

Section 5.7 - Further Subdivision: Lots 3-20 may not be split or subdivided for purposes of creating an additional dwelling until after Jan. 1st, 2020 and until after the lot has first been annexed into the City of Ranchester. Lot 1 and Lot 2 may not be further subdivided or developed until after the lot has first been annexed into the City of Ranchester. No lot may be annexed without first having a lot line contiguous with the city limits of Ranchester. If further subdivision is contemplated the owner shall consult with the City of Ranchester for preferred access and utility locations and suggested building envelopes.

Lot line adjustments between adjacent property owners would require re-platting with Sheridan County's approval and consent of the ACC, provided that adjustments are made in accordance with all applicable statutory, governmental, and local rules and regulations.

Section 5.8 - No Pollution or Environmental Health Hazards: In the interest of public health and sanitation and so that the Properties and all other land in the same locality can be benefited by a decrease in the hazards of stream pollution and by protection of water supplies, recreation, wildlife, and other public uses thereof, the owner(s) of the Lots will not use or permit the use of the above described property for any purpose that will result in the degradation of these uses nor allow pollution of surface water, ground water, or soils within the Subdivision.

Section 5.9 - Plat Covenants: Easements for the installation, repair, re-installation, replacement, and maintenance of utilities are reserved as provided on the recorded Spirit Ridge Subdivision. Said easements are hereby dedicated, granted and conveyed to all public utilities and cable suppliers, privately or publicly owned, now or hereafter providing utility and television services to the subdivision or any Lot therein, and to the successors and assigns of said utility companies, each in common with others having a similar right, for the purpose of installing, repairing, re-installing, replacing and maintaining water, sewer, electrical, gas, communications, television and other utility services provided all such utilities shall be installed underground. Within these easements no structure, or other permanent fixture shall be placed or permitted to remain which may damage or interfere with the utility systems. The easement area of each lot shall be maintained by the owner of the lot except for the improvements for which the utility company is responsible.

Additional covenants specific to individual lots are designated on said plat. The plat covenants are incorporated by reference herein.

Section 5.10 - Excavation and Mining: No excavation for stone, sand, gravel or earth may be made on any lot, except for such excavation as may be necessary in connection with the erection of a permitted building thereon. No oil drilling, oil development operations, quarrying or mining operation of any kind shall be

permitted within the area.

Section 5.11 - Drainage Ditches: Lot owners shall not be allowed to use water from drainage ditches located on the Properties. If a lot owner constructs a road or crossing over any existing drainage ditch, a pipe or bridge shall be installed which allows twice the appropriate flow. Also, the lot owner shall be liable for the maintenance of any pipe or bridge located on the Lot.

Section 5.12 - Irrigation: The irrigation supply pipe has been installed by the developer to each lot. The Homeowners Association is responsible for maintenance of the irrigation system from the irrigation ditch to the riser location. Each lot owner is responsible for installing their own riser, pumps and sprinklers. The maximum pipe size on each lot is 2" with a maximum 5 horsepower pump on 5 acre lots and maximum 3 horsepower pump on 2+ acre lots. All lots must utilize sprinklers for disbursement of irrigation water. Even numbered lots may irrigate on even numbered days and odd numbered lots may irrigate on odd numbered days. The Homeowners Association may further restrict irrigation as necessary to provide equitable use to all lot owners. The Homeowners Association will designate one contact person to facilitate communication between the Hanover/Mikado Ditch District and the HOA. The HOA and each lot owner are responsible to comply with state laws regarding surface water, as well as any and all regulations of the ditch district

Section 5.13 Fire Suppression: The HOA will be responsible for refilling the fire suppression tank when necessary.

Section 5.14 Open Space: The open space tract identified on the subdivision plat is an easement granted to Lots 3-20 for non-motorized ingress and egress, and for irrigation pipeline and its appurtenances. This area is to be gated and managed and maintained by the Homeowners association. This corridor provides access to recreation on the adjacent 280 acres of State Land. No guarantee is made by the Developer or Homeowner's Association that said 280 acres will remain State property or remain public lands.

Section 5.15 Septic Systems: The Wyoming Department of Environmental Quality has placed the following restrictions on the development of septic systems;

- (a) Septic systems shall not be placed within 50 feet of property lines.
- (b) Septic systems shall not be constructed greater than 4 feet below ground surface.
- (c) Slopes on lots 14, 16, and 17 must be specifically verified during the septic system design.
- (d) Lot 1 and Lot 2 must be specifically investigated to determine depth to seasonally high groundwater prior to septic system design.
- (e) A professional Engineer, licensed in the State of Wyoming, shall design each on-site septic system. Construction inspection must also be

performed.

(f) Septic systems on Lot 1 and that portion of Lot 2 that is west of Lot 1 shall be a minimum of 171 feet from the southern property boundary; Septic systems on Lots 3, 5, 6, 9, 10, 12 and 13 shall be a minimum of 146 feet from the southern property line.

(g) Septic systems shall be designed such that there is 2-4 feet of sand (percolation rates between 10 and 30 minutes per inch) beneath the leach rock. The sand shall be compacted to 95% of the maximum dry density, or water settled. Septic systems shall be sized using the 30 minutes per inch percolation rate even if the sand is tested between 10 and 30 minutes per inch.

Section 5.16 On-site Wells: The Wyoming Department of Environmental Quality has placed the following restrictions on the development of on-site wells;

(a) Placement of water wells shall be a minimum of 50 feet from the property boundary.

(b) Water wells shall be properly permitted, drilled and constructed. It is recommended that wells not be completed less than 80 feet below the ground surface. Any alluvium shall be properly plugged or isolated from the production zone. Drilling and completion are extremely important.

(c) Water wells shall not be used for lawn watering.

(d) Water treatment must be installed and maintained to ensure water quality. Periodic testing is also recommended to ensure treatment is adequate.

(e) Alternative water sources may be necessary, due to uncertainty of groundwater conditions. Alternatives include: drilling deeper wells, connecting to the Town of Ranchester's water supply, or constructing cisterns and hauling water.

(f) Potential buyers/lot owners are advised to hire a reputable well drilling contractor and construct/complete their well within guidelines described in the State Engineer's Office (SEO) Rules and Regulations, Part III, Water Well Minimum Construction Standards. An approved permit from the Wyoming SEO is required Prior to drilling of a water well.

Article VI

Maintenance and Repair

Section 6.1 Maintenance: Each owner shall at all times keep, maintain, repair and restore the lot, improvements, landscaping, and paving thereon in a sound, safe, clean and attractive condition and in compliance with all valid laws, ordinances and regulation of any governmental entity having jurisdiction over the lot. Such maintenance and repair shall be of high quality. Without limiting the generality of the foregoing, each owner's repair and maintenance obligations shall extend to and include painting, repairing, replacing and caring for roofs, fences, exterior building surfaces, exterior glass surfaces, exterior doors, and the maintenance of all landscaping.

Article VII**Homeowners Association**

Section 7.1 Formation: Prior to the sale of any lots within the subdivision, the Developer will create the Spirit Ridge Homeowners Association for the purpose of enforcing these CCR's, and for the other general purposes of the Association as hereunder provided. The owner(s) of each lot shall be members of the Association and each lot shall be entitled to one vote, whether owned by one or multiple owners. The Association will be governed by a board of directors elected by its members. The board of directors shall be not less than three (3) nor more than five (5) individuals. The Association will adopt bylaws for its operations. The Association will have the further power to place assessments upon any lots within the subdivision for the maintenance of public open space, as well as assess fees and penalties for failure to comply with these covenants and for the other provisions as hereinafter provided.

Section 7.2 General Assessments: By acceptance of the deed or other instrument of conveyance for any lot within the subdivision, each lot owner shall be deemed to covenant and agree to pay to the Association annual assessments for maintenance and repairs and special assessments for capital improvements. Such assessments shall be fixed, established, and collected from time to time as provided hereafter and in the bylaws of the Association. The annual and special assessments, together with such interest thereon and costs of collection as provided below, shall be a continuing lien on the property affected and shall also be a personal obligation of the owner of such property on the date when the assessment is due. Such personal obligation shall not pass to successors in title to the affected property unless expressly assumed by such successors. Unless changed by a vote of a majority of the lot owners, the initial annual assessment for each lot in the subdivision shall be \$200 due on January 1st of each year following deed transfer. The annual assessment may be lowered by the majority vote of the Board of Directors of the Association. The annual assessment may be raised by not more than 10%, by the majority vote of the Board of Directors of the Association.

Section 7.3 Special Assessments: On a vote of the members of the Association in the manner set forth below, the Association may levy, in addition to annual assessments, a special assessment or assessments in any calendar year applicable to that year only, for the purpose of defraying in whole or in part the cost of construction or reconstruction or expected repair or replacement of a described capital improvement or capital improvements on the common properties (if any) in the subdivision, including fixtures and personal property related thereto. Any special assessment or increase in the annual assessment greater than 10% must be approved by the board of directors of the Association and have the assent of a majority of the votes of the lot owners (or their proxy) at a meeting called for that purpose. Written notice of such meeting called for such

purpose shall be sent to all members of the Association at least ten (10) days in advance of the date of such meeting, setting forth the purpose of the meeting.

Section 7.4 Notice of Special Assessment or Assessment Increase: It shall be the duty of the Association to notify all owners of lots within the subdivision, whose addresses shall be supplied to the Association, by sending written notice to each such owner within ten (10) days after the date on which the assessment has been fixed and levied, giving the amount of the charge or assessment for the current year, when the same shall be due, and the amount due for each lot.

Failure of the Association to levy an assessment or charge for any one year shall not affect the right of the Association to issue assessments in future years.

Failure to deliver or levy an assessment due to lack of an address for the owner of any particular lot within the subdivision shall not discharge the obligation of any such owner from paying such assessment, and it shall be the obligation of any such owner to notify the Association of such owner's current address.

Section 7.5 Assessment as a Lien: Any general or special assessment levied as set forth in these CCR's shall become a lien on the affected real estate as soon as such assessment is due and payable as set forth above. In the event any owner fails to pay the assessment when due, then the assessment shall bear interest at 18% per annum, or the maximum legal rate permitted by the state of Wyoming, whichever is lesser, from the date when such assessment is due until it is paid in full.

Section 7.6 Delinquent Assessments: Forty-five (45) days after the date of any such assessment has been fixed and levied, the assessment, if not paid, shall become delinquent and the payment of both principal and interest may be enforced as a valid lien on the affected real estate, and a notice of such assessment and lien may be filed with the County Clerk for Sheridan County, Wyoming and exclusive venue shall be in Sheridan County District Court, State of Wyoming. It shall be the duty of the board of directors of the Association, as provided below, to bring actions to enforce such liens before they expire. The Association, in its discretion, may file certificates of nonpayment of assessments with Sheridan County Clerk whenever such assessments are delinquent. For each certificate so filed, or for any lien so filed, the Association shall be entitled to collect from the owner or owners of the property described in such certificate or lien a late fee of two hundred and fifty dollars (\$250) which fee is declared to be a lien on the affected real estate, and shall be collectible in the same manner as the original assessment provided for in these CCR's. Any such lien shall continue for a period of two (2) years from the date of delinquency and no longer, unless within such time period legal proceedings shall be instituted to collect such assessments, in which event the lien shall continue until the termination of the legal proceedings, and the sale of the property under the execution of the judgment establishing the same. In the event legal proceedings are commenced to collect any such assessment, or if the services of an attorney are retained by the Association in connection therewith, the non-paying owner or

owners shall be obligated to pay all costs incurred, plus reasonable attorney fees, which costs and fees shall become a portion of the assessments and may be foreclosed on in the same manner as the assessment as provided above.

Section 7.7 Uses of Assessments: The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety, enjoyment, and welfare of the residents in the subdivision. Without limiting the generality of the foregoing state of purpose, such assessments shall be applied by the Association to the payment of the costs of the following:

- (a) To enforce any and all building and land-use restrictions that exist as of the date of these CCR's or which may be lawfully imposed hereafter on or against any of the property in the subdivision.
- (b) To maintain common open space within the Properties.
- (c) To pay expenses to carry out the above, such as attorney's fees, manager's fees, expenses of liability, fire and other insurance, bookkeeping and accounting expenses, and any and all other expenses that may from time to time be deemed necessary to carry out the intent of these CCR's by the Association.
- (d) To maintain the subdivision roads within the Properties.

Article VIII

Duration, Modification, and Termination

Section 8.1 Duration of Restrictions: These CCR's shall run with the land, and continue and remain in full force and effect at all times with respect to Lots 3, 20 and any other properties described in Section 3.2 which may hereafter be made subject to these CCR's (subject, however, to the right to amend and repeal as provided for herein) for a period of thirty (30) years from the date on which these CCR's are recorded. After that time, these CCR's and other provisions herein shall be automatically extended for successive ten (10) year periods unless these declarations are revoked by an instrument executed by the Developer or its successors and two-thirds (2/3) of the owners of the lots, and recorded in the office of the County Clerk for Sheridan County, Wyoming in which case they shall terminate at the expiration of the applicable thirty or ten year term. This Declaration shall not govern Lot 1 or Lot 2 after the lot has been annexed into the City of Ranchester.

Section 8.2 Modification and Termination: These CCR's may be modified, amended, revoked or terminated only upon the written consent of the owners of two-thirds (2/3) of the lots within the development. No such modification,

amendment, revocation, termination or extension shall be effective until a proper instrument in writing describing such action has been executed and duly recorded in the office of the County Clerk for Sheridan County, Wyoming.

Article IX

Owner's Covenants of Acceptance

Section 9.1 Constructive Notice and Acceptance: Every person who now or hereafter owns, occupies or acquires any right, title or interest in or to any portion of the property subject to these CCR's is and shall be conclusively deemed to have consented and agreed to every covenant, condition, restriction, limitation and agreement contained herein, whether or not any reference to these CCR's are contained in the instrument by which such person acquired an interest in said property.

Section 9.2 Project Documents: By the acceptance of a deed to a lot (or any portion thereof) each owner is and shall be conclusively deemed to have examined and accepted these CCR's and amendments thereto.

Section 9.3 Leasing of Property: Every lease or other agreement for any portion of a lot of this subdivision shall be subject to the provisions of these CCR's, and every tenant or occupant of a lot or a portion thereof shall in all applicable respects comply with the provisions of these CCR's. Every owner shall include in any lease or agreement a specific provision that said lease is subject to these CCR's, that the tenant or occupant of the lot will comply with the provisions of these CCR's, and that such provisions are an integral part of the lease. However, an owner's failure to do so shall not diminish the effect of these CCR's with respect to any such lessee or tenant.

Article X

General Provisions

Section 10.1 Approvals: Any formal or informal consent, approval or permission given by the Developer, the ACC, the Association, or any ostensible agent thereof, shall not be construed as consent, approval or permission by any governmental agency, entity or authority nor shall the same be considered consent, approval or permission for any other matter or for any other lot.

Section 10.2 Exhibits: All exhibits are attached to, and are made an integral part of these CCR's.

Section 10.3 Waiver of Liability: Neither the Developer, the ACC, or the Association, nor the employees, officers, or agents thereof, shall be liable to any owner, lessee, licensee, or occupant of real property subject to these CCR's by

reason of any mistake in judgment, nonfeasance, action or inaction, or for the enforcement, or failure to enforce any provision of these CCR's provided such person or entity acted in good faith without willful or intentional misconduct. Every owner, lessee, licensee or occupant of such real property by acquiring his interest therein agrees not to bring any action or suit against the Developer, the ACC, the Association, or the employees, officers or agents thereof, to recover damages from or to seek equitable relief by reason of the foregoing, and each and every owner, lessee, licensee or occupant hereby waives any right to do so.

Section 10.4 Enforcement: The Developer, the ACC, the Directors, and the County of Sheridan shall have the right, but not the obligation, to commence and maintain actions for damages or to restrain and enjoin any actual or threatened breach of any provision of these CCR's. If the Developer, the ACC, the Directors, the Association, or the County of Sheridan determines that there is a breach or violation of any of the provisions of these CCR's and fails to act with respect thereto within thirty (30) days after written demand by any owner to take such action, then neither the Developer, the ACC, the Association, nor the County of Sheridan shall have any liability whatsoever which may arise out of or in connection with the failure to so act and any owner shall then have the same rights to enforce the provisions of these CCR's. The prevailing party shall be entitled to recover from the non-prevailing party its reasonable attorney's fees and costs together with any other fees, expenses or costs incurred in enforcing these CCR's.

Section 10.5 Imposition of Violation Fines: In the event that any person fails to cure (or fails to commence and proceed with diligence to completion) the work necessary to cure any violation of the Covenants and Restrictions contained herein within ten (10) days after receipt of written notice from the Board designating the particular violation, the Board shall have the power and authority to impose upon that person a fine for such violation (the "Violation Fine") not to exceed five hundred dollars (\$500.00). If, after the imposition of the Violation Fine, the violation has not been cured or the person has still not commenced the work necessary to cure such violation, the Board shall have the power and authority, upon ten (10) days written notice, to impose another Violation Fine which shall also not exceed five hundred dollars (\$500.00). There shall be no limit to the aggregate amount of Violation Fines which may be levied against a person for the same violation. The Violation Fines, together with the interest at the highest lawful rate per annum and any costs of collection, including attorneys' fees, shall be a continuing lien upon the Lot against which such Violation Fine is made.

Section 10.6 Severability: Invalidation of any one of these covenants by judgment or court order shall in no way or manner affect any of the other provisions which shall remain in full force and effect.

Section 10.7 Mortgagee Protection Clause: No breach of any of the CCR's

contained herein, nor the enforcement of any lien provisions herein, shall render invalid the lien of any mortgage on any lot made in good faith and for value, but all of said CCR's, limitations and agreements shall be binding upon and effective against any owner whose title is derived through foreclosure, sheriff's sale, trustee's sale or otherwise.

Section 10.8 Termination of Developer's Responsibility: In the event the Developer shall convey all of its right, title and interest in and to the property to one or more partnerships, individual(s), corporation(s), then and in such event, the Developer shall be relieved of the performance of any further duty or obligation hereunder, and said person(s) or entity shall be obligated to perform all such duties and obligation of the Developer.

Section 10.9 Owner's Compliance: Each owner, tenant, or occupant of a lot shall comply with the provisions of these CCR's, as amended from time to time, and failure to comply with any such provisions, decisions, or resolutions shall be grounds for an action to recover sums due, for damage, for injunctive relief, or for other relief. Each owner, tenant, or occupant of a lot shall also comply with all applicable laws, statutes, ordinances and regulations, and shall defend, indemnify, and hold harmless the Developer, the ACC, and the Association, as the case may be, from any loss, claim liability or expense, including attorney's fees, arising out of or in connection with its failure to comply therewith or with the provisions of these CCR's.

Section 10.10 Attorney's Fees: In the event of any controversy, claim or dispute arising out of or relating to these CCR's or the interpretation or breach thereof, the prevailing party shall be entitled to recover from the other party reasonable expenses, attorney's fees, and costs, as determined by the court.

Section 10.11 Headings: Articles and section headings, where used herein, are inserted for convenience only and are not intended to be a part of these CCR's or in any way to limit or expand the scope and intent of the particular article or section to which each refers.

Section 10.12 Notices: Any notice permitted or required herein may be delivered either personally or by mail. If delivery is by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the United States mail, postage pre-paid, addressed to each person at the address given by such person to the Developer, ACC, or Association or addressed to the lot of such person if no address has been given. For purposes of plan submission and providing notice to the initial ACC only, the initial ACC's address shall be P.O. Box 369, Buffalo, WY 82834, which may be changed by filing a Notice of Change of Address with the County Clerk of Sheridan County, Wyoming, which Notice shall refer by book and page to the recorded CCR's.

IN WITNESS WHEREOF, the undersigned has executed these CCR's as of the

date first above written.

Spirit Ridge, LLC

By: Randy J. Deones
Randy J. Deones, Managing Member

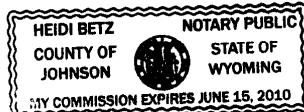
By: Dale Fincher
Dale Fincher, Managing Member

STATE OF Wyoming
COUNTY OF Johnson

The foregoing was acknowledged before me this 27th day of February, 2008, by Randy J. Deones, Spirit Ridge, LLC, a Wyoming Limited Liability Company, who represented to me he was duly authorized to execute the foregoing.

Witness my hand and official seal.

Heidi Betz
Notary Public



My commission expires: June 15 2010

STATE OF Washington
COUNTY OF Snohomish

The foregoing was acknowledged before me this 11 day of March 2008, 2008, by Dale Fincher, Spirit Ridge, LLC, a Wyoming Limited Liability Company, who represented to me he was duly authorized to execute the foregoing.

Witness my hand and official seal.

Pauline M. Fischer
Notary Public

My commission expires: 11/6/2010
Rev. 1/25/08

