A DISTANCE OF 110.91 FEET, MEASURED ALONG THE ARC TO THE POINT OF BEGINNING, CONTAINING 366.196 ACRES.