

COVENANT

W. DONALD HORN, JR. and EILEEN S. HORN, husband and wife, ("Owners") whose address is 120 Beckton Rd., Dayton, Wyoming, 82836, hereby adopt and impose the following covenants and conditions upon the following described real estate, situate in the County of Sheridan, State of Wyoming, to-wit:

A tract of land located in the Southwest quarter of the Northwest quarter (SW $\frac{1}{4}$ NW $\frac{1}{4}$) of Section 33 in Township 57 North, Range 86 West of the 6th Principal Meridian, Sheridan County, Wyoming, being more particularly described as follows:

Beginning at a point located N74°E41'20"E, 592.03 feet from the west 3 corner of said Section 33; thence N83°E16'42"E, 258.65 feet; thence N70°E36'41"E, 33.79 feet; thence N47°E18'55"E, 126.02 feet; thence N3°E06'43"W, 1103.68 feet to the centerline of County Road No. 102 (Dayton East Road); thence along said centerline, S89°E27'00"W, 483.14 feet; thence leaving said road centerline, S0°E15'38"W, 428.23 feet; thence S23°E46'56"E, 404.48 feet; thence S17°E55'36"E, 220.54 feet; thence S18°E33'50"E, 60.54 feet; thence S7°E17'27"E, 117.32 feet to the point of beginning. Said tract contains 11.09 acres, more or less.

SUBJECT to the covenants, conditions, reservations, assessments, rights of way and restrictions of record.

In the event the Owner(s) or their successor(s) or assign(s) receive final written approval from Sheridan County, Wyoming Commissioners or the City of Dayton, Wyoming to subdivide the above-described lands and to sell said lands in subdivided parcels for residential, commercial or industrial use, the Owner(s) of said lands shall promptly notify Larry and Vicki Hanft ("Hanfts") of Dayton Wyoming in writing by certified mail, return receipt requested, of said subdivision approval. For a period of sixty (60) days after receiving said certified mail notice, Hanfts shall have the discretionary right to request, in writing, that all water rights adjudicated to or associated with said lands (including any relevant ditch shares) be transferred, to the extent possible, from said lands to another parcel or parcels owned by Hanfts. Upon receipt of a timely written election from Hanfts to transfer water rights, Owners(s), or their successor(s) or assign(s), shall fully cooperate with Hanfts in any efforts by Hanfts to file and complete any necessary request or petition to transfer water rights from said lands to other lands owned by Hanfts. Hanfts shall bear the full cost and responsibility for diligently pursuing any such request or petition to transfer water rights and shall pay all costs associated with such a transfer request or petition to the State of Wyoming. Hanfts shall defend, indemnify and hold Owner(s) harmless concerning all claims arising out of any petition it files with the State of Wyoming to transfer water rights or ditch rights. Final approval of any water rights transfer is contingent upon approval by the State of Wyoming. Neither Owners or their successors or assigns warranty or otherwise represent in any way what amount of water rights, if any, will ultimately be available or approved for transfer as described herein.

This covenant and obligation inures to and shall run with the above-described land and shall be binding upon Owners and their successors and assigns for a period of ten (10) consecutive years from the date of its execution.

This covenant is made subject the laws of the State of Wyoming and may be amended only in a written memorandum signed by Owner(s) and Hanfts.

DATED this 9th day of August, 2001.

W. Donald Horn, Jr.
W. DONALD HORN, JR.

Eileen S. Horn
EILEEN S. HORN

STATE OF WYOMING)
) ss.
County of Sheridan)

The foregoing instrument was acknowledged before me this 9th day of August, 2001 BY W. DONALD HORN, JR. and EILEEN S. HORN, husband and wife.

WITNESS my hand and official seal.

Anthony T. Wendland
Notary Public

My Commission Expires: 01/26/02

