

***DECLARATION OF COVENANTS, CONDITIONS AND EASEMENTS FOR
BOZEMAN TRAIL RANCHES***

THIS DECLARATION OF COVENANTS (this "Declaration") is made effective the 17th day of June, 2008, by DSB Investments, Inc., a Wyoming corporation (hereinafter referred to as "Declarant").

RECITALS

A. Declarant owns real property located in Sheridan County, Wyoming, more particularly described on Exhibit "A" of this Declaration, which is hereafter referred to and known as "Bozeman Trail Ranches" or the "Property" as said term is defined below.

B. Declarant desires to implement cohesive plans for desirable agricultural, recreational and living environments on said property, while reasonably preserving the benefits and attributes 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 the Bozeman Trail Ranches area.

C. Declarant adopts this Declaration for the benefit of all Owners of Tracts in Bozeman Trail Ranches (as such Tracts are described and shown on Exhibit A), such that Tracts may be held, transferred and used only in a manner consistent with this Declaration, which Declaration of Covenants 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 agreements, terms, covenants, conditions, restrictions, easements, assessments, and liens set forth in this instrument (hereinafter collectively referred to as the "Covenants").

ARTICLE I
DEFINITIONS

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

- (a) "Declarant" means Dutch Creek Holdings, LLC, a Wyoming limited liability company.
- (b) The "Property" means the real property described in Exhibit A, which is also referred to as "Bozeman Trail Ranches" and which is the subject of this Declaration, including all Tracts thereof, all of which equal or exceed 35 acres in size at the time of this Declaration.
- (c) "Record of Survey" means that reference map to be filed of record by Declarant or Prestfeldt Surveying in the Sheridan County Clerk's office hereafter which illustrates the descriptions of record of each Tract, said Record of Survey as hereafter recorded being incorporated herein by reference. The Record of

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Survey is not a "plat" as that term is commonly defined since the Declarant's division of the large tracts of Bozeman Trail Ranches is exempt from the subdivision laws of the state of Wyoming. Nothing herein shall prohibit a Tract from receiving agricultural taxation status if said Tract otherwise meets the requirements of state and local taxing authorities.

- (d) "Tract" means any tract of land or lot shown on the Record of Survey of the Property, which is designated as a Tract or lot thereon or otherwise, and which is or may be improved with a residential or agricultural dwelling in conformity with these Covenants, and any resulting portion thereof. If a Tract shown on the Record of Survey is hereafter divided further into smaller parcels in compliance with applicable laws and zoning ordinances, then each resulting portion shall be referred to as a Tract. "Adjoining Tract" means a Tract which is contiguous to another referenced Tract as shown on the Record of Survey or any other recorded map 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 holding a lien or interest in a Tract as security for the performance of an obligation.
- (e) "Association" means the Bozeman Trail Ranches Landowners Association, which shall consist of the Owners of the Tracts, and shall have the power and duty to administer and enforce this Declaration, except with regard to Declarant's control of the Association as set forth herein. Subject to Declarant's power and authority as described herein, the Association shall be managed by a Committee, as is later described in detail (the "Committee"). The Committee will be made up of three members each of whom shall own a Tract (except when Declarant itself constitutes the Committee), 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 Sheridan, State of Wyoming, as described on **Exhibit A**, which includes all individual Tracts in Bozeman Trail Ranches, and any portion thereof, is subject to these Covenants. Declarant may make additional lands or tracts subject to this Declaration, in Declarant's discretion at any time. In the event Declarant makes additional lands subject to this Declaration, all such lands shall become "Tracts" as that term is defined above.

ARTICLE III

USE, OCCUPANCY AND CONSTRUCTION

3.01 **Further Division.** A Tract may be hereafter partitioned, divided, subdivided or broken into parts or sub-parcels if the Owner thereof does so in accord with applicable zoning and subdivision rules, regulations and laws and the same is properly permitted by those governmental agencies with jurisdiction thereof. PROVIDED HOWEVER, no portion or parcel of any Tract, as originally shown and described on Exhibit A, shall be divided into more than five (5) portions thereof, even if otherwise lawful to do so.

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3.02 **Residential/Agricultural Use.** Each Tract may be used only for residential and/or agricultural purposes as those terms are commonly defined. Only one single-family dwelling is allowed on a Tract (or each resulting parcel thereof if further divided). No commercial enterprise or other non-residential or non-agricultural 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 Sheridan County regulations. If a home business is otherwise so permitted, then such home business shall strictly comply with the following restrictions: (a) no sign advertising the business may be placed on any Tract; (b) any home business activities shall be conducted entirely within the home or outbuilding on a Tract; (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 without a home business, and (d) the home business shall allow no more than four (4) employees, contractors or persons onto the Tract for the conduct of business, or the number of employees/contractors/persons specified in the Sheridan County regulations, whichever is less.

3.03 **No Mobile Homes, Trailers, Modulares.** No mobile homes, trailers or modular homes or buildings of any type or nature are permitted at any time upon a Tract. No manufactured or modular home or building (whether of HUD type or UBC type) which is constructed off-site and requires transportation on wheels will be permitted on any Tract. However, structures that are assembled off-site and which are 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 advance written approval of the Committee. No building materials shall be stored on any Tract for a period longer than sixty (60) days unless substantial and continuous 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, Permits.* Any buildings erected on the Tract shall be on-site new construction with new, quality materials. Trailers shall not be used as a residence during construction, except upon advance written approval of the Committee, in its sole discretion. There is no deadline to start construction on a Tract, but once construction of a structure is started on a Tract, construction of that structure shall be completed within twenty (20) months of commencement. Mobile homes shall not be used as temporary or permanent residences at any time. All Owners shall be obligated to acquire all necessary permits from all applicable, local, state or federal governmental agencies, and comply with all rules and regulations of such agencies.
- 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

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passive solar or construction materials 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 each 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 (defined as "Outbuildings") for use as a barn, studio, carriage or guest house, additional garage, workshop, arena, recreation room, storage area, or any combination thereof, unless otherwise permitted by the Committee. The intent on limiting the number of outbuildings is to allow typical development of a rural homesite but to restrict an unreasonable amount of construction on any one Tract which would be atypical for the surrounding area. Nothing herein is intended to limit minor buildings associated with a homesite, by way of illustration and not by limitation, buildings such as chick coops, children playhouses, and similar minor ancillary improvement.
- e. *Minimum Square Footage for Homes.* Every primary residential dwelling that is a single story home shall have a minimum of 1,500 square feet of above-grade finished living area. Every primary residential dwelling which is a two (2) story home (above grade) shall have a minimum ground level floor area (i.e., footprint) of no less than 1,200 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 as 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, in the sole judgment of the Committee). No accessory building shall exceed one hundred twenty feet (120') in any horizontal dimension. No accessory building shall exceed a height of twenty feet (20') 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, in the sole discretion and opinion of the Committee (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 sole discretion and approval of the Committee.
- g. *Siding Materials.* Each primary residential dwelling, and all additional accessory buildings, shall be sided with high quality siding customary for the area and shall not 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;

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2. inferior grade vinyl or composite siding with a low durability level; or
 3. any other inferior siding, as the Committee from time to time may declare.
- h. *Roofing Requirements.* All major roof lines of any home or outbuilding constructed on a Tract shall be of quality design and pitch and be compatible with the area. 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 of an 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.* Boundary fences of a Tract may be fenced by the Owner, using materials approved by the Committee. It is anticipated that boundary fences will be wood and/or steel posts with four-strand barbed or smoothed wire. Yard fences, corrals and kennels adjacent to the home for keeping pets may be constructed from any high-quality material commonly used for such purposes (including chain link) and shall be constructed in such dimensions as is reasonable. All fences of a non-temporary nature to be constructed on a Tract shall be subject to approval by the Committee, as such approval process is set forth herein for any building. There shall be no concrete block or cinder block fences nor any other unusual type of fence not common to the area. No fence shall be constructed along or near any road within the Property which will result in snow drifts on the road or which would make travel thereon more difficult. Any temporary snow drift fences or snow control apparatus shall be removed each Spring.
- j. *Landscaping.* Within one year from the date a home is constructed (without regard to whether it is 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 diameter caliper at breast height; (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.
- k. *Septic Systems.* Any Owner desiring to install a septic system, septic tank, leach field, or other sewer or wastewater system of any type or nature shall obtain all necessary permits from all applicable governmental agencies, and shall comply with the laws, rules, regulations of all such agencies with respect to the installation, construction, operation and maintenance of all such facilities and systems. All such facilities and systems shall be located, operated and maintained so as to prevent contamination of any groundwater or surface on, under or adjacent to the Property. Declarant hereby vests the Committee to enact appropriate rules, regulations and policies to assure compliance with this provision.
- l. Each Owner shall assure that all buildings and facilities are properly served by driveways or access roads so as to provide access for fire protection equipment and

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vehicles. Each Owner shall maintain such driveways and access roads to assure access for fire fighting equipment.

3.05 **Setbacks and Building Location.** Consideration shall be given when selecting the site of any building on a Tract so as 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 seventy five feet (75') from the boundary line of an adjoining Tract. Nothing herein shall require a setback along the exterior boundary line of a tract not adjoining another Tract. For those Tract boundaries along the roads, no building shall be erected closer than twenty five feet from the road. A variance to this setback requirement can be made with written consent by the adjoining Tract Owner and the Committee.

3.06 **Maximum Height of Buildings.** 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 from adjoining or proximate Tracts, as may be applicable.

3.07 **Avoidance of Sprawl.** All Outbuildings, garages, barns, sheds, and other such 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').

3.8 **Equipment.** Roof-mounted towers and roof-mounted electrical, internet, satellite, radio or mechanical equipment are 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 twenty months, 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 vehicles which are stored or otherwise located pursuant to Section 3.11, and (iii) livestock trailers of Owners stored or located pursuant to Section 3.11.

3.11 **Storage/Parking of Vehicles.** Trucks (larger than one ton pickup trucks), buses, motor homes, recreational vehicles or trailers; cargo trailers, boats, motorcycles, snowmobiles, and other motorized equipment and vehicles (other than conventional automobiles used for consistent transportation in working order), shall be stored within an enclosed outbuilding (such as a garage or barn) or parked in a location screened from the view of any Adjoining Tract or road within Bozeman Trail Ranches by walls, fences, natural topography or the like. Any vehicle or trailer which is used frequently and not stored in an outbuilding or screened from view may be stored outside if it is properly titled and licensed, and

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in operable condition. 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 or out of the view of Adjoining Tracts.

An Owner, or their guests, may park a motor home or recreational vehicle on a Tract so long as it is stored or parked near the primary residence and parked and used in a reasonably neat and inoffensive manner. The intent of this restriction is to ensure that no Owner, nor their guests, use such a vehicle upon any Tract in such a way as to create a visual nuisance for the Adjoining Tracts in total. Declarant or the Committee may (by rule or by posting of signs) establish and enforce speed limits for use of roads in Bozeman Trail Ranches.

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 a Tract or the Property. All garbage must be stored in fully contained apparatuses designed for the safe disposal of household garbage, which must be approved by the Association.

3.13 **Storage of Firewood; Scraps.** Firewood, logs, stove pellets, or other similar materials may not be stored on any Tract in a location visible to any Adjoining Tract except in a barn or storage building or in an area screened from view.

3.14 **Signs.** Except for signs 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 "for 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 or illumination of any part of any adjacent or proximate Tract. All exterior lighting must be low level, subdued intensity. No lighting shall be used which provides more light pollution to Adjacent Tracts beyond the light produced by three (3) residential 100 watt bulbs.

3.16 **Utilities/Propane Tanks.** Except for alternative energy systems approved in writing (in advance of installation) by the Committee, all utility services and utility lines and facilities related or appurtenant thereto which are installed by an Owner on or across any Tract shall be buried underground. The Committee may enact rules and regulations governing, restricting or prohibiting the use of alternative energy systems or facilities such as wind turbines, wind mills or solar power or heating systems. No tower for any such system may exceed thirty feet (30') in height. All electrical lines, telephone lines, water lines, and gas lines shall at all times be installed underground. No sewer line or leach field may be installed above the natural grade of a Tract. Any propane or fuel tank kept on a Tract shall be either buried or fenced so as to be screened from sight by other Owners.

It is Declarant's intention to install the utility services it intends to install in the Property underground, but Declarant has discretion to install power lines, other utilities or related facilities for the Property above ground if deemed necessary.

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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 inside a residence or Outbuilding as pets. In no event shall an Owner carry out breeding operations for such animals, except upon advance written permission of the Committee (but in no event for commercial or business purposes).
- (b) In no event shall any domestic pet be allowed to run free away from a Tract without a leash, nor shall they create any nuisance to other Owners, nor shall a dog or dogs be permitted on a Tract that bark to a level it/they can be heard on an adjoining Tract or would disturb a reasonable person.
- (c) Horses, mules, burros, donkeys, cattle, sheep, llamas, alpacas, and other such grazing animals may be kept on a Tract; however, no over grazing shall be allowed on any Tract. Should an Owner of a Tract have grazing animals, there shall be constructed on the Tract a corral with an attached barn/loafing shed with sufficient space for each animal for the care and feeding of the animals. An Owner shall not allow any animals to escape from the Tract.
- (d) An Owner of any Tract may own a reasonable number of pigs, turkeys, chickens, ducks, rabbits or similar animals, so long as such animals are not allowed to roam at will, are not kept for commercial purposes, do not create a nuisance, and otherwise comply with this paragraph 3.17. 4-H or FFA project animals owned by the Owner and/or the Owner's children are expressly permitted to be kept on a Tract for 4-H or FFA projects in reasonable numbers. Any such animal 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 OR OVERUSED.** The natural beauty and character of the Tract, and the typical vegetative cover, shall not be allowed to be unreasonably damaged by grazing or use by animals of any type. A Tract shall be deemed to have been overgrazed when the grass is lower than the toe of average man's boot for more than thirty days, or as the Committee may otherwise determine. The primary intent of these covenants as they relate to grazing animals is to ensure that no Tract is extensively grazed, used or left in a condition to be unsightly. In the event of overgrazing or overuse, the Owner shall take all steps necessary to restore the Tract to an appropriate condition, as declared by the Committee, at the Owner's cost.
- (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 may, however, remove gravel from any Tract it may own and process it on-site for infrastructure construction and for road or other infrastructure construction maintenance within Bozeman Trail Ranches. However, Declarant advises all Owners that to the extent any interest in or title to any mineral, oil, gas, sand, gravel or hardrock has been severed from the surface estate of any Tract that

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development or extraction of such may occur in conformance with applicable federal, state or local regulation, including any then-existing "split-estate" law.

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 any such lessee.

3.20 **Water Rights; Drainage.** Ownership of all direct flow water rights attached to any part of the Property, if any, shall be administered by the Association. No Owner shall alter any Tract or any Property in Bozeman Trail Ranches (either by dam, ditch or otherwise) unless in accord with Wyoming law and only if properly permitted and approved by the Wyoming Engineer's Office. No Owner shall interfere with the natural drainage of any Tract on the Property, nor shall a Tract Owner discharge drainage water of any type or nature onto adjacent Tracts, except as may have occurred or existed in natural drainage courses prior to construction of improvements, and in like quantity, except as may be permitted and approved by the Wyoming Engineer's Office.

3.21 **Firearms.** The discharge of high powered rifles/pistols is 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 firearms or the discharge of a firearm in a manner that cannot endanger persons on an Adjoining Tract

3.22 **Safe Condition.** Each Owner shall maintain his, her or its 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.

3.23 **Nuisances; Noise.** 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. Additionally, each Owner shall comply with the requirements of governmental authorities having jurisdiction over the Property or a Tract. No Owner shall carry out or allow any activity on his, her or its Tract which generates noise in levels which constitute a nuisance to any other Tract Owner or to Declarant. The Committee may institute rules, regulations and policies to assure compliance with this provision and to enforce and enjoin same.

3.24 **Reservation of Easements.** Declarant has reserved to themselves and/or to others, and/or for the benefit of lands adjacent or in the proximity of Bozeman Trail Ranches, certain utility and access easements, as further described in the Record of Survey referenced above, along with the easements of even date herewith.

3.25 **Motorized Recreational Vehicles.** No Owner may use a motorbike, motorcycle, go kart, all terrain vehicle, off road vehicle, snowmobile, snow coach, utility vehicle or other motorized vehicle on a Tract in a manner which results in: (i) unacceptable noise to an Adjacent Tract or other Owner; (ii) environmental damage, erosion or soil compaction; (iii) creation of excessive dust or mud; or (iv) disturbance of wildlife in the area. Any use of such

vehicles shall be kept to a minimum, and may be regulated by the Committee in addition to the provisions of this paragraph.

ARTICLE IV **UTILITY AND ACCESS EASEMENTS**

4.01 **Utility Easements.** Declarant does hereby reserve easements for installation, maintenance, repair, replacement and removal of utilities over, under and across a fifteen (15) foot strip of land located: (i) along each side of each Tract boundary, (ii) along the back lot lines of each Tract located on the exterior boundaries of the Property, and (iii) adjacent to the outermost boundary of all other road/easement routes shown on said Record of Survey. Additionally, Declarant reserves the right to install, maintain, repair, replace and remove utilities within the road easement courses as shown on the Record of Survey. This reservation includes full rights of ingress and egress by the Declarant, representatives of the Committee and any bona fide utility company or municipality 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, Declarant 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 or adjacent to the roads, as shown on the Record of Survey, so that such utilities will be available to at least one point of each Tract shown on the Record of Survey. Declarant obligates itself to install utility lines so that electric power is made available to each Tract.

4.02 **Access Roads/Easements.** Each Tract shall have the right of access along all road easements labeled and shown on the Record of Survey, and/or filed of record for the purpose of providing access to the Tracts, to the extent reasonably necessary for Owners and their guests and invitees to have ingress and egress to their respective Tracts. The width of each said easement shall be measured one half on each side of the centerline of the road. Declarant may install, maintain, replace, repair and remove utilities within the interior of each such road easement, and/or in the additional fifteen foot utility easements as described above. 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 said roads at an actual road width as is determined by Declarant as being appropriate, taking into account topography, materials available, and drainage.

4.03 **Ability of Declarant to Amend Easements.** With respect to any Tract which Declarant owns, Declarant reserves the right to amend, modify, replace, or revoke any road easement or utility easement shown on the Record of Survey, referenced in this Declaration or described in the Confirmation and Reservation of Easements.

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ARTICLE V
ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

5.01 **Membership.** There shall be one Membership in the Association for each Tract (and one for each portion of said Tract if hereafter divided) -- one Membership is 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 voting Member with respect to the Tract, provided that spouses who own a Tract together shall be deemed to share a single membership as joint tenants with survivorship. 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.

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

5.03 **Meetings; Quorum and Voting Requirements.** After Declarant appoints the three member Committee as discussed in section 6.01 below, the Association shall meet annually during the month of **June** each year. After Declarant no longer constitutes the Committee, a special meeting of the Association may be called if at least thirty-three percent (33.0%) of the Tracts call for such a meeting. A quorum for any meeting shall consist of at least sixty percent (60.0%) of the Tracts present in person or by written, signed proxy. Except as otherwise specifically stated in these Covenants, any action to be taken by or on behalf of the Association requiring approval of Members shall be deemed approved when it receives the affirmative vote of at least fifty-five percent (55.0%) of the votes cast at a meeting in which a quorum is present. By unanimous vote only, the Committee may change the required quorum and voting percentage requirements. The Committee may impose other regulations for attendance by proxy, except that all proxies must be in writing and signed by the Owner. Bylaws shall be prepared and adopted by the Association at their first annual meeting, which shall occur as scheduled by Declarant.

ARTICLE VI
COMMITTEE - FORMATION, POWERS AND DUTIES

6.01 **Committee.** The specific management of the Association shall be conducted by the Committee. Initially, the Committee shall consist of Declarant only. After thirty (30) of the Tracts are sold and conveyed of record, the Committee shall consist of three (3) Members, each of whom shall be an Owner of a Tract. The three Members of the initial three-member Committee shall be appointed by Declarant. Following the sale and conveyance 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. Thereafter, Members of the Committee shall be elected for one-year terms by a majority vote of the Members of the Association at the next annual meeting of the Association.

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6.02 **Powers and Duties.** The Committee shall have the following powers and duties on behalf of the 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 Association;
- (b) To operate, maintain and repair all common roads as appropriate, and to establish and maintain reserve accounts for maintenance and repairs of same to be funded by the Owners;
- (c) To assess, collect and disburse 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 Bozeman Trail Ranches;
- (e) To enforce the provisions of this Declaration, place liens on Tracts, and enjoin and seek damages from any Owner for violation of this 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 construct, maintain and operate any other facility, utility system or building within the Property deemed necessary by the Committee as to carry out the activities of the Association;
- (h) To perform other duties and responsibilities as otherwise set forth in the Declaration;
- (i) To enact further rules and regulations governing the use or occupancy of Tracts and construction of buildings and facilities thereon; and
- (j) To remedy and correct any violation of these Covenants, and to charge or assess the Owner for same.

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 of two (2) or more of the Committee's three (3) members.

6.04 **Immunity From Liability.** Neither the Declarant, any Member, the Committee, nor any agent thereof shall be personally liable for: (i) debts incurred by the Association; (ii) the tort or contract of another Member, whether such other Member was acting on behalf of the 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 Association. In the event any person attempts to impose liability upon a person whom is provide immunity from liability under this paragraph, the person making such attempt shall be liable to reimburse the immune person for all costs, fees, including attorney's fees incurred by such immune person.

6.05 **Approval of Assessments Above Certain Dollar Amount.** The Committee has power to impose annual or special assessments on Tracts, as noted above. However, in the event the Committee determines to impose an annual assessment or special assessment which would exceed \$20.00 per month, the Committee shall submit the proposed assessment to a vote for approval by the Owners (acting by and through the Members), and in such event the

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proposed assessment shall be levied only if approved by at least sixty percent (60.0%) or more of the Members who voted on the matter at a meeting in which at least a quorum was present. The dollar amount as to which approval by Members is necessary may be amended from time to time by unanimous vote of the Committee, but such change in the dollar amount may be vetoed by the vote of sixty percent (60.0%) of all Tract Owners at a meeting called for that purpose.

6.06 **Form of Association.** Upon organization and formation, the Association will be an unincorporated association under Wyoming law. However, Declarant or the Committee after Declarant appoints three other Members may in its/their discretion create a formal entity under which the Association will carry out business. In such event, such entity will assume the rights, obligations and duties of the Association and the Committee hereunder, subject to the terms and conditions hereof.

ARTICLE VII

ARCHITECTURAL REVIEW/CONTROL

7.01 **Design Review.** The Committee shall perform all architectural design review duties for all construction, re-construction, maintenance or repair on any Tract.

7.02 **Review Process.** Whenever an Owner of a Tract wishes to construct a primary residential dwelling, an Outbuilding or other accessory building, corral or any other permanent improvement/construction, or to re-construct, maintain or repair same, 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 or any proposed changes or amendments to previously approved Plans (as defined below). The applicant must submit proof that he/she/it provided a copy of the Plans to all adjacent Tract owners and other Tract owners within eight hundred feet of the applicant's Tract. The Committee shall attempt to circulate the Plans and samples to other Tract Owners for whom the Committee has an address before the meeting if possible, but such circulation shall not be a requirement and failure to circulate shall not invalidate any action taken by the Committee.

Owners may be given the opportunity to comment on the Plans and provide their comment, if any, to the Committee prior to the Committee's review meeting and Owner comments received shall be considered in the Committee's review. At the conclusion of the discussion, the Committee shall vote on its approval or disapproval of the proposed Plans and samples, or defer action on the matter as is necessary to obtain more information. Within ten (10) business days following any final vote on Plans, the Committee shall issue a written statement outlining the result of said vote and state whether it approved or denied the proposed Plans and samples. If denied, the Committee shall further provide a written summary

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of the reasons for such denial and shall provide the same to the Tract owner who proposed the Plans.

7.03 **Approval and Conformity of Plans.** No home, building, garage, barn, outbuilding, 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 Outbuildings constructed within Bozeman Trail Ranches are higher than average in terms of quality, appearance and styling. Declarant wishes to promote high quality construction and appearance for each building to be constructed in the subdivision to protect each Owner'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, so long as such variance will maintain or inflate property values in Bozeman Trail Ranches. Declarant and Owners acknowledge 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.** Neither the Committee, its Members, the 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, (c) the development or manner of development within the Property, (d) any damage alleged to have been incurred by the Committee's acts or omissions, or (e) any approval or non-approval by the Committee, of any type or nature. In the event any person attempts to impose liability upon a person whom is provide immunity from liability under this paragraph, the person making such attempt shall be liable to reimburse the immune person for all costs, fees, including attorney's fees incurred by such immune person.

It is the specific intent of Declarant, on behalf of itself, Owners, Members and Committee Members that no Committee Member will face financial liability for any action or omission they may take in carrying out their duties. 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 Committee 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/its Tract.

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ARTICLE VIII ASSESSMENTS

8.01 **Assessment For Common Maintenance** Except as specified in section 6.05, the Association shall establish, by majority vote, the annual assessments required for the repair, maintenance and improvement of the roads and other common elements within the Property. Annual assessments shall be paid within 30 days from the date an Owner is notified of the Assessment.

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 Association the assessments authorized by this Declaration when declared due by the Association. The 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 an Owner in favor of the Owner's 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 (18.0%) per annum.

ARTICLE IX GENERAL PROVISIONS

9.01 **Duration** The Covenants of this Declaration shall run with and be appurtenant to the land, and shall inure to the benefit of and be enforceable by the 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 (90.0%) of the Tracts.

9.02 **Amendments** The Covenants may be amended only with the written consent of the Owners of seventy-five percent (75.0%) of the Tracts, which said amendment must be duly recorded in the records of Sheridan County, Wyoming. Provided however, no amendment may be made without the written consent of the Declarant prior to sale of all Tracts by Declarant.

9.03 **Enforcement** The Covenants may be enforced by a proceeding initiated by any Owner, the Declarant, or the Association against any person or persons violating or attempting to violate the Covenants, either to restrain/enjoin violation or to recover damages from the Owner who committed or attempted to commit the violation, or both, or to enforce any lien created by this instrument. Declarant has power to enforce this Declaration, but may not be compelled or ordered to do so by any Owner or Owners or by any court. In the event of any enforcement action, the prevailing party in such action (whether litigation was commenced or otherwise) shall be entitled to recover from the other party all costs, fees and expenses incurred in or as a result of the enforcement action, including reasonable attorneys' fees.

No delay or omission of any person having a right to enforce this Declaration shall impair any such right to enforce this Declaration to correct a violation hereof or be considered as a waiver of any violation hereof, or as acquiescence thereto.

In the event of a violation of these Covenants, the Committee may require an Owner to remedy, remove, correct, replace or take any other act or omission necessary to cure the violation, at the Owner's expense. In such event, the Committee may specify the time period in

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which the Owner shall carry out the work to remedy or cure the violation. In the event an Owner shall fail to carry out the activities needed to remedy the violation, the Committee may, at the Committee's option, hire someone to perform the needed work, and if such work is arranged by the Committee, an Owner shall pay or reimburse the Committee within thirty (30) days of demand for all such monies expended or advanced and paid by the Committee, together with interest thereon from the date of payment of said sums at the rate of eighteen percent (18.0%) per annum until paid. Any such amount which remains unpaid shall become a lien upon the Tract, subject to enforcement and foreclosure under Wyoming law.

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.

DSB INVESTMENTS, INC.

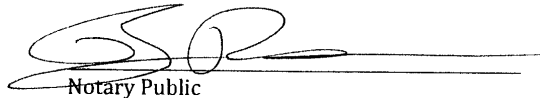


By: D. Scott Bliss, President

STATE OF WYOMING)
) SS
COUNTY OF SHERIDAN)

The foregoing Declaration was acknowledged before me by D. Scott Bliss on this 17th day of June, 2008.

Witness my hand and official seal.


Notary Public

My Commission expires 5-13-10



EXHIBIT A

Township 56 North, Range 85 West, 6th P.M.

Section 35: All

Section 36: All

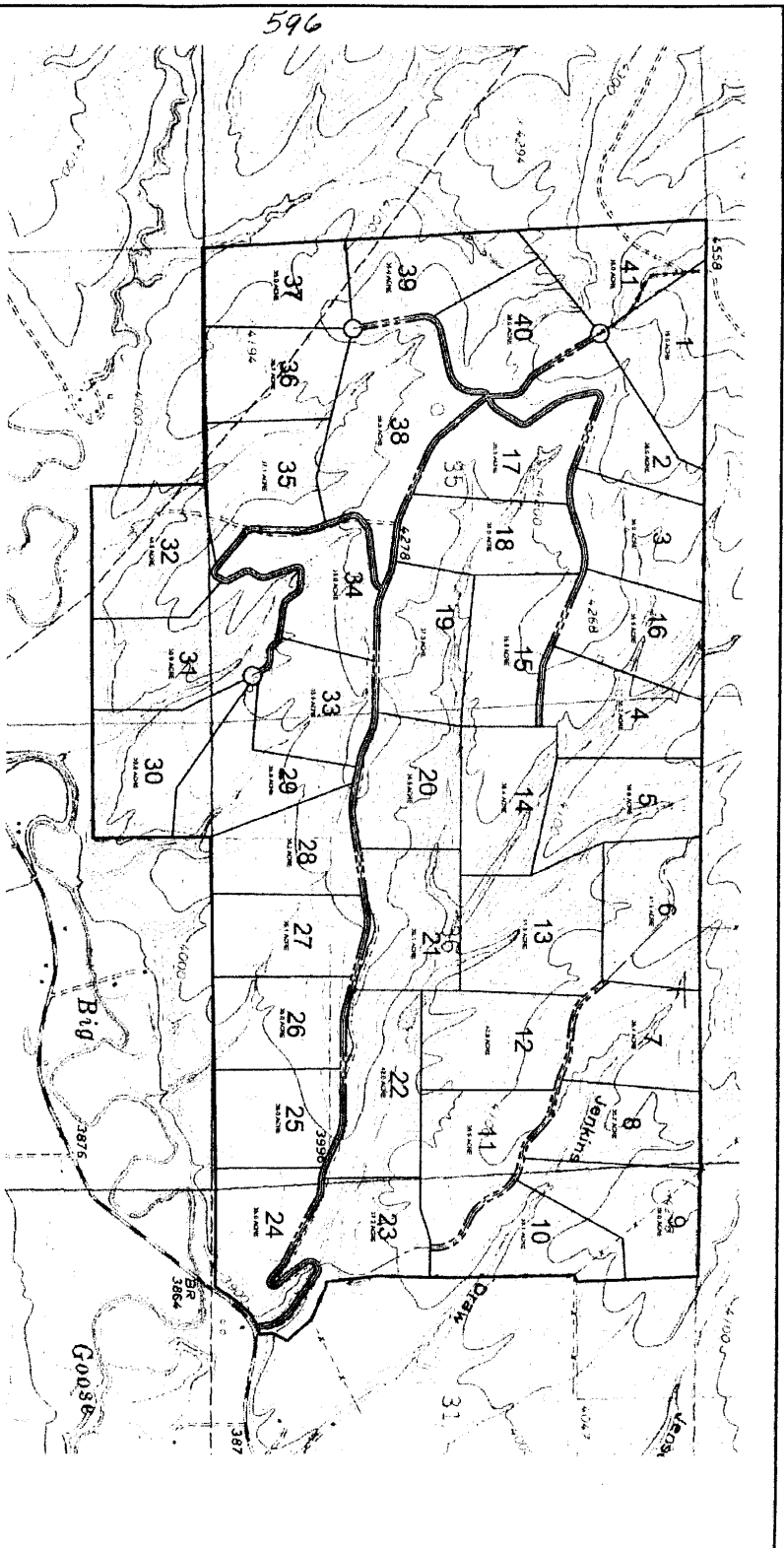
Township 55 North, Range 85 West, 6th P.M.

Section 1: Lot 4

Section 2: Lots 1 and 2

Township 56 North, Range 84 West, 6th P.M.

Section 31: Lot 3, W $\frac{1}{2}$ NW $\frac{1}{4}$, and that portion of Lot 4 and the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 31 lying north of the County road as it existed on November 6, 1915 excepting therefrom that certain Warranty Deed conveyed to Mrs. Lena Philips recorded in Book 33 of Deeds, page 522. Also excepting therefrom that certain Warranty Deed conveyed to The State Highway Commission of Wyoming recorded in Book 258, page 252.



BOZEMAN TRAIL RANCHES

EXHIBIT "B"