

ARTICLE IIIMembership in the Lazy O Ranch Homeowners' Association

All persons, or associations or any other entities (other than the Lazy O Ranch Homeowners' Association) (hereinafter referred to as "Owners") who own or acquire the title in fee to any of the Lots in the Lazy O Ranch by whatever means acquired, shall automatically become members of Lazy O Ranch Homeowners' Association, a Colorado corporation not for profit (hereinafter referred to as "the Association"), in accordance with the Articles of Incorporation of the Lazy O Ranch Homeowners' Association which shall be filed with the Colorado Secretary of State and recorded in the real estate records of the Clerk and Recorder of Pitkin County, Colorado, and as the same may be duly amended from time to time and also filed with the Colorado Secretary of State and recorded with the Clerk and Recorder of Pitkin County, Colorado. There shall be one (1) vote per Lot in the Association. LOCC, its successors or assigns, shall be a member of the Association based on its holding of unsold lots and shall have one (1) vote per unsold lot in the Association.

ARTICLE IVArchitectural Committee

1. Architectural Committee. The Architectural Committee shall be composed of three (3) natural persons appointed by the Board of Directors of the Association. The persons serving on

the Architectural Committee shall serve at the pleasure of the Board of Directors who may remove a member of the Architectural Committee and appoint a new member at any time, provided there shall at all times be three (3) persons serving on the Architectural Committee. The members of the Architectural Committee may also be directors of the Association and need not be owners. The Architectural Committee shall have and exercise all the powers, duties and responsibilities set out in this instrument.

2. Approval by Architectural Committee. No improvements of any kind, including but not limited to, dwelling units, garages, outbuildings, parking areas, tennis courts, swimming pools, fences, walls, driveways, antennae, satellite dishes, and flagpoles for the Lots; and barns, stables, sheds, corrals, indoor riding rings, swimming pools, tennis courts, parking areas, ponds, satellite dishes, and flagpoles for the Ranch Facilities Parcel; and fire substation, outbuildings, parking areas, satellite dishes, and flagpoles for the Fire Substation Parcel; and sheds, hay structures, and fences for the Agricultural Lands; shall be erected, altered, or permitted to remain within the Lazy O Ranch, nor shall any excavating, clearing or landscaping be done in conjunction therewith on any Lots, the Ranch Facilities Parcel, the Fire Substation Parcel or the Agricultural Lands within the Lazy O Ranch, unless the complete architectural plans and specifications and a site plan showing the location and orientation thereof for such erection or

alteration and landscaping are approved by the Architectural Committee prior to the commencement of such work except as LOCC may be specifically permitted to do by these Covenants.

At least three (3) complete sets of the architectural and site development plans and specifications shall be submitted to the Architectural Committee along with a complete list of all materials and colors to be used. All copies of the complete plans and specifications shall be signed for identification by the owner or his architect. The Architectural Committee shall have the right to request whatever additional specific information, plans, specifications, reports and the like it deems necessary to evaluate the development proposal throughout the approval and construction process. In addition, the Architectural Committee may adopt rules and regulations which shall specify what information, reports, plans, specifications and the like are required to be submitted to the Architectural Committee. In the event the Architectural Committee fails to take any action within thirty (30) days after three (3) copies of the complete architectural and site development plans, specifications, materials, colors and any requested additional information have been submitted to it and the submittal has been certified in writing by the Architectural Committee as complete, then all of such submitted architectural plans shall be deemed to be approved. The Architectural Committee shall not unreasonably disapprove the architectural plans. The majority vote of the members of the Architectural Committee shall be required for

approval of plans.

3. Building Permit. An owner may apply for a building permit from the Pitkin County Building Department at any time provided however the plans submitted to the Building Department shall not differ in any substantial way from the plans approved by the Architectural Committee. If the plans submitted to the Building Department differ in any substantial way as determined by the Architectural Committee from the plans approved by the Architectural Committee then all approvals of the Architectural Committee shall be deemed automatically revoked.

4. Variances. The Architectural Committee may, by an affirmative vote of a majority of the members of the Architectural Committee, allow reasonable variances as to any of the Covenants and restrictions governing architectural control contained in this instrument and/or policies or rules promulgated by the Architectural Committee, on such terms and conditions as it shall require. No variance shall be granted which contravenes any provisions of these Covenants required by any approvals obtained by LOCC from Pitkin County for Lazy O Ranch or which violate the Pitkin County Zoning and Building Codes.

5. General Requirements. The Architectural Committee shall exercise its best judgment to see that all improvements, construction, landscaping and alterations within the Lazy O Ranch conform and harmonize with the surroundings and with other

structures as to design, materials, color, siting, height, and all other design features. The Architectural Committee shall protect the seclusion and view of each Lot insofar as possible in the development of the Lazy O Ranch pursuant to these Covenants and shall endeavor to protect and preserve the visual character and the wildlife using the property and preserve and maintain the irrigated lands in the Lazy O Ranch. Agricultural improvements and facilities necessary to maintain and improve the agricultural operations of the Lazy O Ranch, including without limitation approved fencing, shall be deemed desirable and shall be encouraged by the Architectural Committee.

In its review of any proposed development activity the Architectural Committee shall evaluate, among other things, the materials to be used on the outside of buildings or structures, including exterior colors, harmony of architectural design with other structures within the Lazy O Ranch, location with respect to topography and finished grade elevations and harmony of landscaping with the natural setting and native trees, bushes and other vegetation within the Lazy O Ranch.

6. Preliminary Approvals. Persons, associations or other entities who anticipate constructing improvements on lands within the Lazy O Ranch, whether they already own lands in the Lazy O Ranch or are contemplating the purchase of such lands, may submit preliminary sketches of such improvements to the Architectural Committee for informal and preliminary approval or disapproval.

All preliminary sketches should be submitted in at least three sets, and should contain sufficient general information on those matters required to be in the complete architectural and site development plans and specifications to allow the Architectural Committee to act intelligently on giving an informed preliminary approval or disapproval. The Architectural Committee shall never be finally committed or bound by any preliminary or informal approval or disapproval until such time as complete architectural and site development plans, specifications, materials and colors are submitted and approved or disapproved. The Architectural Committee may charge a fee for providing a preliminary review.

7. Architectural and Site Development Plans. The Architectural Committee shall disapprove any architectural and site development plans submitted to it which do not contain sufficient information for it to exercise the judgment required of it by these Covenants.

8. Architectural Committee Not Liable. The Architectural Committee shall not be liable for damages to any person or association submitting any plans for approval, or to any owner or owners of lands within the Lazy O Ranch, by reason of any action, failure to act, approval, disapproval or failure to approve or disapprove with regard to such plans. The Architectural Committee shall have no liability or responsibility for any representations made to any owner or prospective owner by any third parties. The decisions of the Architectural Committee shall be governed by

these Covenants and any rules or regulations duly adopted by the Architectural Committee pursuant to these Covenants.

9. Written Records. The Architectural Committee shall keep and safeguard for at least three years complete permanent written records of all approved applications including one set of the finally approved architectural and site development plans and of all actions of approval or disapproval and all other formal actions taken by it under the provisions of this instrument.

10. Authority to Promulgate Rules and Regulations. The Architectural Committee shall promulgate and adopt rules and regulations necessary to implement these Covenants. These rules and regulations may include submission requirements concerning the type of information, reports, plans and specifications and the like which need to be submitted with any application, site specific limitations, restrictions or guidelines for each Lot, and payment of reasonable fees for processing or reviewing the application. These rules and regulations need not be uniform for each Lot and shall take into account the unique character of each Lot and the Building Site as described in Article V below (hereinafter referred to as "Building Site") on a Lot. The Architectural Committee may also adopt rules and regulations governing any development on the Ranch Facilities Parcel, the Fire Substation Parcel, and the Agricultural Lands not inconsistent with the requirements of these Covenants or County

approvals. ,By way of example and not by way of limitation, the rules and regulations adopted by the Architectural Committee to review architecture, site planning and energy conservation are set forth in Exhibit "A" herein. These rules and regulations shall be adopted by the affirmative vote of a majority of the members of the Architectural Committee with the written consent of LOCC and may not be amended except by the majority vote of the members of the Architectural Committee and the written consent of LOCC.

ARTICLE V

Building Sites

All development activities on the Residential Lots, including but not limited to dwelling units and accessory buildings and uses, shall be constructed only within the designated Building Sites as described on the recorded plat of the Lazy O Ranch (hereinafter referred to as "Building Sites") except as may otherwise be provided by these Covenants. Driveways, driveway fencing, yard fencing and corral fencing may be constructed outside the Building Site with approval of the Architectural Committee. To facilitate wildlife movement through the ranch, all fencing constructed outside the Building Site of the individual lots shall comply with the Division of Wildlife standard for wildlife fencing as set forth in Exhibit "B" herein, and shall not enclose more than $\frac{1}{2}$ acre of ground. Fencing on adjoining lots shall not be contiguous thereby creating a fenced