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**DECLARATION OF COVENANTS, CONDITIONS AND EASEMENTS FOR
HARNEY CREEK RANCH**

THIS DECLARATION OF COVENANTS (this "Declaration") is made effective the 15th day of February, 2007, by Royal Wolf Development, LLC, a Wyoming limited liability company (herein "Declarant").

RECITALS

A. Declarant is the owner of 783 acres, more or less, of real property located in Sections 1 and 2, T.13N., R.73W. and Sections 6 and 6, T.13.,R.72W. of the 6th P.M., Albany County, more particularly described on ~~Exhibit "A"~~ of this Declaration (the "Property"), which is hereafter referred to and known as "Harney Creek Ranch".

B. Declarant desires to implement cohesive plans for desirable agricultural, recreational and living environment, while preserving the beauty of its rural location and character. In view of Declarant's long-range plans, Declarant desires to impose these restrictions on the Property and yet retain reasonable flexibility to respond to changing circumstances so as to control and maintain the first-class quality of Harney Creek Ranch.

C. Declarant adopts this Declaration of Covenants for the benefit of all Owners of Tracts in Harney Creek Ranch (as such Tracts are described on Exhibit A), such that Tracts may be held, transferred and used only in a manner consistent with this Declaration, which shall run with the land and be binding on all parties having any right, title or interest in the Property, and their successors and assigns.

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, transferred, and occupied subject to the covenants, conditions, restrictions, easements, and liens (collectively, the "Covenants") set forth in this instrument.

THIS DOCUMENT IS RECORDED BY
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ARTICLE I
DEFINITIONS

1.01 **Definitions.** The following words used in this Declaration shall have the following meanings:

- (a) "Declarant" means Royal Wolf Development, LLC, which is the record owner and developer of Harney Creek Ranch.
- (b) The "Property" means the real property described in Exhibit A, which is hereinafter referred to as Harney Creek Ranch and which is the subject of this Declaration, including all those large Tracts thereof, all of which exceed 35 acres at the time of this Declaration.
- (c) "Survey Map" means that reference map filed of record with the Albany County Clerk's office on February 14, 2007 as Document No. 2007 1084, which is incorporated herein by reference. The Survey Map is not a "plat" as that term is commonly used since the large tracts of Harney Creek Ranch are exempt from the status of "subdivision" under the Wyoming Statutes. Nothing herein shall prohibit a Tract from receiving agricultural taxation status if said Tract otherwise meets the requirements of the State and local taxing authorities.
- (d) "Tract" means any tract of land shown on the Survey Map of the Property, which is designated as a Tract on the map or otherwise, and which is or may be improved with a residential dwelling in conformity with these Covenants, and any resulting portion thereof. "Adjoining Tract" means a Tract which is contiguous to another referenced Tract as shown on any recorded plat of the Property.
- (e) "Owner" means a person(s) or entity who or which is a record owner of a fee or undivided fee interest in any Tract subject to these Covenants, excluding any person or entity who holds a lien or interest in a Tract as security for the performance of an obligation.
- (e) The "Association" means the Harney Creek Ranch Landowners' Association, which shall consist of the Owners of the Tracts, and shall have the power and

duty to administer and enforce this Declaration. The Association shall be managed by a Committee (the "Committee") made up of three members each of whom shall own a Tract, as the Committee is more specifically defined below.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION

2.01 **Property.** All of the Property located in the County of Albany, State of Wyoming, as described on Exhibit A, which includes all individual Tracts in Harney Creek Ranch, and any portion thereof, is subject to these Covenants. Additional land(s) may become subject to this Declaration only with the prior written consent of the majority of the outstanding vote of the Owners.

ARTICLE III
USE, OCCUPANCY AND CONSTRUCTION

3.01 **No Further Subdivision.** No Tract may be hereafter divided. *Provided however*, nothing herein shall prohibit an Owner from dividing a Tract once hereafter if such division is done pursuant to the family exemption, as set forth in Wyo. Stat. Ann. § 18-5-303, as amended, and if the following requirements are satisfied: (a) no more than one family exemption division may be accomplished on any Tract; (b) neither of the two resulting parcels of the Tract shall be less than ten (10) acres; (c) the resulting parcel so split from the parent Tract may not be offered for sale to the public sooner than one year from the date of the split; and (d) both resulting portions of the Tract shall each be subject to these Covenants and each shall be considered thereafter as a "Tract". The provisions of this paragraph 3.01 shall not apply to Tract 18 given its irregular shape and given Declarant's intention of providing an access for other tract owners to the State of Wyoming section across it; *provided however*, so as to ensure the rural nature of the project, Tract 18 shall not result in more than three portions thereof if transfers under the family exemption provisions are ever pursued.

3.02 **Residential/Agricultural Use.** Each Tract may be used only for residential and/or agricultural purposes. Only one single-family dwelling is allowed on any Tract. No business or commercial building may be erected on any Tract. No commercial enterprise or other non-residential use may be conducted on any Tract, provided that this provision shall not preclude an Owner from conducting home business if otherwise allowed by applicable Albany County regulations, such as conducting a professional, consulting or skilled business within a home office. If a home business is so permitted, then such home business shall strictly comply with the following restrictions: (a) no sign advertising the business larger than five (5) square feet may be placed on any Tract and no signs shall be illuminated; (b) any home business activities shall be conducted entirely within the home or outbuilding on a Tract; and (c) the home business shall not result in any external or visible activities or an increase in traffic over and above what would be typical for a residence.

3.03 **No Mobile Homes nor Modulares.** No mobile homes are permitted at any time upon a Tract. No stock manufactured/modular home that is constructed off-site and requires transportation on wheels to any Tract will be permitted. However, structures that are assembled off-site and are completely disassembled for transportation (such as log homes or high quality, custom-designed buildings that may have some prefabricated parts [for example, a custom design home using self insulated panel (SIP) construction; prefabricated panelized wall or roof panels, etc.]) may be permitted with approval of the Committee. No building materials shall be stored on any Tract for a period longer than sixty (60) days unless substantial construction is in progress.

3.04 **Building Construction.** All homes and buildings on a Tract shall be designed to be consistent with the surrounding landscape and the architecture on other Tracts and all buildings shall blend with the natural landscape of the area. To ensure these general ideals are met, construction on each Tract shall comply with the following requirements:

- a. **New Construction/Time For Completion.** Any buildings erected on the Tract shall be on-site new construction with new quality materials. Trailers shall not be used as a permanent residence during construction. There is no deadline to commence construction on a Tract, but once construction of a structure is commenced on a Tract, construction of that structure shall be completed within twenty (24) months of commencement. Mobile homes shall not be used as temporary or permanent residences at any time.

- b. *Compatibility of Improvements.* All buildings, corrals, fencing and any other improvements constructed on a Tract shall be appropriate in character, design, color and architecture in relation to the general area and to the other homes on surrounding Tracts. No unusual design, styles or construction methods shall be allowed (for illustration purposes only -- there shall be no geodesic domes, no entirely underground homes nor such other building styles that are not typically found in the area). Nothing herein shall prohibit "green" building, with use of passive solar or construction materials that are more energy efficient than typical materials.
- c. *Colors of Improvements.* All buildings and improvements will be painted, stained, sided and roofed in primarily earth tone colors so that they shall blend with the land and the surrounding area and homes as much as possible.
- d. *Number of Buildings Per Tract.* No buildings shall be erected, altered, placed or permitted to remain on a Tract other than one (1) single-family primary residential dwelling, with a private garage (which is attached or connected to the dwelling), and no more than two (2) additional accessory buildings for use as a barn, studio, carriage or guest house, additional garage, workshop, arena, recreation room, storage area, or any combination thereof.
- e. *Minimum Square Footage for Homes.* Every primary residential dwelling that is a single story home shall have a minimum of 1,200 square feet of above-grade finished living area. Every primary residential dwelling that is a two story home (above grade) shall have a minimum ground level floor area (ie., footprint) of no less than 1,000 square feet of finished living area on the ground level. No primary residential dwelling shall exceed two stories above finished grade (not including a standard basement level). No basement area will be considered a part of the finished floor area requirements.
- f. *Accessory Buildings.* Accessory buildings shall be of properly framed construction and shall be sided only with materials compatible with the home (materials are not required to be identical but shall be compatible in terms of styling, color, design and appearance). No accessory building shall exceed one hundred feet (100') in any horizontal dimension, except for horse riding arenas, which may be constructed to a size up to 100' x 200' but only with the prior written approval of the Committee. No accessory building shall exceed a height of sixteen (16) feet at the highest point of the sidewall.

In an effort to promote a higher quality look than an average pole-type barn, each accessory building shall have one or more architectural details that provide a higher-than-average appearance (examples of such intended details include but are not limited to: varying or multiple roof lines, covered porch or landing, a roof cupola or other such architectural details). The architectural details required by this paragraph shall be subject to the approval of the Committee.

- g. *Siding Materials.* Each primary residential dwelling, and all additional accessory buildings, shall be sided with the following materials:
- i. natural wood siding which shall be properly sealed and maintained after installation;
 - ii. logs with a minimum diameter or thickness of six inches (6") which shall be properly maintained after installation;
 - iii. traditional stucco, Drivit or other high quality stucco-like siding;
 - iv. masonry (natural or cultured stone or brick);
 - v. metal siding provided that no glare be associated with the product;
 - vi. durable manufactured/composite siding [examples of such permitted composite siding include: Certainteed's "WeatherBoards"; James Hardie's "Hardiplank Lap Siding" or "Hardishingle Siding" and other such higher-than-average manufactured siding similar to those named and approved by the committee] that is in the form of a traditional lap siding or shake panels and which meets all of the following minimum criteria.
 - vii. *Prohibited Sidings.* No primary residential dwelling nor any accessory building erected on a Tract shall be sided with any other materials such as the following materials, which are prohibited as such are typically inferior and less-than-average in quality and appearance, to-wit:
 1. plywood or any wood sheet panel siding;

2. vinyl siding;
3. inferior grade composite siding with a low durability level; or
4. any other inferior siding.

- h. Roofing Requirements.* All major roof lines of any primary residential dwelling shall be pitched with at least a 5/12 pitch; provided however, the roof pitch of porches, dormers and other ancillary roof lines may be less. All buildings constructed on a Tract shall have a roof of at least eighteen inch (18") overhang. Permitted roofing materials shall not be in any unusual color and are limited to: (i) tile or slate; (ii) asphalt shingles (provided however, if asphalt shingles are used, they shall be the architectural design with the "shake" look and shall be of a quality with at least a 40 year rating, (iii) high quality composite shakes, (iv) real cedar shakes, (v) metal roofing with a finish that results in no/minimal glare, or (vi) other such higher-than-average quality roofing material.
- i. Fences.* There shall be no chain-link fences, no concrete block fences nor any other unusual type of fence not common to the area constructed along the perimeter boundary of any Tract. Such perimeter fences shall be constructed of post and wire or other typical post and rail construction commonly used as perimeter fencing. Yard fences and kennels adjacent to the home for keeping pets may be constructed from any commonly used material for such purposes (including chain link) and shall be constructed in such dimensions as is reasonable. All permanent fences to be constructed on a Tract shall be subject to approval by the Committee, as such approval process is set forth herein. No fence shall be constructed along any road with the Property which will result in snow drifts in the road making travel thereon more difficult.
- j. Landscaping.* Within one year from the date a home is constructed and occupied on a Tract, landscaping shall be commenced, with the minimum landscaping to be completed between the home and the road which the home faces to be: (1) at least 5 trees with minimum one-inch caliper; (2) at least 10 plants/shrubs with a minimum 5 gallon container; and (3) reseeding the disturbed soils during construction so that bare dirt be revegetated. All such landscaping shall be properly watered and maintained thereafter.

3.05 Setbacks and Building Location. Consideration shall be given when selecting the site of any building on a Tract to not unreasonably disrupt the view of an existing home on an adjoining Tract. No building shall be erected or permitted to remain on any Tract less than one hundred feet (100') from the boundary line of an adjoining Tract unless a written consent is provided by the adjoining Tract Owner or a written variance is given by the Committee. Provided however, for those Tracts which have a building site between Harney Creek and Stevenson Road that may not allow this 100' set back to be met, no building shall be constructed closer to Stevenson Road than the halfway point between the road and the edge of the creek drainage area - this provision is intended to allow Owners to construct between road and the creek if so desired but to keep a reasonable set back of any building away from Stevenson Road.

3.06 Buildings - Maximum Height. No building shall exceed forty feet (40') or two stories in height measured at any cross section of the building from the original grade to the highest point of the building, not including chimneys or other minor projections. This restriction is intended to safeguard the views of adjoining Tracts, as may be applicable.

3.07 Avoidance of Sprawl. All garages, barns, sheds, and other outbuildings on any Tract shall be located in proximity to the dwelling on the Tract, such that the distance between the residence and the nearest wall of any outbuilding shall not exceed three hundred feet (350') without approval by the Committee; provided however, on those Tracts through which Harney Creek crosses, a home and the outbuildings may be constructed upon opposite sides of the creek without regard to this 350' maximum if the placement of such buildings is otherwise reasonably close in proximity given the creek and drainage areas separating them.

3.8 Equipment. Roof mounted mechanical equipment is prohibited. Any exterior mechanical equipment must be wall or ground mounted adjacent to the home. Ground mounted equipment must be enclosed by walls, fences or landscaping of sufficient height and density to screen the equipment from view and to buffer sound. Antennas and satellite dishes larger than three feet (3') in diameter are prohibited. Satellite dishes must be situated in non-obtrusive locations.

3.9 **Destruction of Improvements.** In the event any structure is destroyed either wholly or partially by fire or other casualty, such structure shall be promptly rebuilt or remodeled to conform with the covenants contained herein, or all remaining portions of the structure, including foundations, and all debris, shall be promptly removed from the Tract.

3.10 **Temporary Buildings:** No temporary building, structure or trailer may be erected, placed or maintained on any Tract, except for (i) construction trailers used during active construction for a period not exceeding one year, so long as they are not used as residences or permitted to remain on the Tract after completion of construction, (ii) motor homes and recreational trailers for periods not exceeding four weeks per year, and (iii) trailers of Owners stored inside buildings or in a location permitted under Section 3.13.

3.11 **Vehicles: Storage.** Trucks (larger than pickup trucks), buses, motor homes, camper vehicles (except camper shells mounted on pickup trucks), trailers, boats, motorcycles, snowmobiles, and other motorized equipment and vehicles (other than conventional automobiles in working order), must be stored or parked within an enclosed garage, outbuilding or in a location entirely screened from the view of other Owners by walls or fences or the like. No non-functional or abandoned vehicle or equipment shall be permitted outside a building enclosure on any Tract. Tools, lawn mowers, maintenance equipment, and similar items shall be stored inside buildings out of the view of other Tracts. Nothing herein shall prohibit Declarant from using a camper/trailer in use for the sale of tracts for so long as it is selling tract(s).

3.12 **Garbage.** No garbage or trash shall be kept on any Tract so as to be visible from another Tract. No refuse pile, garbage or unsightly objects shall be allowed to be placed, accumulated or disposed of anywhere on a Tract. Fully enclosed trash containers may be kept on a Tract for pickup by a collection service, but all such containers shall be fenced and screened from view of adjoining Tracts and the roads. No trash or garbage may be burned or buried at any location on the Property except in fully contained apparatuses designed for the safe disposal of household garbage, which must be approved by the Homeowners' Association.

3.13 **Hay Storage.** Hay, or other such feed, may not be stored on any Tract, except in a barn or storage building or in an area screened from view.

3.14 **Signs.** Except for the entryway sign installed by Declarant, no sign shall be displayed to the public view from any Tract except for modest signs identifying a residence by name, and construction or sale signs of limited size and type, in accordance with standard construction and sale procedures and no greater than 5 square feet.

3.15 **Lighting.** Exterior lighting is permitted within a Tract boundary, provided such lighting does not result in excessive glare toward other Tracts. All exterior lighting must be low level, subdued intensity. No lighting shall be used which provide more light pollution to Adjacent Tracts beyond the light produced by three residential 100W bulbs.

3.16 **Utilities/Propane Tanks.** All utility lines installed by Owner across the Tracts shall be buried underground, except those power lines existing or required to be installed by Declarant above ground, if any. Any propane tank kept on a Tract shall be either buried or fenced so as to be screened from sight by other Owners.

3.17 **Animals.** No animals, including farm animals, birds and reptiles, of any kind may be kept, bred or maintained on any Tract, except as follows:

- (a) A reasonable number of commonly accepted household pets such as dogs, cats, small caged animals, or birds, aquatic species in an aquarium, may be kept in a residence.
- (b) In no event shall any domestic pet be allowed to run free away from its Owner's Tract without a leash, nor shall they create any nuisance to other Owners, nor shall dogs be permitted on a Tract that bark to a level it can be heard on an adjoining Tract or would disturb a reasonable person.
- (c) Horses, mules, donkeys, cattle, sheep and other such animals may be kept on a Tract. Should an Owner keep more than two such animals on a Tract, there shall be a corral with an attached barn/loafing shed with sufficient space for each animal constructed on the Tract for the care and feeding of the animals. In no event shall more than six (6) such animals be kept on a Tract, even if kept inside a corral. All grazing animals shall be confined to the Owner's Tract by a

- fence installed and maintained at their sole cost. Owner shall not allow any of their animals to escape from their Tract.
- (d) 4-H project animals owned by the Owner and/or the Owner's children are expressly permitted to be kept on a Tract for 4-H projects in reasonable numbers. Any such 4-H animals kept on a Tract shall be properly cared for and kept within a corral and barn and/or shed.
 - (e) **NO TRACT SHALL BE OVERGRAZED** -- the natural beauty and character of the Tract, and the typical vegetative cover, shall not be allowed to be unreasonably damaged by grazing. A Tract shall be deemed to have been overgrazed when the grass is lower than the toe of average man's boot. The primary intent of these covenants, as they relate to grazing animals, is to ensure that no Tract is overgrazed or left in a condition to be unsightly. The Committee shall have the express right to require an Owner to remove any and all grazing animals from a Tract should the Tract become overgrazed.
 - (f) The Tract, including areas used for animals, shall at all times be maintained in a clean and sanitary condition, and no manure shall be allowed to accumulate to a level that can be smelled by Adjoining Tracts. Provided further, no animals kept on a Tract shall be permitted to become a nuisance, either by noise or odor, to other Tract Owners.

3.18 **Mining.** Owners shall not explore for or remove any oil or other hydrocarbons, minerals of any kind, or earth substance of any kind. The Declarant or the Committee may, however, remove gravel from Tract 1 and process it on-site during initial infrastructure construction and for road, ditch, pipeline and pond maintenance within Harney Creek Ranch. However, no other mining shall be permitted within Harney Creek Ranch. It is noted that limestone is present in the vicinity by the presence of the Weaver limestone quarry lying northwest of Harney Creek Ranch in Sections 26 and 35, T14N,R73W; however, no rock mining nor any other form of mining shall be permitted by the owners of Tracts within Harney Creek Ranch.

3.19 **Rental of Tracts.** An Owner who leases his Tract to any person shall be responsible for assuring compliance by his lessee with all of the provisions of this Declaration, and shall be jointly and severally responsible for any violations by his lessee.

3.20 **Water Rights.** Ownership of all direct flow water rights attached to any part of the Property, if any, shall be administered by the Homeowners' Association. No Owner shall alter Harney Creek (either by dam or otherwise) in a manner that adversely affects the downstream Tracts or diminishes the flow thereto.

3.21 **Firearms; Hunting; Fireworks.** The discharge of high powered rifles/pistols is strictly prohibited on any Tract where the trajectory of the bullet could, in any reasonable event, travel into the airspace of an adjoining Tract. Such prohibition against the discharge of high powered firearms is intended to strictly protect the safety of all Tract owners. Nothing herein shall prohibit hunting with something other than such high-powered guns. Fireworks shall not be used within Harney Creek Ranch except on the Fourth day of July each year if otherwise permitted by Albany County regulations.

3.22 **Safe Condition.** Each Owner shall maintain his Tract at all times in a safe, sound and sanitary condition and shall repair and correct any conditions and refrain from any activity which might interfere with the reasonable enjoyment by other Owners of their Tracts.

3.24 **Nuisances.** No Owner shall permit anything (including but not limited the most common nuisances of: vehicle or recreational equipment use, barking dogs, or the maintenance of unsightly conditions) to be done or kept about or within a Tract which will (i) obstruct or interfere with the rights of other Owners to the use and enjoyment of his/her Tract, (ii) be in violation of any law, or (iii) annoy other Owners by unreasonable noises or otherwise. Each Owner shall comply with the requirements of governmental authorities having jurisdiction over the Property.

ARTICLE IV UTILITY AND ACCESS EASEMENTS

4.01 **Utility Easements.** The Declarant reserves easements for installation, maintenance, repair and removal of utilities over, under and across a ten feet (10') strip along each Tract's boundary and along the width of all other road/easement routes shown on said Survey Map. This

reservation includes full rights of ingress and egress by the Declarant, representatives of the Committee and any bona fide utility company for the installation, operation, maintenance, repair or removal of any utility together with the right to remove any obstruction that may be placed in any easement area that would interfere with the use of such easement or with the use, maintenance, operation or installation of such utility. Declarant grants each Tract the right to use said utility easement for utility access to each Tract; however, Grantor specifically reserves the exclusive right to grant future access to the utility lines it has constructed, or will cause to be constructed, within the Property and to require reimbursement for its costs thereof from adjacent properties who may desire to tap into such utilities in the future.

In the development of the property, Declarant will install utilities along/adjacent to the roads, as shown on the Survey Map, so that such utilities will be available to at least one point of each Tract shown on the Survey Map.

4.02 Access Roads/Easements. Each Tract shall have the right of access along all road easements labeled and shown on the Survey Map as Stevenson Road (a 60' easement route), and the following 40' foot wide easement road routes – (i) Avery Lane, and (ii) Grace Road and (iii) Sara Court, to the extent reasonably necessary for an Owner, and their guests and invitees to access each Tract along the most convenient easement road route. The width of each said easement shall be measured one half on each side of the centerline of the road. At the intersection of each said road with another road, there shall be an easement for the reasonable turning radius and a turn-out area the width of one vehicle. Declarant shall construct and/or improve Stevenson Road, Avery Lane, Sara Court and Grace Drive (to its intersection with Avery Lane with the balance thereof to the south being an easement route available for access as required by the tract owners adjacent thereto).

The exact location of Avery Lane, as it will be constructed across the Harney Creek drainage area between Tracts 15 and 16, will not follow the common boundary line as shown on the Survey Map, but will follow the route approved by Declarant and the owners of Tract 15 and 16, as of the date hereof, in a location as close to the common boundary as possible but using the natural topography to create a more travelable road after construction. During construction, a temporary seventy-five foot construction easement along the road route shall allow the proper construction of Avery Lane in said drainage area, and after initial construction is completed, the access and utility easement along said road shall remain only 40' along the entirety of Avery Lane, the centerline of which shall be confirmed after construction.

4.03 Access To State Of Wyoming Public Lands. The Declarant grants an easement to each and every Tract Owner to access the State of Wyoming Section 36, T.13N., R.73W. which lies adjacent to the north boundary of the Property and which consists of 640 acres, more or less, of public lands which may be enjoyed by all Tract Owners, subject to the terms and conditions of the State of Wyoming. This easement shall provide each Tract Owner the right to walk, ride a horse or bike (or travel by any other means not objected to by the record owner of Tract 19) along the following described path. The easement route granted for such purposes lies along the western-most ten feet (10') of the west boundary line of Tract 19, beginning at the road intersection of Avery Lane and Grace Road meet (as shown on the Survey Map but which may be altered during construction should on-site conditions require), along the western-most ten feet of Tract 19 to the north line of Tract 19 adjoining the State of Wyoming's said Section 36. Provided further, the northwest corner of Tract 22 touches the State of Wyoming Section 36, and Tract 22 is permitted to walk or ride a horse or bike directly across that corner, to the width required to pass, to gain access to said State section.

Additionally, Declarant intends to provide a second point of access to the State of Wyoming's Section 36 across a portion of Tract 18 in Section 2, T14N, R73W of the 6th P.M., along a route and pursuant to terms identified by Declarant hereafter, to provide limited vehicular access so that other Tract owners would have the ability to drive up to the fence at the boundary line of the adjacent to the public lands.

4.04 Adjoining Landowner Access. Certain adjoining landowners have the right of access through Harney Creek Ranch along Stevenson Road to the extent the right of access has been previously reserved of record.

ARTICLE V
HOMEOWNERS' ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

5.01 **Membership.** There shall be one Membership in the Homeowners' Association appurtenant to each Tract. The record Owner of the Tract (if an individual person) is the Member. If there are multiple owners of record or if the record Owner is an entity, the Owner shall designate an individual person as the Member with respect to the Tract, provided that spouses who own a Tract together may share a single membership. Multiple owners may not change the designation of the Member more often than once each year, except in the event of death or incapacity of the Member. In the absence of such written designation, assessments shall nevertheless be charged against the Tract and the Owner, but there shall be no right to vote the membership. If a Tract is divided, each of the two resulting portions thereof shall be considered a Tract and one Membership for each.

5.02 **Member Rights.** The Member as designated in accordance with the Covenants shall be the only person entitled to vote on behalf of the Owner at Homeowners' Association meetings and elections. A Member shall be entitled to one vote for each Tract in which he/she hold the interest required for membership.

5.03 **Meetings; Quorum and Voting Requirements.** The Homeowners' Association shall meet annually during the month of August each year. A special meeting of the Association may be called if at least 33% of the Tracts call for such a meeting. Except as otherwise specifically stated in these Covenants, any action to be taken by or on behalf of the Homeowners' Association requiring approval of Members shall be deemed approved when it receives the affirmative vote of Members who collectively hold more than fifty percent (50%) of the outstanding votes of the Homeowners' Association. Bylaws shall be prepared and adopted by the Homeowners' Association at their first annual meeting, which shall occur August 2007.

ARTICLE VI
COMMITTEE - FORMATION, POWERS AND DUTIES

6.01 **Committee.** The specific management of the Homeowners' Association shall be conducted by the Committee. Initially, the Committee shall consist of Declarant only. . . After any Tract is sold and conveyed of record, the Committee shall consist of three (3) Members, each of whom shall be an Owner. The three Members of the Committee shall be appointed and removed by Declarant until that point where at least 15 Tracts in Harney Creek Ranch have been sold by Declarant. Thereafter, Members of the Committee shall be elected for one-year terms by a majority vote of the Members of the Homeowners' Association at the next annual meeting of the Association. Following the sale of all Tracts by the Declarant, a majority of the Homeowners' Association may, at any time, call a special meeting and, by majority vote, remove and replace any member or all members of the Committee. Provided however, Declarant shall have the option to retain its position as one of the three Members on the Committee for a period not to exceed two (2) years from the date hereof so that Declarant may assist in the initial endeavors of the Committee as the Tracts are initially developed.

6.02 **Powers and Duties.** The Committee shall have the following powers and duties on behalf of the Homeowners' Association:

- (a) To enter into contracts, maintain bank accounts, purchase materials, labor, equipment and supplies necessary to perform functions of the Committee, and conduct all reasonable business necessary or incidental to the operation of the Homeowners' Association;
- (b) To maintain and repair all common roads as appropriate, and to establish and maintain reserve accounts for maintenance and repairs funded by the Owners;
- (c) To assess, collect and disburse Homeowners' Association funds for the purposes set forth herein;
- (d) To assess Tract Owners for funds necessary for the operation of the Committee and maintenance and repair of the common elements of Harney Creek Ranch;
- (e) To enforce the provisions of this Declaration, place liens on Tracts, and enjoin and seek damages from any Owner for violation of the Declaration;
- (f) To approve or disapprove any plans and specifications submitted for architectural review in accordance with Article VII of the Declaration and to grant/deny any Variance to any condition or requirement set forth herein;

- (g) To maintain and operate the irrigation water distribution system within the Property, if any is established hereafter; and
- (h) To perform other duties and responsibilities as otherwise set forth in the Declaration.

6.03 **Committee Actions/Voting.** Any action by or on behalf of the Committee shall be deemed approved when such action receives the affirmative vote/approval of 2/3rds of the Committee members.

6.04 **Liability Limitations.** Neither the Declarant, any Member, the Committee, nor any agent thereof shall be personally liable for (i) debts incurred by the Homeowners' Association; (ii) the tort or contract of another Member, whether such other Member was acting on behalf of the Homeowners' Association or otherwise; (iii) any incidental or consequential damages for failure to inspect any premises, improvements or portion thereof; or (iv) any personal injury or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any premises of the Homeowners' Association.

ARTICLE VII ARCHITECTURAL REVIEW/CONTROL

7.01 **Design Review.** The Committee shall perform all architectural design review duties for all construction on any Tract.

7.02 **Review Process.** Whenever an Owner of a Tract wishes to construct a primary residential dwelling, an accessory building, corral or any other permanent improvement/construction, the Owner shall submit to the Committee a complete set of building plans for such proposed construction, one copy on 11"x17" paper and one full-size set if sufficient detail cannot be seen on the 11"x17" copy. Such building plans shall show all exterior elevations of the proposed building(s) and shall designate all the materials and colors to be used for all exterior materials so that the Association has sufficient information to evaluate if the proposal meets the requirements set forth herein. Additionally, the Owner shall submit color samples of all such materials for the Committee's review process.

Upon receipt of such plans, the Committee shall call a special meeting of the Committee for the purpose of reviewing the plans and samples submitted as soon as possible, but in no event shall such meeting occur later than twenty (20) calendar days from the date of their receipt of the plans and samples. The Committee shall attempt to circulate the plans and samples to all Tract Owners for whom the Committee has addresses before the meeting if possible. Each Owner shall have the opportunity to comment on the plans and provide their comment, if any, to the Committee prior to the Committee's review meeting and all Owner's comments received shall be considered in the Committee's review. At the conclusion of the discussion, the Committee shall vote on its approval of the proposed plans and samples. The Committee shall issue a written statement outlining the result of said vote and whether it approved or denied the proposed plans and samples. If denied, the Committee shall further provide a written summary of the reasons for such denial and shall provide the same to the Tract owner who proposed the plans within ten (10) days from the date of said meeting.

7.03 **Approval and Conformity of Plans.** No building, fence, wall or other structure or improvement shall be commenced, erected or maintained upon the Property (except for initial construction of roads, infrastructure, entryway and fencing by the Declarant), nor shall there be any addition to or substantial change to the exterior of any residence or other structure or improvement upon a Tract or the landscaping, grading or drainage from a Tract, except in compliance with plans and specifications (collectively, "Plans") which have been submitted to and approved by the Committee in writing.

7.04 **Variances.** It is the intent of these Covenants to ensure that the homes and accessory buildings constructed within Harney Creek Ranch are higher quality homes in terms of quality, appearance and styling. The Declarant wishes to promote a high quality of construction and appearance for each building to be constructed in the subdivision to protect each other's desired lifestyles and property values. The Committee, in exercising its architectural control, may grant a variance to an Owner, upon the Owner's written request, to allow the primary residential dwelling or accessory building to be constructed, sided or roofed in some material other than those expressly permitted above. The Owners acknowledges that there may be a type of construction, siding, roofing or other materials proposed that may be otherwise prohibited herein but because of the overall high quality of construction, appearance and style of the

proposed residence or building the Committee may desire, on behalf of the Owners, to allow such and grant a variance.

7.05 **Non-Liability for Approval of Plans.** Neither the Committee, its Members, the Homeowners' Association, nor the Declarant shall be liable to any Owner or other person for any damage or loss suffered or claimed on account of (a) the approval or disapproval of any Plans, whether or not defective, (b) the construction or performance of any work, whether or not pursuant to approved Plans, or (c) the development or manner of development within the Property. Approval of Plans by the Committee shall not be deemed to be a representation or warranty that the Plans comply with applicable laws or regulations, including zoning ordinances and building codes.

7.06 **Inspection and Approval.** Any member or authorized consultant of the Committee may at any reasonable time enter upon any Tract after reasonable notice to the Owner in order to inspect improvements constructed or being constructed on such Tract to ascertain that such improvements have been or are being built in compliance with this Declaration and Plans approved by the Committee. The Committee shall cause an inspection of Plans or premises to be undertaken and the Committee shall respond in writing to requests for approval within 30 days of a request from any Owner as to his/her Tract.

ARTICLE VIII ASSESSMENTS

8.01 **Assessment For Common Maintenance** The Homeowner's Association shall establish, by majority vote, the annual assessment required for the repair, maintenance and improvement of the roads and common elements within the Property. No assessment shall be levied for the year of 2007. Thereafter, Declarant estimates (subject to approval by the Association at its August 2007 annual meeting) that the annual assessment for the year 2008 is expected to be \$150/year per Tract. Annual assessments shall be paid within 30 days from the date of the Homeowners' Association's annual meeting for the next year.

8.02 **Personal Obligation of Assessments.** Each Owner of a Tract by acceptance of a deed for the Tract, is deemed to agree to pay to the Homeowners' Association the assessments authorized by this Declaration when declared due by the Homeowners' Association. The Homeowners' Association shall have a lien against each Tract to secure the payment of all assessments levied pursuant to this Declaration, and expenses incurred in connection with the enforcement of the lien, including interest, costs and reasonable attorneys' fees. Such lien shall be subordinate only to first priority mortgages from Owners in favor of their lender. Each lien may be enforced by appropriate judicial proceedings, and the amounts secured by the lien shall be the obligation of the Owner.

8.03 **Interest.** If any assessment remains unpaid thirty (30) days after the due date, the unpaid amount shall accrue interest at the rate of eighteen percent (18%) per annum.

ARTICLE IX GENERAL PROVISIONS

9.01 **Duration.** The Covenants of this Declaration shall run with the land, and shall inure to the benefit of and be enforceable by the Homeowners' Association or the Owners subject to this Declaration. The Covenants shall run perpetually, subject to the rights of the Owners to terminate them. Such termination requires the written consent of the Owners of not less than ninety percent (90%) of the Tracts.

9.02 **Amendments.** The Covenants may be amended only with the written consent of the Owners of seventy-five percent (75%) of the Tracts, which said amendment must be duly recorded in the records of Albany County, Wyoming. Provided however, no amendment may be made without the written consent of the Declarant prior to sale of all Tracts by the Declarant.

9.03 **Enforcement.** The Covenants may be enforced by a proceeding initiated by any Owner, the Declarant, or the Homeowners' Association against any person or persons violating or attempting to violate the Covenants, either to restrain or enjoin violation or to recover damages for the violation, or both, or to enforce any lien created by this instrument. Declarant shall not have any obligation to enforce the Covenants.

9.04 **Severability.** If any provision of this Declaration is held to be illegal or unenforceable, the remaining provisions shall be considered valid and enforceable.

Exhibit "A"
Declaration of Protective Covenants
for Harney Creek Ranch
March 12, 2007

A tract of land lying in Sections 6 and 7, Township 13 North, Range 72 West of the 6th P.M. and Sections 1, 2 and 12, Township 13 North, Range 73 West of the 6th P.M., Albany County, Wyoming more particularly described as follows:

Beginning at the Northwest corner of Section 6, Township 13 North, Range 72 West, monumented by a 3/4 inch re-bar cap stamped "PELS 674";
thence North 89°58' East, 2267.1 feet along the North line of said Section 6 to a point on the Westerly right of way of the Union Pacific Railroad monumented by a 5/8 inch re-bar with cap stamped "PELS 674";
thence Southwesterly 1449.5 feet along said right of way (chord bears South 08°26' West, 1449.2 feet to a point monumented by a 5/8 inch re-bar with cap stamped "PELS 674";
thence South 67°37' West, 2304.1 feet;
thence South 36°43' East, 2250.00 feet;
thence South 47°04' West, 452.2 feet;
thence South 53°01' West, 79.8 feet;
thence South 61°56' West, 337.00 feet;
thence South 39°27' West, 863.8 feet;
thence South 16°41' West, 38.2 feet;
thence South 00°10' East, 501.9 feet to the Northeasterly right of way of the Union Pacific Railroad monumented by a 5/8 inch re-bar with cap stamped "PELS 674";
thence Northwesterly 9455.8 feet along said right of way, the chord of which bears North 58°08' West, 9354.6 feet, to a point monumented by a 5/8 inch re-bar with cap stamped "PELS 674";
thence North 00°17' East, 978.1 feet to the North one-quarter of Section 2, Township 13 North, Range 73 West, monumented by a 3/4 inch re-bar with cap stamped "PELS 674";
thence South 88°51' East, 2653.5 feet along the North line of said Section 2 to the Northeast corner of Section 2, monumented by a found surveyor's cap stamped "PELS 4822";
thence South 89°41' East, 5268.4 feet along the North line of Section 1, Township 13 North, Range 73 West of the 6th P.M., Albany County, Wyoming.

Basis of bearing of description is the North line of Section 2, Township 13 North, Range 73 West as bearing South 88°51' East,