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DECLARATION OF RESTRICTIVE COVENANTS

WHEREAS, NAVAJO WESTERN LAND CO., A Colorado Corporation, is the owner of a certain tract of land located in the County of Huerfano, State of Colorado, known as Navajo Ranch Resorts No. 4, the plat of which is filed of record in the office of the County Clerk and Recorder of Huerfano County, Colorado.

WHEREAS, The said owners intend to sell, convey and dispose of the real property included in the said plat and are desirous to subject all lots in the plat to certain protective restrictions, conditions and covenants, all for the use and benefit of themselves and their grantees, as hereinafter set forth to the end that harmonious and attractive development of the property may be accomplished and that the health, comfort, safety, relaxation, convenience and general welfare of all owners and occupants may be protected and safe guarded, and in order to establish and maintain a carefully protected residential community.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the above owners do hereby publish, acknowledge and declare that they do by this document establish the following restrictions, covenants and conditions, and that these covenants in their entirety shall apply to all lots in the said Navajo Ranch Resorts No. 4, and further that these covenants shall be deemed to run with the land and shall be binding upon the owners, their heirs, personal representatives, successors and assigns, to wit:

I. SPECIAL AGREEMENTS AND CONDITIONS

As part of the consideration of the sale of the above described real estate, it is specifically agreed by the parties, that:

- A. Purchaser agrees not to deface the area or cut live timber from the land except as may be necessary to clear land for the original construction of dwelling, entrance driveway and utilities. Any dead trees or trees that may become diseased, may be cut and removed from the land. Any trees cleared from the land as may be necessary to construct streets, utilities, dwellings or entrance driveways shall not be piled on any lot, but shall be scattered at the rear of the lots for each purchaser's future use as firewood and to minimize the possibility of disease and insects in the dead timber.
- B. Purchaser shall furnish, at his own expense, one or more approved culverts of a minimum length of twenty feet and a minimum diameter of fifteen inches or larger if necessary to provide proper drainage along the right-of-way ditch, wherever any private drive or private access road, leading into any lot in said subdivision, crosses the right-of-way drainage ditch. No more than two entrances from the road into any lot shall be permitted.
- C. Certain side and rear lot lines are subject to a ten (10) foot utility easement, lying ten (10) feet on either side of designated lot lines as specified and shown on the final plat of record. Certain exterior boundary lines are subject to a twenty (20) foot utility easement, as specified and shown on the final plat of record. Certain parks and natural areas are subject to a twenty (20) foot utility easement over and across designated areas, as specified and shown on the final plat of record. Certain lots are subject to anchor easements as specified and shown on the final plat of record. Said utility easements are granted for the use and benefit of public utility companies, for installation and maintenance of electric service lines, telephone lines or cables and other public utilities that may be necessary or required in the future.
- D. All parks and natural areas, as shown on the final plat of record, shall be dedicated to the subdivision, for the use, benefit and enjoyment of all lot owners, and may be dedicated to Huerfano County or to

vided by the developer, or in the solid waste disposal area, herein-
after specified.

II. RESIDENTIAL AREA RESTRICTIONS

A. No lot shall be used except for residential purposes, except as specifically otherwise stated in these covenants. No building shall be erected, altered, placed or permitted to remain on any lot other than one single family dwelling of not less than seven hundred twenty (720) square feet, and not to exceed two (2) stories in height, except as hereinafter stated in these covenants.

B. One private garage or carport for not more than two cars shall be permitted, and same shall conform to the general architecture of the dwelling.

C. On lots of five acres or more, one small guest house, not a permanent residence, shall be allowed, providing that the design, construction and materials conform generally to the permanent residence and further that the same sewage system is used which serves the permanent residence on the lot. The same water service line from the water main to the permanent residence on the lot, may be used to serve the guest house and only one water main tap fee shall be charged for both dwellings, by the water district, however, each dwelling shall be subject to the monthly flat rate water charge, by the water district. Said guest house shall not be constructed prior to the construction of the permanent residence.

D. One mobile home shall be permitted on any lot, except lots 1, 3, 5, 6, 7, 31, 32, 33, 36, 38, 39, 40, 41, 42, 43, 44, 45, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 92, 93, 97, 103, 104, 105, 120, 123, 131, 132, 133, 134, 135, 136, 137, 151, 152, 153, 162, 163, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, and 181. Any mobile home placed on any lot, as a permanent dwelling shall have a floor area of not less than seven hundred twenty (720) square feet and shall be designed and manufactured by an approved manufacturer of mobile homes.

E. On lots of five acres or more, except lots 1, 3, 6, 39, 75, 76, and 77, a second mobile home shall be allowed as a guest house, shall have a floor area of not less than seven hundred twenty (720) square feet, shall be of approved design and manufacture and shall use the same sewage system that serves the original mobile home on the lot. The same water service line from the water main to the original mobile home on the lot, may also be used to serve the second mobile home, and only one water tap fee shall be charged by the water district for both units, however, each unit shall be subject to the monthly flat rate water charge, by the water district.

F. Any mobile home placed on any lot in the subdivision, shall have the axles and wheels detached and shall be placed on a foundation or on piers and be fully skirted, in such a manner as to be classified as a permanent dwelling and shall be made subject to ad valorem tax.

G. Domestic water shall be supplied by a quasi public water district and domestic water furnished to any lot, by said water district, shall be restricted to in-house use only. Said water district shall install or cause to be installed, a water system in said subdivision and shall furnish, on the terms and conditions stated, water in a main, installed in front of all lots, down the center line of all streets in said subdivision. The water service line from the water main to each lot shall be the responsibility of the individual lot owner, at the time domestic water is needed or desired. The water service line shall include one (1) main saddle, ditch and service line from main to front property line, one (1) valve and valve box at property line and ditch and service line from front property line to the dwelling location on the lot, all to the specifications as set forth by the water district. No more than one lot shall be served from any one water main tap. Each lot shall require one water main tap when domestic water is needed or desired, regardless of the number of lots owned by any one purchaser.

A water main tap fee shall be paid to the water district prior to tapping into any water main, when domestic water is needed or desired on any lot. After tapping into the water main for a water supply on any lot, a monthly flat rate for water shall be paid to the water district, each and every month thereafter. Said water main tap fee and monthly flat rate for water shall be determined and set by the water district.

H. Sewage disposal shall be accomplished by the construction of an individual sewage disposal system on an lot, however, no private sewage system shall be constructed on any lot until specifications for same have been submitted to, approved by and a permit for the construction of same has been obtained from the Huerfano County Building Inspector. Any individual sewage disposal system on any lot shall be designed, located and constructed in accordance with the requirements, standards and recommendations of the Colorado Department of Health, Water Pollution Control Division. All lavatories, sinks and water closets shall be installed indoors and connected to an outside approved sewage system. No outside toilets shall be permitted, except approved commercial chemical toilets and then only during the period of dwelling construction and prior to the completion of the permanent sewage system.

I. Electricity shall be provided by San Isabel Electric Services, Inc. A main electrical power line shall be constructed at the rear or side of all lots in the subdivision, on the utility easements as shown on the final plat of record. The cost of construction of said electrical power lines shall be the responsibility of the developer. The individual service line, from the main electrical power line to the dwelling location on any lot, shall be the responsibility of the individual lot owner, at the time that electricity is needed or desired. The individual lot owner shall make arrangements direct with San Isabel Electric Services, Inc., Pueblo, Colorado, for the installation of said service line and shall be charged for same in accordance with San Isabel's current policy as approved by the Colorado Public Utilities Commission. The individual lot owner shall acquire a licensed electrical contractor to install the meter loop and service line from San Isabel's service pole to the dwelling.

III. ARCHITECTURAL CONTROL

A. No building shall be erected, placed or altered on any lot until the architectural plans and specifications and a plot plan showing the location of the structure on the lot, have been presented to and approved by the Architectural Control Committee, as to the proposed workmanship, materials, harmony of exterior design with existing structures and location with respect to topography and finish grade elevation. Also, prior to the construction or alteration of any building on any lot, a building permit must be obtained from the Huerfano County Building Inspector.

B. No modular or mobile home shall be erected, placed or altered on any lot until the manufacturer's plans, photographs and specifications have been presented to and approved by the Architectural Control Committee, or until the Architectural Control Committee has inspected the modular or mobile home to be placed on the lot, and has approved same. Also, prior to the placement or alteration of any modular or mobile home on any lot, a building permit must be obtained from the Huerfano County Building Inspector.

C. The Architectural Control Committee shall be composed of the Board of Directors of Navajo Western Land Co. A majority of the committee may designate and appoint a representative to act for it. In the event of death or resignation of any member of the committee, the Board of Directors shall have full authority to appoint his successor. Replacement of any vacant position on the Architectural Control Committee shall

be made by the remaining members. Any replacement member of the committee shall be a property owner in Navajo Ranch Resorts. The committee's approval or disapproval, as required, shall be in writing. In the event that the committee or its designated representative fails to approve or disapprove the owner's submitted plans and specifications within thirty days, or in any event, no suit to enjoin the construction has been commenced prior to the completion thereof, approval shall not be required and related covenants shall be deemed to have been fully complied with.

IV. STRUCTURE LOCATION

A. No building or mobile home shall be located on any lot nearer than thirty (30) feet to any front lot line or nearer than twenty five (25) feet to any side street lot line. No building or mobile home shall be located on any lot nearer than twenty five (25) feet to any interior lot line or nearer than twenty five (25) feet to any rear lot line. For the purpose of this covenant, eaves, steps and open porches shall not be considered as part of the building, providing however, that no portion of any building constitutes an encroachment upon any other lot.

B. No fence shall be constructed on any lot or any front, side or rear lot line, without prior approval of the Architectural Control Committee. Fences constructed of peeled post and rail, vertical or horizontal boards, woven wire or chain link shall be allowed. Barbed wire fences shall be prohibited on any lot.

V. GENERAL RESTRICTIONS

A. No one shall engage in any noxious or offensive activity on any lot, at any time, nor shall anything be done thereon, at any time, which may become an annoyance or nuisance to the neighborhood in general.

B. No structure of a temporary nature, basement, shack, garage, barn or other out buildings shall be used on any lot, at any time as a residence, either temporarily or permanently.

C. Prior to construction of a permanent residence or placement of a modular or mobile home on any lot, one self contained camper or camp trailer shall be allowed on any lot for weekend use or during vacation periods, but in no event shall said camper or camp trailer remain on any lot for more than thirty (30) days, for any one period of time.

D. One small trailer or one construction shed shall be allowed during the period of construction of a dwelling on any lot, but not to exceed one (1) year from date of commencement of construction of a permanent dwelling. Construction begun on any lot shall be completed within one (1) year.

E. Incinerators of generally accepted design, if allowed by state and county law, shall be required for the disposal of any garbage or trash upon the premises. No lot shall be used for the dumping of trash or garbage, and the premises shall be kept in a clean and sanitary condition at all times. A solid waste disposal area has been provided by the developer, as shown on the final plat of record of Navajo Ranch Resorts No. 2 and all solid waste shall be disposed of in this land fill area.

F. No sign of any kind shall be displayed to the public view on any lot, except that one (1) sign of not more than five (5) square feet shall be allowed on any lot, advertising the property for sale or rent, or signs used by a builder to advertise the property during construction and sales period.

G. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other household pets may be kept, providing that they are not kept, bred or maintained for any commercial purposes. All dogs, cats and other household pets must be kept in the dwelling, in a pen or on a leash and under no circumstances shall they be allowed to run loose in the development.

H. Lot 77, Navajo Ranch Resorts No. 4, has been set aside as an equestrian area and any lot owner in Navajo Ranch Resorts Nos. 1, 2, 3, or 4, who desires to keep a horse or horses in the development, shall stable and board same at this commercial equestrian park. The development and maintenance of this equestrian area shall be the responsibility of the developer, or subsequent lessees or owners of said lot 77, Navajo Ranch Resorts No. 4.

I. The discharge of firearms of any kind, on any lot, in any park or in any public area, shall not be permitted, at any time.

VI. GENERAL CONDITIONS

A. These covenants are to run with the land and shall be binding on all persons claiming under them for a period of ten (10) years from date that these covenants are recorded, after which time, said covenants shall be automatically extended for successive periods of ten (10) years, unless an instrument signed by a majority of the then owners of the lots, has been recorded, agreeing to change said covenants in whole or in part.

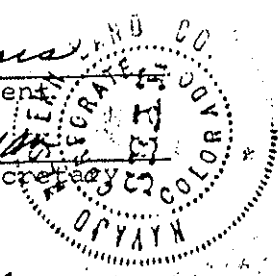
B. If the parties hereto or any of them or their heirs or assigns shall violate or attempt to violate any of the covenants herein, it shall be lawful for any other person owning real estate, situated in said subdivision, to prosecute under proceedings in law or in equity against the person or persons so violating the covenants, in order to restrain or enjoin in the violation and thereby to enforce these covenants or recover damages for the violations thereof.

C. Invalidation of any of these covenants by judgement or court order, shall not in any way affect any of the other provisions, which shall remain in full force and effect.

IN WITNESS WHEREOF, The undersigned have affixed their hands and seals on the day shown on the acknowledgement hereof:

NAVAJO WESTERN LAND CO.

BY: A. Dean Spears
A. Dean Spears, President
William A. Freeman
William A. Freeman, Secretary



STATE OF GEORGIA)
COUNTY OF FULTON) SS

The foregoing instrument was acknowledged before me this 16th day April, 1980 A.D., by A. Dean Spears as President and William A. Freeman as Secretary of Navajo Western Land Co., A corporation.

My notarial commission expires: _____
Notary Public, Georgia, State At Large
My Commission Expires June 6, 1982

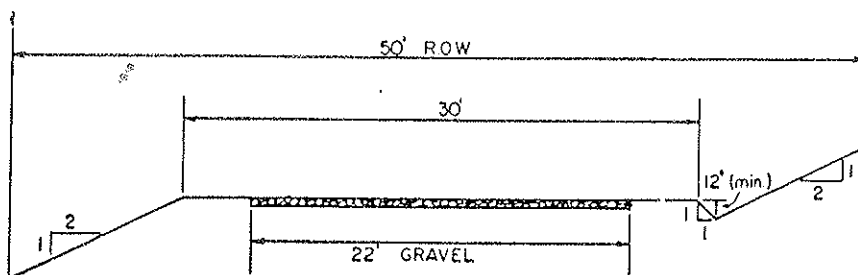
Witness my Hand and Seal: J. Scott Smith
Notary Public
STATE OF GEORGIA

NAVAJO RANCH RESORTS

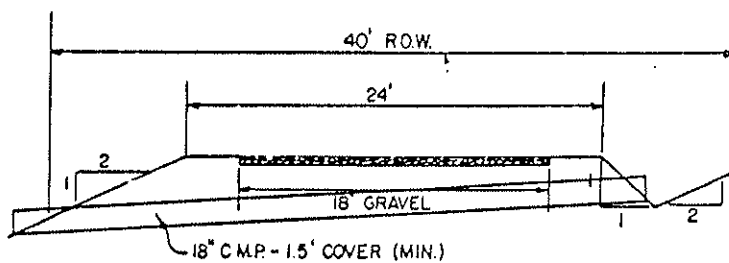
HUERFANO COUNTY

TYPE II SUBDIVISION

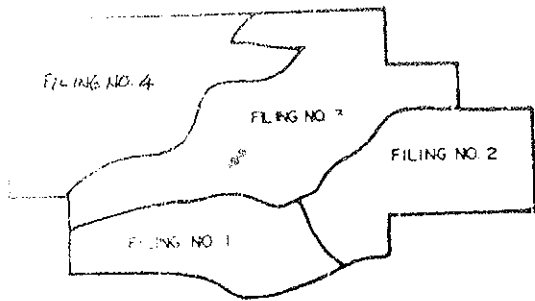
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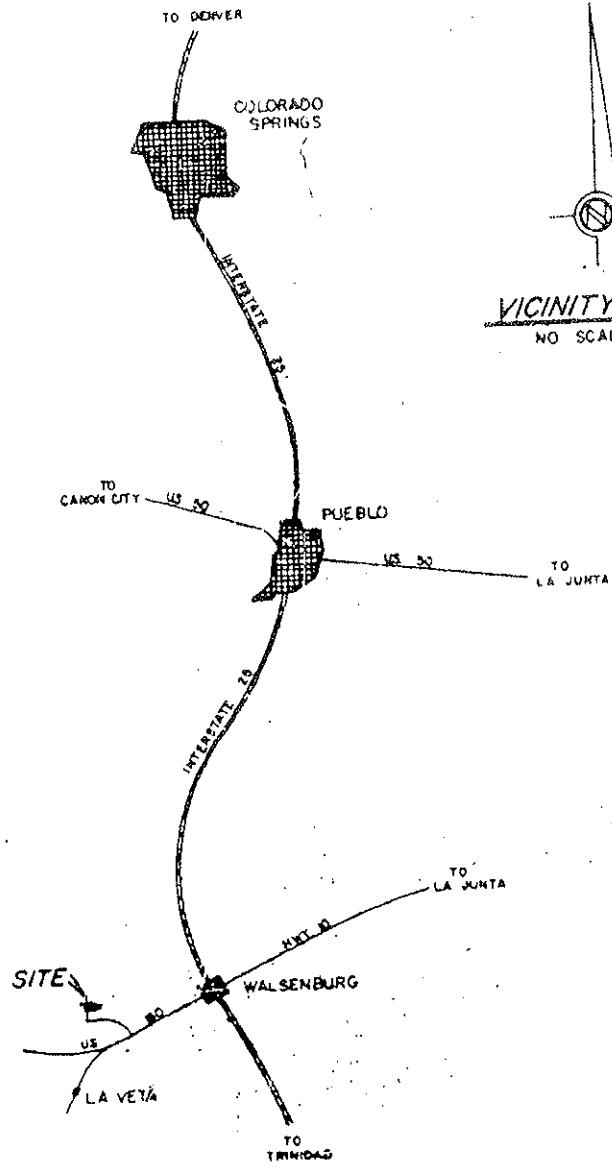
COLLECTOR STREET



LOCAL STREET



KEY MAP



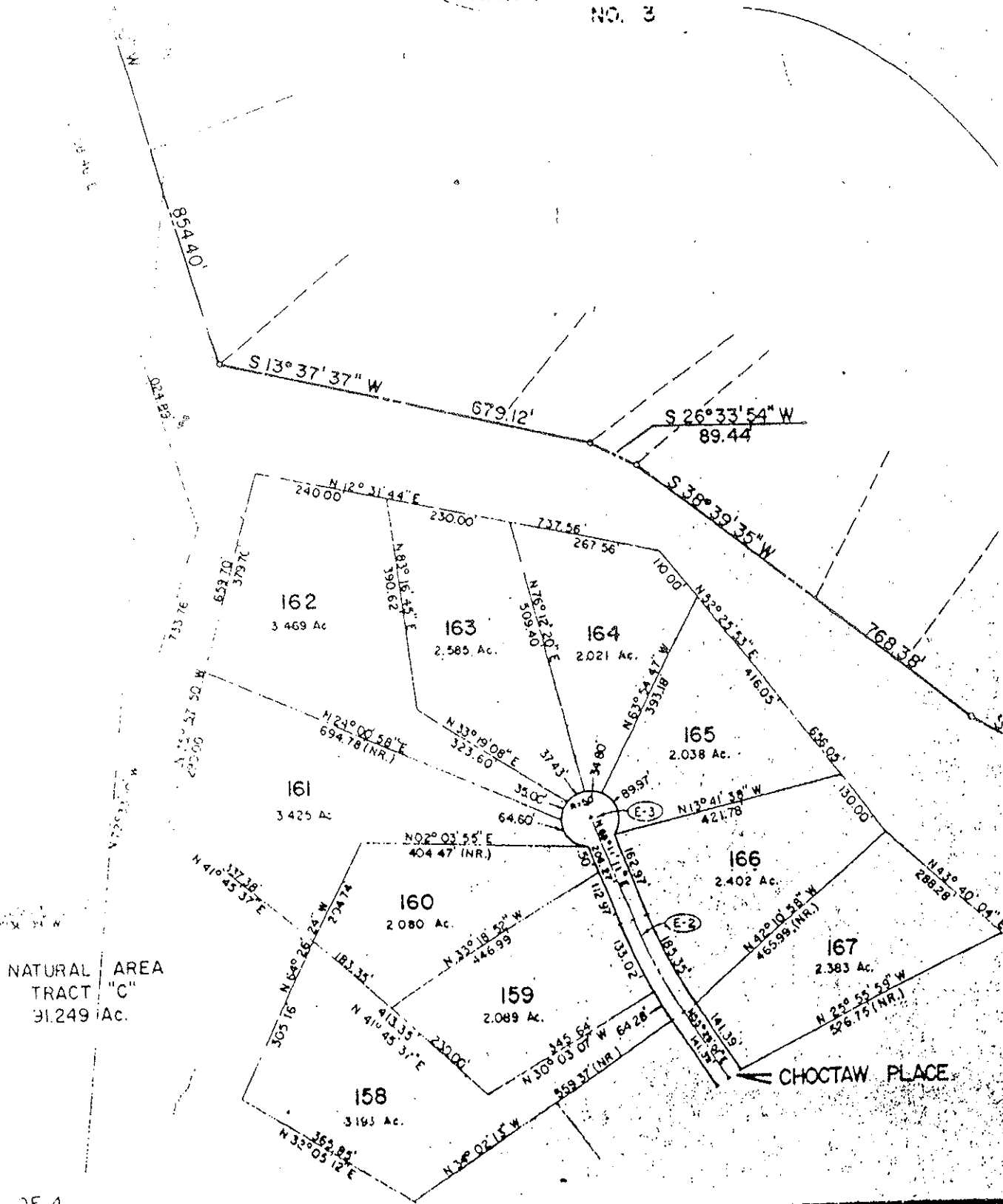
VICINITY MAP
NO SCALE

RANCH RESORTS
NO. 3

INDEXED

State of Colorado Filed for record the 10th day of

NAVAJO RANCH RESORTS
NO. 3



NATURAL AREA
TRACT "C"
31,249 Ac.

CHOCTAW PLACE

NAVAJO RANCH COMMUNITY ASSOCIATION
OF HUERFANO COUNTY, INCORPORATED

BY-LAWS

ARTICLE I

The name applied shall be Navajo Ranch Community Association of Huerfano County Incorporated. The Association shall be incorporated in the state of Colorado, under the law, as a NON-PROFIT Corporation. The fiscal year, for all purposes of the Association shall begin on January first of each year. Meetings shall be held once every calendar month.

These articles have been written with the intention that every meeting held by the Association will follow Robert's Rules of Order.

ARTICLE II

The Association does not contemplate pecuniary gain to its members for profit, directly or indirectly. The purpose for which it is formed is primarily to promote the common good and general welfare of Navajo Ranch Resorts filings one through four, with the following goals set forth:

- A. To act on improvement opportunities to maintain the common elements, including public and community relations.
- B. To protect and help preserve the natural environment of the area.
- C. The enforcement of any and all covenants, restrictions, etc.
- D. Improve and monitor the maintenance of roads, streets, and parking areas under governmental supervision.
- E. Always acting within the laws without bias or prejudice.
- F. Be protective working toward the enhancement of safety and habitability of all properties within and bring about civic betterment and social improvements.
- G. On all of the fore-mentioned purposes and future proposals, all members shall endeavor to use a reasonable, tactful, and legal approach to these matters.

ARTICLE III

Provisions for the regulation and conduct of the affairs of the Association.

Section 1. MEMBERSHIP: Qualifications for membership shall be landowners of property within the boundaries of Navajo Ranch Resorts and who have paid their annual dues in full. Renters may request membership after (6) six months residence. Approval of said request will be by majority vote of the Board.



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Section 2. MEMBERSHIP DUES: Annual dues are payable on the first day of January each year and become delinquent after the 15th day of January. Dues will not be prorated.

Section 3. VOTING RIGHTS: Only members in good standing shall have the right to vote, nominate, or run for office, and accept a position if elected. The number of votes shall be limited to no more than one (1) vote per person and two (2) per household. Members must be present to vote.

Section 4. POLLING SURVEYS: At times it may be necessary or advantageous to poll the opinion of the membership, including non-members that may be present or contacted. This does not constitute a vote.

Section 5. CHANGING COVENANTS: When necessary or desirable to change the protective covenants, the Association must attempt to notify each and every land owner. Any change must be voted upon by landowners as prescribed by law. Covenants may be changed by a majority of votes cast.

Section 6. CHANGING BY-LAWS: When necessary or desirable to change the Association By-Laws, any member of the Association may suggest a change. Three (3) meetings must be held to change the By-Laws to wit;

- (1) First meeting to advance the changes to the membership.
- (2) Second meeting to discuss, amend, discard, or purify the proposed changes.
- (3) Third meeting to vote on, without discussion, to accept or deny the changes.

Section 7. QUORUM: There shall be at least three (3) officers or two (2) officers and one (1) Board Member with no less than three (3) voting members present, or one (1) officer and two (2) Board Members.

Section 8. SUNSHINE LAW: All meetings of the Association shall be open to the members of the Association. The Sunshine Law shall prevail. However, committees appointed or chosen at Association meetings will be exempt.

Section 9. SUSPENSION OF VOTING RIGHTS: No member shall be permitted or entitled to vote on any matter concerning the Association if membership dues are unpaid.

Section 10. COMMITTEES: All committees shall be responsible to the Association for all actions, and shall conduct business in accordance with these By-Laws.

Architectural Committee: Shall be a standing committee consisting of (5-7) appointed representatives. Three representatives will be appointed to serve one year, two for two years, and two for three years. No representative will be allowed to be elected as an officer of the Board while serving his/her term. The

committee will organize itself to function as effectively as possible. The Chairman will be the senior member. They will also elect a Vice-chairman and a Secretary. The committee shall have its own set of guidelines to follow in conjunction with its duties as outlined in the covenants. They shall meet monthly and will conduct their business as diplomatically, and efficiently as possible.

Road Committee: Shall be a standing committee consisting of up to four (4) members, elected or appointed and approved by the Board. They will represent the subdivision as a whole. The Chairperson will be selected by the committee.

Hospitality Committee: Shall be a standing committee for the purpose of organizing and informing members and/or new residents of the activities of the Association. The committee shall consist of an elected or appointed chairperson and members of his/her choice that he/she feels would best help improve and promote the Association. The committee shall maintain public and social relations with all persons it may come in contact with while conducting or organizing activities.

Special Committees and Task Force Committees: Shall be functional committees to solve problems or a group of problems and/or complete specific tasks as directed. Members may be selected by the membership or appointed by the Board or the President. These committees shall disband after the completion of the specific duties or responsibilities.

ARTICLE IV

OFFICERS OF THE ASSOCIATION: A four (4) member Board of elected officers will consist of President, Vice President, Secretary, and Treasurer, and as many as three (3) additional Board Members, elected or appointed, will have an equal voice in decisions which may come before the Board. Any Officer or Board Member who is absent for Association meeting for three (3) consecutive meetings may not be considered in good standing and may be expunged by a majority vote of the Board. The immediate past President may be an ex-officio member of the Board, in an advisory capacity as needed, not to exceed one year.

DUTIES OF EACH OFFICER: The officers, board members, committee members, and representatives of the Association shall at all times, conduct themselves in a professional and considerate manner conforming to all Association rules, regulations, and guidelines, with the goals of the Association forefront.

President: Shall preside at all meetings, be privileged to appoint any and all Board members; approve expenses concerning the Association with Board approval; be free to entertain motions and ideas for the well-being of the Association. The President will NOT have a vote, except in the event of a tie.

Vice President: Shall be able and responsible to assume all duties of the President in his/her absence, and if necessary, assume the full office of President in the event of permanent vacancy.

Secretary: Shall take minutes, count and record votes involved at all meetings, keep current records and address lists of the membership of the Association. Shall be willing to assume other duties incidental or as suggested by the Board. Shall be able and responsible to assume the duties of President in the absence of both President and Vice President.

Treasurer: Shall be accountable for all monies received and disbursed by the Association, make Bank deposits as required, keep all books as required, and report in writing at each scheduled meeting. With the aid of the Secretary will keep a record of all Association members, their dues, delinquencies, etc. No monies shall be disbursed without prior approval of the Board.

Board Members: Shall vote on all matters pertaining to the Association and be able and responsible to assume the duties of any vacant office as needed.

ADDITIONAL RESPONSIBILITIES OF THE BOARD

Signatures of all four (4) officers (President, Vice President, Secretary, and Treasurer) of the Association shall be required to be on file at the Association's Bank on a signature card provided by the bank. All checks written by the Association will require two (2) signatures to be valid. All members of the Board, collectively as a group, shall be able to authorize funds to be disbursed when necessary to continue the business of the Association.

ARTICLE V

ELECTIONS: All elected terms of office shall be for a two (2) year duration unless otherwise stated. Notification of upcoming elections will be given verbally at the October meeting of the election year. Nominations will be received from the floor during the November meeting of the election year. Elections will take place during the December meeting of the election year. Voting will be by ballot or by a show of hands. Newly elected Officers, Board Members, or Representatives shall be sworn in office at the first meeting of the year and shall begin their duties immediately.

These changes to the By-Laws are submitted to the Association and shall be in effect as of April 2, 1996.

Approved and Adopted as amended April 1, 1997

Regan Clymore
President
Mary Marie Brown
Secretary

William G. Martin
Vice President
Juan Hernandez
Treasurer

NAVAJO RANCH HOMEOWNERS ASSOCIATION
OF HUERFANO COUNTY, INCORPORATED

BY-LAWS

ARTICLE I

The name applied shall be Navajo Ranch Homeowners Association of Huerfano County Incorporated. The Association shall be incorporated in the state of Colorado, under the law, as a NON-PROFIT Corporation. The fiscal year, for all purposes of the Association shall begin on January first of each year. Meetings shall be held once every calendar month.

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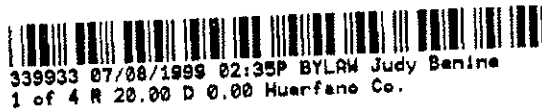
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- A. To act on improvement opportunities to maintain the common elements, including public and community relations.
- B. To protect and help preserve the natural environment of the area.
- C. The enforcement of any and all covenants, restrictions, etc.
- D. Improve and monitor the maintenance of roads, streets, and parking areas under governmental supervision.
- E. Always acting within the laws without bias or prejudice.
- F. Be protective working toward the enhancement of safety and habitability of all properties within and bring about civic betterment and social improvements.
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Special Committees and Task Force Committees: Shall be functional committees to solve problems or a group of problems and/or complete specific tasks as directed. Members may be selected by the membership or appointed by the Board or the President. These committees shall disband after the completion of the specific duties or responsibilities.

ARTICLE IV

OFFICERS OF THE ASSOCIATION: A four (4) member Board of elected officers will consist of President, Vice President, Secretary, and Treasurer, and as many as three (3) additional Board Members, elected or appointed, will have an equal voice in decisions which may come before the Board. Any Officer or Board Member who is absent for Association meeting for three (3) consecutive meetings may not be considered in good standing and may be expunged by a majority vote of the Board. The immediate past President may be an ex-officio member of the Board, in an advisory capacity as needed, not to exceed one year.

DUTIES OF EACH OFFICER: The officers, board members, committee members, and representatives of the Association shall at all times, conduct themselves in a professional and considerate manner conforming to all Association rules, regulations, and guidelines, with the goals of the Association forefront.

President: Shall preside at all meetings, be privileged to appoint any and all Board members; approve expenses concerning the Association with Board approval; be free to entertain motions and ideas for the well-being of the Association. The President will NOT have a vote, except in the event of a tie.


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Vice President: Shall be able and responsible to assume all duties of the President in his/her absence, and if necessary, assume the full office of President in the event of permanent vacancy.

Secretary: Shall take minutes, count and record votes involved at all meetings, keep current records and address lists of the membership of the Association. Shall be willing to assume other duties incidental or as suggested by the Board. Shall be able and responsible to assume the duties of President in the absence of both President and Vice President.

Treasurer: Shall be accountable for all monies received and disbursed by the Association, make Bank deposits as required, keep all books as required, and report in writing at each scheduled meeting. With the aid of the Secretary will keep a record of all Association members, their dues, delinquencies, etc. No monies shall be disbursed without prior approval of the Board.

Board Members: Shall vote on all matters pertaining to the Association and be able and responsible to assume the duties of any vacant office as needed.

ADDITIONAL RESPONSIBILITIES OF THE BOARD

Signatures of all four (4) officers (President, Vice President, Secretary, and Treasurer) of the Association shall be required to be on file at the Association's Bank on a signature card provided by the bank. All checks written by the Association will require two (2) signatures to be valid. All members of the Board, collectively as a group, shall be able to authorize funds to be disbursed when necessary to continue the business of the Association.

ARTICLE V

ELECTIONS: All elected terms of office shall be for a two (2) year duration unless otherwise stated. Notification of upcoming elections will be given verbally at the time for the regular meeting in February. If necessary, notifications will be made by posting on the bulletin board. Nominations will be made at the March meeting, with election in April. Newly elected Officers, Board Members, or Representatives shall be sworn into office at the first meeting following election and shall begin their duties immediately. Vacancies that occur at other times may be filled at any regular meeting.

Approved and Adopted as amended April 7, 1998.

Leann Oleson
President
May Marie Irwin
Secretary

Bill Irwin
Vice President
Joan Newland
Treasurer

ARCHITECTURAL COMMITTEE
RESPONSIBILITIES & GUIDELINES
COMPOSITION

The Architectural Committee shall be composed of any three owners of Navajo Ranch Resorts properties selected by the Navajo Ranch Homeowners Association, herein after referred to as as the "Association"

The selected members shall serve for a period of not more than three(3) consecutive years, thereafter being replaced, by selection of the board of directors of the Association or by election of the members of the Association. A chairman shall be elected, by the committee for a period of one(1) year.

RESPONSIBILITIES OF THE COMMITTEE

The Architectural Control Committee, herein after referred to as the "Committee", shall be responsible for the administration and enforcement of the Navajo Ranch Resorts covenants as pertaining to land development, as may be in effect at the time. However, the ultimate enforcement of the covenants shall be the responsibility of other than the Homeowners Association.

The Committee shall advise prospective builders of the restrictive covenants and according to the covenants approve or disapprove all developmental plans.

Only violations of the covenants pertaining to lot usage, building or architecture brought to the attention of the Committee by complaint of any property owner, in writing, shall be addressed by the Committee as follows:

The architectural plan for the lot will be examined, if one has been previously submitted and approved by the Committee.

Any deviation from the aforementioned plan will be determined by on-site inspection. This inspection will be to collect all necessary details concerning the complaint.



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A meeting will then be held with the landowner in question and a determination made as to the authenticity of the complaint.

If any violation of the covenants are found the violator shall be so informed in writing. Failure to comply may result in legal action.

Violations in existence;but not of a flagrant nature,as determined by the Committee,and with no complaint on file WILL NOT BE pursued. The Committee WILL NOT be or act as police,going about looking for violations.

Flagrant violations will be cited as time permits. A letter will be maintained in the files of the Committee.

RESPONSIBILITIES OF THE LAND OWNER

The landowner,planning to build shall:

- (1) Show a development plan to the Committee.
- (2) Show building plans and specifications to the Committee.

(3) Determine if all necessary permits have been secured either by their contractor or themselves.

Note: Builders should understand that County building,electrical and health permit/s,as applicable,must be obtained PRIOR to ANY construction.

ALL landowners who have built,are building or intend to build should have a development plan and building plan to show to the Committee. There is no cost to/for this and an approved development/building plan should keep the landowner free from complaint/s.

Location of construction both above grade and below grade,as to easements,property line and frontage distance restrictions are FINALLY the responsibility of the property owner.

Violations on lot/s for resale should be corrected prior to resale.

ARCHITECTURAL RESTRICTIONS

Since Navajo Ranch Resorts is classified as a "Residential Subdivision" certain ranch and farm building practices will NOT be tolerated.

Below ground construction,whether finished or unfinished shall not be considered one of the permissible two(2) stories unless it projects more than four(4) feet above grade level.Buildings constructed on sloping land where a



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garage can be accessed on the lowest grade level and the projection above grade at the highest grade level does not exceed three(3)feet,shall be considered a basement and not included as one of the permitted two(2) stories.

Certain variances may be granted dependent on usage,hideability and rarity,within the community.
EXAMPLE:Exception to two(2) story restriction dependent on topography,potters kiln,and possibly others not now envisioned.

OBJECTIVES

The objective of the Committee is to see to the attractive development of Navajo Ranch Resorts to the benefit of all landowners,whether for convenience and /or aesthetics,resale value or speed of resale.Violations on existing property for resale should be corrected prior to sale. Both buyer and seller will be so notified.

These guidelines have been drawn up for the protection of both the property owner and the members of the Committee,plus the community,to insure fair and just treatment to all concerned.

Voted on and accepted April 2,1992
Typed by Myrna Cook,February 1993.

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