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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

for

**BLACK SHEEP FARM SUBDIVISION**

Upon recording, please return to:

**Christopher Hawks, P.C.**  
P.O. Box 4430  
199 East Pearl Avenue, Suite 102  
Jackson, WY 83001

Grantor: ALTA NORTH INVESTORS LLC  
Grantee: THE PUBLIC  
Doc 0691831 bk 647 pg 1114-1149 Filed at 2:20 on 12/19/06  
Sherry L Daigle, Teton County Clerk fees: 113.00  
By NICHELE E. FAIRHURST Deputy

**Declaration of Covenants, Conditions and Restrictions**

for

**Black Sheep Farm Subdivision**

This DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS is made this 19<sup>th</sup> day of December, 2006, by Alta North Investors, LLC, a Wyoming limited liability company (the "Founder").

**PART ONE: INTRODUCTION TO THE COMMUNITY**

*This Declaration has been established to provide a governance structure and a flexible system of standards and procedures for the overall development, administration, maintenance and preservation of Black Sheep Farm Subdivision*

**ARTICLE I – CREATION OF THE COMMUNITY**

**1.1 Purpose and Intent.** The Founder, as the owner of the real property described on **Exhibit A** attached hereto and made a part hereof by this reference, intends by the recording of this Declaration to create a general plan of development for the residential neighborhood known as Black Sheep Farm Subdivision. This Declaration provides for the overall development, administration, maintenance and preservation of the real property now or hereafter comprising Black Sheep Farm Subdivision. An integral part of the development plan is the creation of Black Sheep Farm Subdivision Homeowners Association, an association comprised of all owners of Black Sheep Farm Subdivision, to own, operate and/or maintain various common areas and community improvements and to administer and enforce this Declaration and the other Governing Documents referred to in this Declaration.

**1.2 Binding Effect.** All property described on **Exhibit A** hereto and any additional property that is made a part of Black Sheep Farm Subdivision in the future by filing one or more Supplemental Declarations in the Public Records, shall be owned, conveyed and used subject to all of the provisions of this Declaration, which shall run with the title to such property. This Declaration shall be binding upon all Persons having any right, title or interest in any portion of the Properties, their heirs, successors, successors-in-title, and assigns. This Declaration shall be enforceable in perpetuity by the Founder, the Association, any Owner, and their respective legal representatives, heirs, successors, and assigns.

**1.3 Governing Documents.** The Governing Documents create a general plan of development for Black Sheep Farm Subdivision that may be supplemented as set forth herein. In the event of a conflict between or among the Governing Documents and any such additional covenants or restrictions, the Governing Documents shall control. Nothing in this Section shall preclude any Supplemental Declaration or other recorded covenants applicable to any portion of the Properties from containing additional restrictions or provisions that are more restrictive than the provisions of this Declaration. The Association may, but shall not be required to, enforce any such covenants restrictions or other instruments. All provisions of the Governing Documents shall apply to all Owners as well as their respective family members, tenants, guests and invitees. If any provision of this Declaration is determined by judgment or court order to be invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or applications.

**ARTICLE II – DEFINITIONS**

The terms used in the Governing Documents shall generally be given their natural, commonly accepted definitions unless otherwise specified. Capitalized terms shall be defined as set forth below.

**2.1 Agricultural Easement.** Shall be the easement area described as "Agricultural Easement" as shown on the Plat and shall be reserved as open grazing area for the benefit of the Association in accordance with this Declaration and the Master Rules and Regulations.

**2.2 Architectural Review Committee or ARC.** The Architectural Review Committee as defined in Section 4.2.

**2.3 Association.** Black Sheep Farm Subdivision Homeowners Association, a Wyoming nonprofit corporation, its successors or assigns.

**2.4 Base Assessment.** Assessments levied on all Lots subject to assessment under Article VIII to fund Common Expenses, as determined in accordance with Section 8.1.

**2.5 Board of Directors or Board.** The body responsible to the Members for operations of the Association, selected as provided in the Bylaws and generally serving the same role as a board of directors under Wyoming corporate law. The Board of Directors may also be referred to as the "Board".

**2.6 Common Area.** All real and personal property, including the Roadway System, the Agricultural Easement, the Pond Easement and other easements which the Association owns, leases or in which it otherwise holds, or acquires in the future and other possessory or use rights for the common use and enjoyment of the Owners

**2.7 Common Expenses.** The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of the Lots including any reasonable reserve, as the Board may find necessary and appropriate pursuant to the Governing Documents.

**2.8 Community-Wide Standard.** The standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. Such standard shall be established initially by the Founder and may be more specifically defined in the Master Rules and Regulations, and in Board resolutions.

**2.9 Covenant to Share Costs.** Any Declaration of Easements and Covenant to Share Costs to be executed by Founder and recorded in the Public Records which creates certain easements for the benefit of the Association and the present and future owners of the real property subject to such Covenant to Share Costs and which obligates the Association and such owners to share the costs of maintaining certain property described in such Covenant to Share Costs.

**2.10 Design Guidelines.** The architectural, design and construction guidelines and review procedures adopted pursuant to Article IV.

**2.11 Development Area.** The contiguous portion of a Lot designated as the Development Area for such Lot on the Plat, upon which, in accordance with Section 4.10(d) hereof, all Structures otherwise permitted to be constructed upon such Lot must be located (except for those specific improvements of the type described in Section 4.10(d) hereof which are allowed outside of a Development Area).

**2.12 Founder.** Alta North Investors, LLC, a Wyoming limited liability company, or any successor or assign who takes title to any portion of the Properties for the purpose of development and/or sale and who is designated as the Founder in a recorded instrument executed by the immediately preceding Founder.

**2.13 Governing Documents.** A collective term referring to this Declaration and any applicable Supplemental Declaration, the Bylaws, the Plat, the Articles, and the Master Rules and Regulations as they may be amended.

**2.14 Lot** Shall be any single family residential lot described on the Plat as recorded in the Public Records.

**2.15 Master Rules and Regulations.** The Master Rules and Regulations are the rules and regulations adopted by the Board pursuant to Section 3.2 hereof.

**2.16 Member.** A Person subject to membership in the Association pursuant to Section 6.2.

**2.17 Mortgage.** A mortgage, a deed to secure debt, or any other form of security instrument affecting title to any Lot or all or any portion of the Properties. "Mortgagee" shall refer to a beneficiary of a deed of trust or holder of a Mortgage.

**2.18 Owner or Owners.** One or more Persons who hold record title to any Lot or Lots, but excluding in all cases any party holding an interest merely as security for the performance of an obligation.

**2.19 Person.** A natural person, a corporation, a partnership, a trustee, or any other legal entity.

**2.20 Plat.** That Final Plat showing Black Sheep Farm Subdivision recorded in the Public Records.

**2.21 Pond Easement.** Shall be the easement area described as "Pond Easement" as shown on the Plat and shall be for the benefit of the Association in accordance with this Declaration and the Master Rules and Regulations.

**2.22 Properties.** The real property shown on the Plat and described on **Exhibit A** attached hereto and incorporated herein by this reference, together with such additional property as is subjected to this Declaration in accordance with Article IX. Each of the Supplemental Declarations which subject additional property to the Declaration shall provide a legal description of the real property and any Common Area included therein.

**2.23 Public Records.** The official records of the Office of the Clerk of Teton County, Wyoming.

**2.24 Roadway System.** The roadway system shall consist of the roads within the Lots as shown on the Plat upon which the Owners have easements for access and utilities for the benefit of their Lots and the Association has the obligation of maintenance as provided herein.

**2.25 Special Assessment.** Assessments levied in accordance with Section 8.3.

**2.26 Specific Assessment.** Assessments levied in accordance with Section 8.4.

**2.27 Structure or Structures.** An authorized structure or structures pursuant to Article IV.

**2.28 Supplemental Declaration.** An instrument filed in the Public Records pursuant to Article IX that subjects additional property to this Declaration, and/or imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument.

**PART TWO: CREATION AND MAINTENANCE OF COMMUNITY STANDARDS**

**ARTICLE III – USE AND CONDUCT**

**3.1 Framework for Regulation.** The Governing Documents establish, as part of the general plan of development for the Properties, a framework of affirmative and negative covenants, easements and restrictions which govern the Properties. However, within that framework, the Board and the Members must have the ability to respond to unforeseen problems and changes in circumstances, conditions, needs, desires, trends and technology that inevitably will affect Black Sheep Farm Subdivision, its Owners and residents. Toward that end, this Article establishes procedures for modifying and expanding the initial Master Rules and Regulations.

**3.2 Rule Making Authority.**

(a) Subject to the terms of this Article and the Board's duty to exercise business judgment and reasonableness on behalf of the Association and its Members, the Board may modify, cancel, limit, create exceptions to, or expand the Master Rules and Regulations. The Board shall send notice by mail to all Owners concerning any such proposed action as least five (5) business days prior to the Board meeting at which time such action is to be considered. Members shall have a reasonable opportunity to be heard at a Board meeting prior to such action being taken. Such action shall become effective after compliance with Section 3.2(c) below unless disapproved at a meeting of the Members by more than fifty percent (50%) of the total votes entitled to vote on the matter. The Board shall have no obligation to call a meeting of the Members to consider disapproval except upon receipt of a petition of the Members as required for special meetings in the Bylaws. Upon such petition of the Members prior to the effective date of any Board action under this Section 3.2(a), the proposed action shall not become effective until after such meeting is held, and then is subject to the outcome of such meeting.

(b) Alternatively, the Members, at an Association meeting duly called for such purpose, may adopt rules which modify, cancel, limit, create exceptions to, or expand the Master Rules and Regulations by a vote of more than fifty percent (50%) of the total votes entitled to vote on the matter pursuant to the Bylaws of the Association.

(c) At least thirty (30) days prior to the effective date of any action taken under subsections (a) or (b) of this Section, the Board shall send a copy of the new rule or explanation of any changes to the Master Rules and Regulations to each Owner specifying the effective date. The Association shall provide, at no additional charge, a copy of the Master Rules and Regulations then in effect to any requesting Member or Mortgagee.

**3.3 Owners' Acknowledgment and Notice to Purchasers.** All Owners are given notice that use of their Lot is limited by the Master Rules and Regulations as they may be amended, expanded and otherwise modified hereunder. Each Owner, by acceptance of a deed for their Lot, acknowledges and agrees that the use and enjoyment and marketability of his or her Lot can be affected by this Declaration and that the Master Rules and Regulations may change from time to time. All purchasers of Lots are on notice that changes may have been adopted by the Association that are not recorded in the Public Records. Copies of the current Master Rules and Regulations may be obtained from the Association.

**3.4 No Mining, Excavating or Drilling.** The Properties shall not be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing geothermal resources, oil, gas, or other hydrocarbons, minerals, rocks, stones, gravel, sand, top soil, or earth. Nothing contained herein shall be construed to limit the rights of the owner of a mineral interest severed from the surface of any portion of the Properties prior to the recording of this Declaration and nothing herein shall prevent the Founder or an Owner from moving dirt, gravel rocks and other soils necessary for the development of their respective properties.

**3.5 Protection of Owners and Others.** No rule shall be adopted in violation of the following provisions, except as may be specifically set forth in this Declaration (either initially or by amendment) or in the initial Master Rules and Regulations.

(a) **Equal Treatment.** Similarly situated Owners shall be treated similarly by the Board and the Association.

(b) **Displays.** The rights of Owners to display religious and holiday signs, symbols, and decorations inside structures on their Lots of the kinds normally displayed in dwellings located in single-family residential neighborhoods shall not be abridged, except that the Association may adopt reasonable time, place, and manner restrictions with respect to displays visible from outside the dwelling. Such restrictions may be contained in the Master Rules and Regulations. No rules shall regulate the content of political signs; however, rules may regulate the time, place and manner of posting such signs (including design criteria).

(c) **Household Compositions.** No rule shall interfere with the freedom of Owners to determine the composition of their households.

(d) **Activities Within Dwellings.** No rule shall interfere with the activities carried on within the confines of dwellings, except that the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other Lots, that generate excessive noise or traffic, that create unsightly conditions visible outside the dwelling, or that create an unreasonable source of annoyance as reasonably determined by the Board.

(e) **Insurance Rates.** Nothing shall be done or kept on the Properties that would increase the rate of insurance or cause the cancellation of insurance on any Lot or any of the improvements located upon any Lot or the Common Area without prior written approval of the Board.

(f) **Allocation of Burdens and Benefits.** No rule shall alter the allocation of financial burdens among the various Lots to the detriment of any Owner over that Owner's objection expressed in writing to the Association. This provision does not affect the right to increase the amount of assessments as provided by Article VIII.

(g) **Alienations.** No rule shall prohibit leasing or transfer of any Lot, or require consent of the Association or Board for leasing or transfer of any Lot.

(h) **Abridging Existing Rights.** If any rule would otherwise require Owners to dispose of personal property which they maintained in or on the Lot prior to the effective date of such rule, or to vacate a Lot in which they resided prior to the effective date of such rule, and such property was maintained or such occupancy was in compliance with this Declaration and all rules previously in force, such rule shall not apply to any such Owners without their written consent.

(i) **Rights to Develop.** No rule or action by the Association or Board shall impede the Founder's right to develop the Properties or any property annexed into the regime of the Properties as provided for herein.

The limitations in subsections (a) through (i) of this Section shall only limit rulemaking authority exercised under Section 3.2; they shall not apply to amendments to this Declaration adopted in accordance with Article XIII.

**3.6 Domestic Animals.** No exotic or wild animals may be kept, cared for or maintained on the Properties or any Lot. Except for those animals permitted within the Agricultural Easement pursuant to this Declaration, domestic animals, such as horses, sheep, goats, pigs, poultry, fowl, cattle and llamas shall only be permitted within the Development Area of a Lot. All Owners of Lots shall adhere to the ratios, rules and regulations regarding domestic animals that are set forth in this Declaration and in the Master Rules and Regulations, as amended from time to time. Notwithstanding any other provision in this Declaration, only Household Pets (as defined below) are permitted on Lot 5, it being the intent of this Declaration to prohibit domestic animals on Lot 5.

Notwithstanding any other provision in the Declaration, no domestic animals are permitted on Lot 2 except for those domestic animals permitted in the Agricultural Easement pursuant to Section 3.16.

Each Lot shall be entitled to a reasonable number of Household Pets (the term Household Pet(s) means generally recognized Household Pets such as dogs, cats, fish, birds, rodents, and non-poisonous reptiles), so long as such pets are not kept for any commercial purpose, are not kept in unreasonable numbers, do not cause an unreasonable amount of noise, odor, or do not otherwise become a nuisance to other Owners. Such reasonable number of Household Pets shall be determined according to the Master Rules and Regulations, as amended from time to time. All Owners or Occupants with Household Pets shall keep such animals restrained and controlled on the Owner's Lot at all times so they do not cause a nuisance to others and do not harass or endanger wildlife. For purposes of this Section, "nuisance" means any noisy animal, any vicious animal, or any animal which chews, tears, digs in or scratches, litters or soils, destroys, or in any other manner injures clothing, garbage containers, gardens, flower beds, lawns, trees, shrubbery, or any other personal or real property within the Properties. Excessive, continued, or untimely barking, molesting passersby, chasing vehicles, habitually attacking other animals, trespassing upon private property in such a manner as to damage property shall also be deemed a nuisance. For purposes of this Section, a "noisy animal" means any animal which habitually, constantly, or frequently disturbs the sleep, peace, or quiet of any person.

No pet or animal shall be restrained by leash, cord, chain, rope, or other attachment fixed to any vehicle, post, tree, or other structure or object within the Properties. Contractors, sub-contractors and any other person providing services to an Owner may not bring dogs onto the Properties.

The Owner of a Lot where a Household Pet is kept, as well as the legal owner of such pet (if not such Owner), shall be jointly and severally liable for any and all damage and destruction caused by such pet, and for any clean-up of roads or other Lots necessitated by such pet.

The Association shall have, and is hereby given, the right and authority to determine in its sole discretion that Household Pets are being kept for commercial purposes, or are otherwise a nuisance to other Owners or Occupants, or that a Owner or Occupant is otherwise in violation of this Section, and to take such action or actions as it deems reasonably necessary to remedy the violation. Without limiting the generality of the foregoing, the Association may require the owner or custodian of a nuisance pet to confine such animal indoors. Further, the Association may require an Owner, as its own expense, to remove a pet determined by the Association to be a nuisance pet and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the Lot and remove the nuisance pet and any such action shall not be deemed a trespass, and the cost therefore shall be levied against the offending Owner as a Specific Assessment.

**3.7 Wildlife.** It is recognized by the Founder and the Owners of any Lot within the Properties that many wildlife species live on the Properties during various times of year. Upon purchase of any Lot, the Board shall provide to the Owner thereof a copy of the Environmental Assessment in order to provide information on the wildlife and other natural resources on the Lot and the adjacent area. The following limitations on use and development are intended, in addition to all the other requirements of this Declaration, to protect, preserve and maintain the existing wildlife habitat on the Properties and to minimize the adverse effects of development on wildlife habitat:

(a) No Owner of any Lot shall remove or alter or allow others to remove or alter any of the existing vegetation thereon, except as is absolutely necessary for the clearing and preparation of the Development Area for such Lot for the purposes of constructing authorized Structures or roads thereon; provided, however, that wetland mitigation and tree mitigation related clearing and grading (and other disturbances necessary to perform such mitigation and grading) outside of the Development Area shall be permitted;

(b) In addition to the requirements set forth in Section 3.6 above, Household Pets, shall be controlled and restrained at all times, and shall not be allowed to run at large on any portion of the Properties, except within an enclosed improvement area not to exceed 1000 square feet contiguous to an improved Structure within the



Development Area (a "kennel"); and all pets shall be either physically restrained or under voice control at all times when outside of the kennel or residence;

(c) In accordance with any Teton County Wildlife feeding ordinance, no elk, deer, moose, bear, or other big game animals shall be fed hay or any other food, manufactured or otherwise, within the Properties in order to prevent migrating animals from interrupting their migrations to winter range and to prevent such animals from becoming habituated to unnatural food sources;

(d) By acceptance of a deed therefore, the owner of every Lot agrees to release and hold the Wyoming Game and Fish harmless from any and all claims for wildlife damage to their property; and

(e) No species of fish other than the Snake River Cutthroat Trout shall be introduced into the waterbodies on the Properties and prior to stocking any Snake River Cutthroat Trout on the Properties, an Owner shall obtain a permit from the Wyoming Game and Fish Department for approval to stock Snake River Cutthroat Trout.

### **3.8 Drainage Creek, Wetlands and Pond Protection.**

(a) **Drainage Creek, Wetlands and Fire Pond.** It is imperative that any drainage creek located within the Properties shall flow freely. An Owner shall not take any action to affect, alter or impede the wetlands or the flow of any drainage creek. The Owner of any Lot upon which wetlands or a creek is located shall clean out any debris which collects in the wetlands or any drainage creek located on such Lot. The multi-purpose wildlife pond located within the Pond Easement is necessary for the storage of water for fire protection purposes and is equipped with standpipes and hydrants (and possibly a recharge well) for such purposes. No pesticides or other noxious or dangerous chemicals shall be put into or allowed to enter the pond, a drainage creek or any wetlands on the Properties.

(b) **Maintenance of Pond Easement.** The Association shall have jurisdiction over the maintenance of the infrastructure and pond within the Pond Easement and may enlist the aid of competent professionals to maintain such areas and to adjust the waterflows accordingly.

**3.9 Trees.** Native trees and timber shall not be removed from any Lot, except as may be deemed necessary by the ARC for the construction of Structures and improvements or as may be beneficial to the natural landscape, for insect prevention or fire fuels mitigation and for the health of surrounding flora and fauna. Owners shall reduce fire fuels and insect habitat as mandated by the ARC. The cutting and harvest of trees and other shrubs that provide vital winter forage for moose and elk should be minimized. Natural landscaping outside of Development Areas with retention of mature trees, native shrubs and grasses is encouraged. Any animal habitat cover-type vegetation that is removed for building purposes should be replaced.

### **3.10 Vehicle Parking, Storage, Operation and Repair.**

(a) "Permitted Vehicles" shall mean all passenger automobiles and one ton or smaller pick-up trucks. Only Permitted Vehicles may be parked in or upon the Roadway System, the Lot driveways or any other location within the Properties. No boats, trailers, buses, motor homes, campers (on or off supporting vehicles), motorcycles, snowmobiles, recreational vehicles, golf carts, trucks, industrial or commercial vehicles (both cabs or trailers), abandoned or inoperable vehicles (as defined below) or any other similar vehicles (collectively, the "Prohibited Vehicles") shall be parked or stored in or upon the Roadway System, the Lot driveways, or any other location within the Properties except within enclosed structures approved in advance by the ARC, and no vehicle of any kind shall be maintained, repaired, repainted, serviced or rebuilt on any Lot except within a completely enclosed garage which fully screens the sight and sound of the activity from the surrounding Lots. This restriction shall not prevent the non-commercial washing and polishing of vehicles and boats, together with activities normally incidental thereto.

(b) Notwithstanding the foregoing, Prohibited Vehicles may be temporarily parked on driveways of Lots for loading, delivery or emergency purposes, but only for the time required to accomplish such purpose, and as necessary for the construction or maintenance of improvements within the Properties upon compliance with the Master Rules and Regulations and any conditions imposed by the ARC. In addition, guests and invitees of Owners may temporarily park their vehicles on Lot driveways for the duration of their visit, provided such time period does not exceed a reasonable time as determined in the sole and absolute discretion of the Board or the ARC.

(c) An "abandoned or inoperable vehicle" shall mean any motorized vehicle which does not display a current motor vehicle license or which has not been driven under its own propulsion for a period of two (2) weeks or longer (excepting otherwise permitted vehicles parked by Lot Owners or Occupants on their Lot driveways while on vacation or during a period of illness), or which does not have an operable propulsion system within the vehicle.

(d) In the event that the Board or the ARC shall determine that a vehicle is abandoned or inoperable, or is otherwise in violation of the provisions of this Section, a written notice of violation describing said vehicle shall be personally delivered to the vehicle owner (if such owner can be reasonably ascertained) or shall be conspicuously placed upon the vehicle (if the owner cannot be reasonably ascertained), and if the offending vehicle is not removed within seventy-two (72) hours thereafter, the Board or ARC (as the case may be) shall have the right to remove and store the offending vehicle, or cause the vehicle to be removed and stored, at the sole expense of the Owner of the Lot on which the vehicle is located and to enter upon an Owner's Lot for such purpose, all without liability on the part of the Board or ARC. Any expense incurred by the Board or the ARC pursuant to this Section may be levied against such Owner as a Specific Assessment.

(e) For the purpose of eliminating obnoxious noise and disturbance to neighboring properties and wildlife, motorcycles, motorized trail bikes, mini-bikes, dirt bikes, all-terrain vehicles, mopeds, snowmobiles and go-carts may not be used or operated on the Properties for recreational use. Notwithstanding the foregoing, (i) motorcycles licensed for operation on public roads and snowmobiles may be used or operated on the Properties for access as long as such use is in accordance with the Master Rules and Regulations; and (ii) motorcycles and snowmobiles may be used by the Association for maintenance of the Common Areas.

**3.11 Garbage Storage.** Garbage set out for pick up shall be stored in bear proof dumpsters or containers as defined and described in the Master Rules and Regulations.

**3.12 Nuisance.** No noxious or offensive activity shall be carried on upon the Properties or any Lot within the Properties, nor shall anything be done or placed thereon which may be or become a nuisance, or cause unreasonable embarrassment, disturbance or annoyance to other Owners or occupants in their enjoyment of their Lots, or in their enjoyment of the Common Area. Without limiting the foregoing, no horns, whistles, bells or other sound devices, except security devices used exclusively to protect the security of the Properties and improvements located thereon, shall be placed or used upon any Lot.

**3.13 Common Area.** Use of all other services and amenities on the Properties, including, but not limited to the Common Area, if any, shall be managed by the Association and be subject to the Master Rules and Regulations.

**3.14 Water System.** Each Owner of a Lot acknowledges and agrees that any and all water necessary for the contemplated single family use of each of such Lots shall be furnished by the installation and maintenance of one water well on each such Lot, at the sole expense of the respective Owner thereof, and such water well installation, operation and maintenance shall conform at all times to the Final Development Plan, all applicable standards of the State of Wyoming, Teton County, Wyoming and any other applicable regulatory agency. Groupings of the applicable Lots to be connected to a particular system may be established by Founder; however, there shall be no more than four (4) Lots connected at any time to each such common well and distribution system. Each of such common well and distribution systems shall be operated and maintained at all times by a cooperative of the applicable Owners whose Lots are connected to the applicable system, in accordance with all applicable

standards of the State of Wyoming, Teton County, Wyoming and any other applicable regulatory agency. All of the operational and maintenance expenses for each such common well and distribution system shall be borne by the applicable Owners connected thereto. The well on Lot 5, if any, shall be located a minimum distance of 175 feet up gradient (northeast) from the disposal field.

**3.15 Sewage Disposal.** Each residential structure shall be connected to a private sewage disposal system constructed and located entirely within the boundaries of the applicable Lot at the sole expense of the Owner thereof. Such sewage disposal system(s) shall conform to the Final Development Plan, all applicable standards of the Teton County, Wyoming and the State of Wyoming, and any other regulatory agency.

**3.16 Agricultural Easement.** The Final Development Permit allows up to one horse or one cow per acre and up to five sheep per acre within the Agricultural Easement. The Founder hereby grants to the Association an easement in, on, under and across the Agricultural Easement as shown on the Plat for the purpose of issuing grazing licenses, at its reasonable discretion, to the Lot Owner(s), upon request, for the right to use the Agricultural Easement in accordance with the Declaration, the Final Development Permit and the Master Rules and Regulations. Accordingly, the Association may grant to the Owner of each Lot a grazing license to graze up to one-fifth (1/5<sup>th</sup>) of the total amount of cows, horses, or sheep allowed within the Agricultural Easement by Teton County for the entire Black Sheep Farm Subdivision; provided, however, that the Association may issue a license to an Owner that includes another Lot's one-fifth (1/5<sup>th</sup>) share upon obtaining written permission from the Owner of such other Lot that is not using the Agricultural Easement. Each Owner of Lot 2, by acceptance of a deed therefore, whether or not it be so expressed in such deed, is deemed to have expressly acknowledged and agreed to the following: (i) the conveyance of the easement over the Agricultural Easement to the Association and the issuance of grazing licenses by the Association to the Owners of the Lots; (ii) to the rules and regulations that affect the use of Lot 2 by the holders of the grazing licenses and the Owner of Lot 2; and (iii) to the rights of use and enjoyment by the holder(s) of such grazing licenses to access and use the Agricultural Easement within Lot 2. The Association hereby reserves the right to vacate or rescind the grazing licenses, if any, issued by the Association to Owners. Notwithstanding any other provision in this Declaration, no ratios, rules or regulations regarding the Agricultural Easement may be amended or revised without the prior written consent of the Owner of Lot 2.

#### ARTICLE IV – DESIGN GUIDELINES

**4.1 General.** No structure shall be placed, erected, or installed upon any Lot, and no improvements (including staking, clearing, excavation, grading and other site work, exterior alterations of existing improvements, and planting or removal of landscaping materials) shall take place except in compliance with this Article, the Teton County Land Development Regulations and the Final Development Permit approved by Teton County for development of the Properties (the "Final Development Permit").

Any Owner may remodel, paint or redecorate the interior of structures on his Lot without approval. However, modifications to the interior of patios, and similar portions of a Lot visible from outside the structures on the Lot shall be subject to approval. No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications.

All plans and specifications for each residential Structure within Black Sheep Farm Subdivision shall be subject to review as provided herein. This Article shall not apply to the development activities of the Founder in accordance with the Plat and this Declaration. This Article may not be amended without the Founder's written consent so long as the Founder owns any land subject to this Declaration or subject to annexation to this Declaration.

**4.2 Architectural Review.**

(a) **Architectural Review Committee.** The Founder shall appoint the two (2) original members of the ARC and all replacements as long as the Founder owns any of the Lots within the Properties or any

of the lands subject to annexation to this Declaration. Thereafter, all of the members of the ARC shall be appointed by the Board. The members of the ARC shall each serve a two (2) year term.

(b) **Fees; Assistance.** The ARC may establish and charge reasonable fees to reimburse the ARC for review of applications hereunder and may require such fees to be paid in full prior to review of any application pursuant to this Article. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers or other professionals. The Founder and the Association may employ architects, engineers, or other persons as deemed necessary to perform the review. The Board shall include the compensation of such persons, if any, in the fee charged by the ARC to the applying Owner.

#### **4.3 Guidelines and Procedures.**

(a) **Design Guidelines.** This Article is intended to provide guidance to Owners, Builders and/or Architects regarding matters of particular concern to the ARC in considering applications hereunder. Approval pursuant to this Article shall be in the sole and absolute discretion of the ARC.

The Founder shall have sole and full authority to amend this Article as long as it owns any portion of the Properties, notwithstanding the reviewing authority of the ARC, unless the Founder delegates the power to amend to the ARC. Upon termination or delegation of the Founder's right to amend, the ARC shall have the authority to amend this Article with the consent of the Board. Any amendments to this Article shall not require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to this Article, and such amendments may remove requirements previously imposed or otherwise make this Article less restrictive.

(b) **Procedures.** Prior to commencing any work within the scope of this Article ("Work"), an Owner shall submit to the ARC an application for approval of the proposed Work in such form as this Article or the ARC may specify, along with any fees required for review. Such application shall include plans and specifications showing square footage, building heights, site layout, grading, structural design, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, and other features of proposed construction, as applicable ("Plans"). The ARC may require the submission of such additional information as may be reasonably necessary to consider any application. The Plans shall be in such form and shall contain such information as may be reasonably required pursuant to this Article.

In reviewing each submission, the ARC may consider any factors it deems relevant, including without limitation, harmony of external design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that determinations as to such matters are purely subjective and opinions may vary as to the desirability and/or attractiveness of particular improvements.

The ARC shall, within thirty (30) days after receipt of a completed application and all required information, respond in writing to the applicant at the address specified in the application. The response may (i) approve the application, with or without conditions; (ii) approve a portion of the application and disapprove other portions; or (iii) disapprove the application. The ARC may, but shall not be obligated to, specify the reasons for any objections and/or offer suggestions for curing any objections.

In the event that the ARC fails to respond in writing within sixty (60) days of submission, approval shall be deemed to have been given, with the exception of any development proposed outside of the boundaries of the Development Area (other than access driveways, utility installations and bridges), which will be deemed automatically disapproved and denied. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with this Article unless a variance has been granted pursuant to Section 4.5. Notice shall be deemed to have been given at the time the envelope containing the response is deposited with the U.S. Postal Service. Personal delivery of such written notice shall, however, be sufficient and shall be deemed to have been given at the time of delivery to the applicant.

Until expiration of the Founder's rights under this Article, the ARC shall notify the Founder in writing within three (3) business days after the ARC has approved any applications relating to proposed Work within the scope of matters delegated to the ARC by the Founder. The notice shall be accompanied by a copy of the application and any additional information which the Founder may require. The Founder shall have ten (10) days after receipt of such notice to veto any such actions, in its sole discretion, by written notice to the ARC and the applicant.

If construction does not commence on a project for which Plans have been approved within two (2) years after the date of approval, such approval shall be deemed withdrawn, and it shall be necessary for the Owner to reapply for approval before commencing the proposed Work.

The ARC may, by resolution, exempt certain activities from the application and approval requirements of this Article, provided such activities are undertaken in strict compliance with the requirements of such resolution

No flowers, shrubs, trees, grasses, or other landscaping shall be allowed on any portions of the Properties, except in accordance with the landscape plant palette for the Properties approved from time to time by the ARC. The ARC may make amendments to the plant palette and such amendments shall apply whether or not recorded in the Public Record. The Association shall have available to Owners upon request the most recent plant palette.

(c) **Obligation to Complete Construction.** Regardless of the type of improvement being constructed on a Lot, once construction has commenced (which commencement shall be measured from the breaking of ground on the Lot), it must be completed within twenty-four (24) months from the date construction commenced unless otherwise specified in the notice of approval or unless the ARC grants an extension in writing. The ARC shall not be obligated to grant any extension but shall not unreasonably withhold such extension if construction of the improvement(s) is diligently pursued. Completion of improvements shall mean that a certificate of occupancy has been issued by the local governing body empowered to do so and that they are in a condition suitable for immediate occupancy by the Owner or its occupant. In the event construction is not complete within the time provided for herein, including any extensions approved by the ARC, the Owner shall be subject to a late completion penalty of One Hundred Dollars (\$100.00) per day until construction is complete. Such penalty shall be assessed to such violating Owner as a Specific Assessment.

4.4 **No Waiver of Future Approvals.** Each Owner acknowledges that the persons reviewing applications under this Article will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of this Article, may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features of proposed Work until the Work is completed, in which case it may be unreasonable to require changes to the improvements involved, but the ARC may refuse to approve similar proposals in the future. Approval of applications or Plans for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar applications, Plans, or other matters subsequently or additionally submitted for approval.

4.5 **Variances.** The ARC may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless approved in writing by the ARC; (b) be contrary to this Declaration; or (c) estop the ARC from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

4.6 **Limitation of Liability.** The standards and procedures established by this Article are intended as a mechanism for maintaining and enhancing the overall aesthetics of the Properties but shall not create any duty to any Person. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only, and the ARC shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental

requirements or compliance with plans and specifications, nor for ensuring that all dwellings are of comparable quality, value or size or of similar design. Neither the Founder, the Association, the Board, any committee, nor member of any of the foregoing shall be held liable for soil conditions, drainage or other general site work, or for any defects in plans revised or approved hereunder, or for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Lot. In all matters, the ARC and all persons comprising the ARC shall be defended and indemnified by the Association as provided in Section 7.6.

**4.7 Certificate of Compliance.** Any Owner may request that the ARC issue a certificate of architectural compliance certifying that there are no known violations of this Article. The Association shall either grant or deny such request within thirty (30) days after receipt of a written request and may charge a reasonable administrative fee for issuing such certificate. Issuance of such a certificate shall estop the Association from taking enforcement action with respect to any condition as to which the Association had notice as of the date of such certificate.

**4.8 Standard of Construction.** All improvements to the Properties made by the Founder have been or will be constructed in accordance with all applicable city, county, state and federal building codes. Founder does not warrant that its improvements to the Properties exceed, in any manner, the minimum building standards required by applicable county, state and federal laws.

**4.9 Enforcement.** Any structure, improvement or landscaping placed or made in violation of this Article shall be deemed to be nonconforming. Upon written request from the Founder, the ARC or the Board, Owners shall, at their own cost and expense, remove such structure or improvement and restore the property to substantially the same condition as existed prior to the nonconforming Work. Should an Owner fail to remove and restore as required, the Founder, the Association or its designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, together with interest at the maximum rate then allowed by law, may be assessed against the benefited Lot and collected as a Specific Assessment.

All approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved Work and all Work previously approved with respect to the same Lot, unless approval to modify any application has been obtained. In the event that any Person fails to commence and diligently pursue to completion all approved Work, the Founder or the Association shall be authorized, after notice to the Owner of the Lot and an opportunity to be heard in accordance with the Bylaws, to enter upon the Lot and remove or complete any incomplete Work and to assess all costs incurred against the Lot and the Owner thereof as a Specific Assessment. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article may be excluded from the Properties, subject to the notice and hearing procedures contained in the Bylaws. In such event, neither the Founder, the Association its officers, or directors shall be held liable to any Person for exercising the rights granted by this Section. In addition to the foregoing, the Association and the Founder shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the ARC.

**4.10 Development and Use Restrictions.** All development of the Properties shall conform to the following requirements:

(a) **Provisions in Addition to County Land Use Regulations.** Conformity with any and all applicable land use regulations of Teton County shall be required, in addition to the requirements of this Declaration.

(b) **Authorized Use.** Only single-family residential use shall be permitted on each Lot, together with the keeping of domestic animals and Household Pets subject to the limitations set forth herein.

(c) **Site Design.**

(1) **Development Area.** The Development Area for each Lot shall be as shown on the Plat. Except for a small portion of the Development Area on Lot 2, the Development Area for all Lots shall be set back no less than fifty (50) feet from property lines and roadway easements. No improvements shall be permitted on any Lot outside of the Development Area except for ponds, access driveways, utility installations and bridges.

(2) **Grading.** Finish grading on all buildings shall assure drainage of surface water from the buildings and avoid concentrating runoff onto adjacent properties. For a distance of ten (10) feet, a minimum fall of six (6) inches in ten (10) feet shall be provided at the perimeter of all buildings and one (1) inch in ten (10) feet for impervious surfaces.

(3) **Landscaping/ Clearing/ Screening.** Each Owner shall install, as part of its landscaping, at least one (1) "Standard Plant Unit," as defined and described in Teton County's Landscaping Standards (currently Division 4100 of the Land Development Regulations), and shall provide for adequate irrigation, care and maintenance of all landscaping. In the clearing of a Lot for road building or construction of approved structures and improvements, no trees or shrubs shall be removed without approval of the Board and care shall be exercised not to unreasonably disturb the natural landscape. Within one (1) year after such clearing or construction, the landscaping on the disturbed area shall be restored with natural species. Timber may not be removed from a Lot except that such tree trimming may be allowed by the ARC as will enhance views, if any, from a home site. As a condition of approval of the location of a structure, the ARC may require that an owner provide an additional landscape screen of appropriate materials and plant species.

(4) **Fencing.** No fence, gate, hedge or wall shall be erected or maintained except in compliance with this Article. No boundary fence around the perimeter of any Lot is allowed. All permitted fencing shall require the prior written approval of the ARC, shall be wildlife friendly as defined by the Teton County Land Development Regulations and shall specifically be two (2) or three (3) wire pole top fencing no more than thirty-eight (38) inches in height; provided, however, that if problems arise with livestock control, then forty (40) inch fencing is permitted. Notwithstanding the foregoing or any other provision to the contrary in this Declaration, fencing for agricultural operations in existence on the date this Declaration was recorded shall be permitted to remain if it is wildlife friendly as defined by the Teton County Land Development Regulations and shall specifically be two (2) or three (3) wire pole top fencing no more than thirty-eight (38) inches in height; provided, however, that if problems arise with livestock control, then forty (40) inch fencing is permitted. Existing non-wildlife friendly fencing shall be removed or replaced prior to an issuance of a Certificate of Occupancy.

(5) **Exterior Lighting.** Exterior lighting fixtures shall be downcast ninety (90) degree cut off fixtures. Lights that are cast upwards towards walls or trees shall not be allowed on any site. All interior lights shall be designed to avoid emission of glare or unreasonable brightness from any window, door or other opening in the building. Exterior lighting, except downcast walkway and driveway lighting not more than three (3) feet above ground, shall not be used for extended period, shall not be left on overnight, and shall not be used unless the site is occupied. All building plans shall include specifications for both the general interior and specific exterior lighting plans and shall be subject to approval by the ARC in its sole discretion.

(6) **Parking and Driveways.** The Work shall include automobile storage for a minimum of two (2) outdoor parking spaces and one (1) indoor parking space in a garage, for each dwelling unit. Parking spaces, whether interior or exterior, shall have a minimum dimension not less than ten (10) feet wide by twenty (20) feet long and shall be readily accessible by a driveway. All parking spaces and driveways shall be graveled, asphalted or of concrete. Gravel surfaces shall include both base gravel or pit run of a minimum of six (6) inches and crushed finish gravel sized at one (1) inch minus or less and shall have at a minimum of three (3) inches, installed such that all course base gravel is completely covered by finish gravel.

(7) **House Numbers.** All houses must have the Teton County assigned street address displayed on the house or elsewhere in clear view from the Roadway System so as to facilitate immediate location of homes for fire, law enforcement or other emergencies.

(d) **Building Design.**

(1) **Authorized Structures.** No building or structure shall be constructed on any Lot, except one (1) single family residence, one (1) guest house, garage or storage structures, or similar structures, not to exceed a total of four (4) structures on any one Lot. No helipad, landing strip or other similar structure for the takeoff or landing of any type of aircraft shall be permitted on any Lot. An approved guest house, garage, or similar structure may be constructed, placed or maintained upon any Lot prior to the construction of the main residence on the same Lot. The type of design shall be traditional, western or farm-type and shall not be of modern, dome, A-frame or other incompatible design.

(2) **Height, Size and Floor Area Limitations.** All Structures and other authorized improvements shall be of new construction and shall be constructed within a Development Area. Building height, size and floor area limitations shall be as determined by the Land Development Regulations of Teton County, Wyoming, the Final Development Permit and this Article, whichever is more restrictive, provided that the main residence shall be a minimum size of 2,000 square feet of habitable living space, unless otherwise approved by the ARC. The maximum building height of any structure shall not exceed thirty (30) feet. All height shall be measured at any cross section of the structure from the approved finished grade to the highest point of the structure immediately above. Minor projections such as chimneys or other structures not enclosing habitable space shall be excluded in determining the maximum height.

(3) **Roofs.** Roofs shall have a minimum pitch of three (3) feet in twelve (12) feet. All primary roofs shall have a minimum overhang of two (2) feet. Roofs shall be shake shingles, slate, composite shake or shingle or other non-glare materials which may be approved by the ARC in their sole discretion; provided, however that all shake roofing shall be treated with a fire retardant and be approved by the Fire Marshall. Because the Properties are in the Wildlife Urban Interface, shake shingles are not recommended.

(4) **Foundations.** All buildings shall be built on a permanent foundation. Exposed foundations of concrete or masonry construction shall not have an exposed surface which exceeds a height of eight (8) inches above finished grade and shall be sheathed in stone or wood.

(e) **Design Character.**

(1) Pre-built, component, uniform turned log, or modular construction shall not be permitted, unless it is approved pursuant to Section 4.11 and unless it cannot be distinguished from conventional construction, which determination shall be in the sole discretion of the ARC;

(2) Exterior materials shall be new material except for architectural detailing which may utilize used materials. Used materials may be approved for barns and other outbuildings. All exterior siding, fascia and trim shall be secured with non-bleeding fasteners or nails, and shall be maintained in a manner as to not show signs of aging, fading, bleaching, cupping or deteriorating. All steps and risers shall have backs and all porch or deck foundation overhangs shall be enclosed;

(3) Exterior finishes shall be of planned natural wood, peeled log, stone or other similar material and shall be covered with semi-transparent or heavy bodied stains, or pigmented or clear non-glossy preservatives. Glossy painted finishes and vinyl siding shall not be permitted. All exposed metals shall have a dull colored finish, or shall be flat color anodized or painted;

(4) Exterior colors shall be subdued. Color samples, on pieces of all exterior materials and roofing materials to be used, shall be submitted to the ARC for approval.



4.11 **Construction.** Notwithstanding any other provision in the Declaration, no pre-fabricated or modular structures shall be permitted on any Lot without approval of the ARC.

4.12 **Utilities.** Electrical and telephone utility lines will be installed by Founder underground in the Roadway System right of way. Connections from improvements on Lots to the underground utility lines shall be completed at the Owners' expense, and shall be constructed underground. Above ground utility installations are prohibited except for appurtenances necessary to access, operate and maintain the underground utilities. Any propane tank installed on a Lot by an Owner shall be buried underground. Notwithstanding the foregoing or any other provision contained herein to the contrary, above-ground utilities shall be permitted, in the sole and absolute discretion of the ARC, when it is impossible or impractical to install such utilities underground. In any case in which utilities or appurtenances to such utilities are installed above ground, the ARC shall determine what design and/or landscaping measures shall be taken to mitigate the visual impact of such above ground utilities or appurtenances on the Properties.

4.13 **Temporary Structures Prohibited.** Temporary structures, such as trailers, tepees, yurts, tents, tree houses, shacks or other similar buildings shall be permitted on any Lot if such structures are allowed under the Land Development Regulations of Teton County, Wyoming.

4.14 **Satellite Dishes.** Except as otherwise approved by the ARC, only 24" or smaller diameter satellite dishes shall be permitted on any Lot if such satellite dishes are visually shielded from adjacent Lots with shielding approved by the ARC before such satellite dishes are installed.

4.15 **Berms.** No berms shall be constructed or maintained on any Lot unless the ARC, in its sole discretion, approves such construction and maintenance and finds the same to be beneficial between adjacent Lots. In connection with the foregoing, the Board may request, at the expense of the Owner seeking approval, information relating to the possible impact of the berm on other Lots, which information may include appropriate engineering studies. An elevated leach field required by regulatory authorities shall not be considered to be a berm provided it is approved by the ARC.

4.16 **Improvement of Wetlands-Wildlife Habitat.** Notwithstanding any provision herein to the contrary, the Board may allow development outside of the Development Area on a Lot for the sole purpose of improving wetlands and/or wildlife habitat. Any proposal for wetland improvement or wildlife habitat improvement shall be reviewed and approved by the Wyoming Game and Fish Department and/or any other governmental authority having jurisdiction before submittal to the Board.

4.17 **Noxious Weeds and Exotic Plant Species.** Sources of all sod, seed and landscaping materials shall not contain noxious weeds or exotic species disfavored by the Teton County Weed and Pest Department. The Association shall adopt and enforce a program in cooperation with the Teton County Weed and Pest Department to eradicate noxious weeds present or occurring on the Properties.

## ARTICLE V – MAINTENANCE AND REPAIR

5.1 **Maintenance of Lots.** Except for the Common Areas, including but not limited to the pond and infrastructure within the Pond Easement and the Agricultural Easement, which shall be maintained by the Association, each Owner shall maintain his or her Lot and any and all improvements thereon, including any waterways, ponds, or other improvements, and any and all landscaping situated on the Lot in a manner consistent with the Governing Documents, the Community-Wide Standard and all applicable covenants. If an Owner does not maintain his or her Lot to the appropriate standards, the Association shall have the right to perform such maintenance on the Owner's behalf and the costs of such maintenance shall be assessed to the Owner as a Specific Assessment.

5.2 **Maintenance of Vacant Properties.** Each Owner of a Lot that is unimproved is responsible for maintaining such unimproved Lot in a garbage-free and nuisance-free condition. Such required maintenance may include other steps recommended by the Board or the ARC to maintain the natural landscape of the Lot in a manner

consistent with the Governing Documents, the Community-Wide Standard and all applicable covenants. If an Owner does not maintain his or her unimproved Lot to the appropriate standards, the Association shall have the right to perform such maintenance on the Owner's behalf and the cost of such maintenance shall be assessed to the Owner as a Specific Assessment.

### **PART THREE: COMMUNITY GOVERNANCE AND ADMINISTRATION**

#### **ARTICLE VI – THE ASSOCIATION AND ITS MEMBERS**

**6.1 Function of Association.** The Association shall be the entity responsible for management, maintenance, operation and control of the Roadway System and Common Area. The Association also shall be the primary entity responsible for enforcement of the Governing Documents. The Association shall perform its functions in accordance with the Governing Documents and the laws of the State of Wyoming.

**6.2 Membership.** Every Owner of a Lot shall be a Member of the Association. There shall be only one membership per Lot. If a Lot is owned by more than one Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 6.3(a) and the Bylaws, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner which is not a natural person may be exercised by any officer, director, partner or trustee, or by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association except where such privileges may be restricted by the Master Rules and Regulations or by the Association.

**6.3 Voting.** The Association shall have one class of membership. Members shall have one equal vote for each Lot in which they hold the interest required for membership under Section 6.2. All votes shall be cast as provided in Section 6.3(a).

(a) **Exercise of Voting Rights.** The vote for each Lot owned by a Member shall be exercised by the Owner of the Lot. In any situation where there is more than one Owner of such Lot, the vote for such Lot shall be exercised as the co-Owners determine among themselves and advise the Secretary of the Association in writing prior to the vote being taken. Absent such advice, the Lot's vote shall be suspended if more than one Person seeks to exercise it in a conflicting manner.

(b) **Commencement of Voting Rights.** Voting rights as to each Lot shall vest upon the commencement of assessment obligations for such Lot.

#### **ARTICLE VII – ASSOCIATION POWERS AND RESPONSIBILITIES**

##### **7.1 Acceptance and Control of Association Property.**

(a) The Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property.

(b) The Founder and its designees may convey real or personal property to the Association

##### **7.2 Maintenance of Common Area.**

(a) The Association shall maintain, in accordance with the Community-Wide Standard, the Common Area and easements, along with such portions of additional property included within the Common Area as may be dictated by this Declaration, any Supplemental Declaration, any Covenant to Share Costs, or any contract or agreement for maintenance thereof entered into by the Association.

(b) The Association may maintain other property that it does not own if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard. The Association shall

not be liable for any damage or injury occurring on or arising out of the condition of, property which it does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities.

(c) The Association shall own and maintain the facilities and equipment within the Common Area, if any, in continuous operation, except for any periods necessary, as determined in the sole discretion of the Board, to perform required maintenance or repairs, unless one hundred percent (100%) of the Members in the Association agree in writing to discontinue such operation.

(d) Notwithstanding the foregoing, the Common Area shall not be reduced by amendment of this Declaration or any other means except with the prior written approval of the Founder as long as the Founder owns any property described on **Exhibit A** of this Declaration or that may become subject to this Declaration pursuant to Section 9.1.

(e) The costs associated with maintenance, repair and replacement of the Common Area and any improvements thereon, shall be a Common Expense; provided, the Association may seek reimbursement from the Owner(s) of, or other Person responsible for, certain portions of the Common Area pursuant to this Declaration, the Covenant to Share Costs, other recorded covenants, or agreements with the owner(s) thereof.

### 7.3 **Insurance.**

(a) **Required Coverages.** The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(i) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements within the Common Area to the extent that the Association has assumed responsibility in the event of a casualty, regardless of ownership. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement costs of the insured improvements under current building ordinance and codes;

(ii) Commercial general liability insurance on the Common Area, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, such coverage (including primary and any umbrella coverage) shall have a limit of at least one-million dollars (\$1,000,000.00) per occurrence with respect to bodily injury, personal injury, and property damage; provided, should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits. If the policy does not contain "severability of interest" in its terms, the Association shall acquire an endorsement to preclude the insurer's denial of a Lot Owner's claim because of negligent acts of the Association or of other Lot Owners;

(iii) Workers' compensation insurance and employers' liability insurance, if and to the extent required by law;

(iv) Directors' and officers' liability coverage with policy limits deemed prudent by the Board;

(v) Commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's best business judgment but not less than an amount equal to one-fourth (1/4) of the annual Base Assessments on all Lots plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Person serving without compensation; and

(vi) Such additional insurance as the Board, in its best business judgment, determines advisable.

Premiums for all insurance on the Common Area shall be assessed by the Board as a Common Expense.

(b) **Policy Requirements.** The Association shall arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in Teton County, Wyoming. All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Member insured.

The policies may contain a reasonable deductible, and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 7 3(a). In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the Bylaws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Lots as a Specific Assessment.

All insurance coverage obtained by the Board shall:

- (i) Be written with a company authorized to do business in the State of Wyoming;
- (ii) Be written in the name of the Association as trustee for the benefited parties.
- (iii) Not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;
- (iv) Contain an inflation guard endorsement;
- (v) Include an agreed amount endorsement if the policy contains a co-insurance clause;
- (vi) Provide a waiver of subrogation under the policy against any Owner or household member of an Owner;
- (vii) Include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure;
- (viii) Include an endorsement precluding cancellation, invalidation, or condition to recovery under the policy on account of any act or omission of any one or more individual Owners, unless such Owner is acting within the scope of its authority on behalf of the Association;
- (ix) Provide that the policy will be primary, even if a Lot Owner has other insurance that covers the same loss.

In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners as additional insureds and provide:

- (i) A waiver of subrogation as to any claims against the Association's Board, officers, employees, and its manager, its attorneys, the Owners and their tenants, servants, agents, and guests;

- (ii) A waiver of the insurer's rights to repair and reconstruct instead of paying cash;
- (iii) An endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;
- (iv) An endorsement requiring at least thirty (30) days prior written notice to the Association of any cancellation, substantial modification, or non-renewal; and
- (v) A provision vesting in the Board exclusive authority to adjust losses; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any related to the loss.

(c) **Restoring Damaged Improvements.** In the event of damage to or destruction of property that the Association is obligated to insure, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Damaged improvements on the property shall be repaired or reconstructed unless at least seventy-five percent (75%) of Members decide within sixty (60) days after the loss not to repair or reconstruct. If either the insurance proceeds or estimates of the loss, or both, are not available to the Association within such sixty (60) day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed sixty (60) additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If a decision is made not to restore the damaged improvements, and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by the Association for the benefit of its Members or the Owners of Lots, as appropriate, and placed in a capital improvements account.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may, without a vote of the Members, levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 7 3(a).

**7.4 Compliance and Enforcement.** Every Owner and occupant of a Lot shall comply with the Governing Documents. The Board may impose sanctions for violation of the Governing Documents after notice and a hearing in accordance with the procedures set forth in the Bylaws. Such sanctions may include, without limitation:

- (a) Imposing reasonable monetary fines (which shall not, except in the case of nonpayment of assessments, constitute a lien upon the violator's Lot). In the event that any occupant, guest or invitee of a Lot violates the Governing Documents and a fine is imposed, the fine shall first be assessed against the violator; provided however, if the fine is not paid by the violator within the time period set by the Board, the Owner shall pay the fine upon notice from the Board;
- (b) Suspending an Owner's right to vote;
- (c) Suspending any Person's right to use any Common Area within the Properties; provided, however, nothing herein shall authorize the Board to limit ingress or egress to or from a Lot;

(d) Suspending any services provided by the Association to an Owner or the Owner's Lot if the Owner is more than thirty (30) days delinquent in paying any assessment or other charge owed to the Association;

(e) Exercising self-help or taking action to abate any violation of the Governing Documents in a non-emergency situation;

(f) Requiring an Owner, as its own expense, to remove any structure or improvements on such Owner's Lot in violation of Article IV and to restore the Lot to its previous condition and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass;

(g) Without liability to any Person, precluding any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of Article IV from continuing or performing any further activities in the Properties; and

(h) Levying Specific Assessments to cover costs incurred by the Association to bring a Lot into compliance with Governing Documents.

In addition, the Board may take the following enforcement procedures to ensure compliance with the Governing Documents without the necessity of compliance with the procedures set forth in the Bylaws:

(a) Exercising self-help in any emergency situation (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations); and

(b) Bringing suit at law or in equity to enjoin any violation or to recover monetary damages to both.

In addition to any other enforcement rights, if an Owner fails to properly perform his or her maintenance responsibility, the Association may record a notice of violation in the Public Records or perform such maintenance responsibilities and assess all costs incurred by the Association against the Lot and the Owner as a Specific Assessment. Except in an emergency situation, the Association shall provide the Owner reasonable notice and an opportunity to cure the problem prior to taking such enforcement action.

All remedies set forth in the Governing Document shall be cumulative of any remedies available at law or in equity. In any action to enforce the Governing Documents, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys fees and court costs, reasonably incurred in such action.

The Association shall not be obligated to take any action if the Board reasonably determines that the Association's position is not strong enough to justify taking such action. Such a decision shall not be construed a waiver of the right of the Association to enforce such provision at a later time under other circumstances or estop the Association from enforcing any other covenant, restriction or rule.

The Association, by contract or other agreement, may enforce applicable city and county ordinances, if applicable, and permit Teton County, Wyoming to enforce ordinances within the Properties for the benefit of the Association and its Members.

**7.5 Implied Rights; Board Authority.** The Association may exercise any right or privilege given to it expressly by the Governing Documents, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the Governing Documents, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

**7.6 Indemnification of Officers, Directors and Others.** The Association shall indemnify every officer, director, and committee member against all damages and expenses, including counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement or any suit or proceeding, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer, director, or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under Wyoming law and the Bylaws.

**7.7 Enhancement of Safety.** The Association may provide for a security patrol within the Properties, and the Association may, but shall not be obligated to, maintain or support certain other activities within the Properties designed to enhance the safety of the Properties. Neither the Association nor the Founder shall in any way be considered insurers or guarantors of security within the Properties, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any patrol, systems, or measures, including any mechanism or system for limiting access to the Properties, cannot be compromised or circumvented, nor that any such patrol, systems, or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the patrol or system is designed or intended. Each Owner acknowledges, understands and covenants to inform its tenants and all occupants of its Lot that the Association, its Board and committees, and the Founder are not insurers of safety and that each Person using the Properties assumes all risks of person injury and loss or damage to property, including Lots and the contents of Lots, resulting from acts of third parties.

**7.8 Provision of Services.** The Association shall be authorized but not obligated to enter into and terminate, in the Board's discretion, contracts or agreements with other entities, including Founder, to provide services to and facilities for the Members of the Association and their guests, lessees and invitees and to charge use and consumption fees for such services and facilities. By way of example, some services which might be offered include property management services, landscape maintenance, pest control, boarding of horses, and similar services.

**7.9 Maintenance of Association Standing.** The Association shall be obligated to maintain itself in good standing with the Wyoming Secretary of State and any other governmental entities having jurisdiction over the activities or existence of the Association.

#### ARTICLE VIII – ASSOCIATION FINANCES

**8.1 Budgeting and Allocating Common Expenses.** At least sixty (60) days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses, including any and all expenses associated with the enhancement of safety and the provision of services as set forth in Sections 7.7 and 7.8, for the coming year, including any contributions to be made to a reserve fund pursuant to Section 8.2. The budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Lots, and the amount to be generated through the levy of Base Assessments, Special Assessments and Specific Assessments against each.

The Association is hereby authorized to levy Base Assessments against all Lots subject to assessment under Section 8.6 to fund the Common Expenses. In determining the Base Assessment rate per Lot, the Board may consider any assessment income expected to be generated from any additional Lots reasonably anticipated becoming subject to assessment during the fiscal year.

The Founder may, but shall not be obligated to, reduce the Base Assessment for any fiscal year by payment of a subsidy (in addition to any amounts paid by Founder under Section 8.7(b)) which may be either a contribution, an advance against future assessments due from the Founder, or a loan, in the Founder's discretion. Any such subsidy shall be disclosed as a line item in the income portion of the budget. The payment of such subsidy in any year shall not obligate the Founder to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and the Founder.

The Board shall send a copy of the final budget, together with notice of the amount of the Base Assessment to be levied pursuant to such budget, to each Owner not less than thirty (30) nor more than sixty (60) days prior to the effective date of such budget. Such budget and assessment shall automatically become effective unless subject to the limitation on increases of assessments provided for in Section 8.5.

Failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay assessments on the same basis as for the last year for which an assessment was made, if any, until a new assessment is made, at which time the Association may retroactively assess any shortfalls in collections.

The Board may revise the budget and adjust the Base Assessment from time to time during the year, subject to the notice requirements and the limitations on increases of assessments provided for in Section 8.5.

**8.2 Budgeting for Reserves.** The Board shall prepare and review at least every three (3) years a reserve budget for the Common Area and the Roadway System. The budget shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall include in the Common Expense budget adopted pursuant to Section 8.1, a capital contribution paid by Owners to fund reserves in an amount sufficient to meet the projected need with respect both to amount and timing by annual contributions over the budget period.

**8.3 Special Assessments.** In addition to other authorized assessments, the Association may, subject to the limitations of Section 8.5, levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against the entire membership, if such Special Assessment is for Common Expenses or against an individual Lot or Lots if such Special Assessment is for an unbudgeted expense relating to less than all of the Lots. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved. The Board shall provide notice by first class mail to the Owner(s) of the Lot(s) subject to the Special Assessment not less than thirty (30) nor more than sixty (60) days prior to the Special Assessment becoming due.

**8.4 Specific Assessments.** The Association shall have the power to levy Specific Assessments against a particular Lot as follows:

(a) To cover the costs, including overhead and administrative costs, of providing services to a Lot upon request of an Owner pursuant to any menu of special services which may be offered by the Association (which might include items identified in Section 7.8). Specific Assessments for special services may be levied in advance of the provision of the requested service; and

(b) To cover costs incurred in bringing a nonconforming Lot into compliance with the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or occupants of a nonconforming Lot, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the nonconforming Lot Owner prior written notice and an opportunity for a hearing, in accordance with the Bylaws, before levying any Specific Assessment under this subsection (b).

**8.5 Limitation on Increases of Assessments.** Notwithstanding any provision to the contrary, and except for assessment increases necessary for emergency situations or to reimburse the Association pursuant to Sections 8.4(a) or (b), the Board may not impose a Base Assessment that is more than twenty percent (20%) greater than each of those assessments for the immediately preceding fiscal year, nor impose a Special Assessment which in the aggregate exceeds five percent (5%) of the budgeted Common Expenses for the current fiscal year, without a majority vote of a quorum of the Members who are subject to the applicable assessment at a meeting of the Association, or action without meeting by written ballot in lieu thereof signed by all of the Members of the Association.



For purposes of this Section, "quorum" means more than fifty percent (50%) of the total voting power of the Association subject to the applicable assessment. For purposes of this Section, the term "Base Assessment" shall be deemed to include the amount assessed against each Lot plus a pro rata allocation of any amounts the Association received through any subsidy or maintenance agreement, if any, in effect for the year immediately preceding the year for which the assessment is to be increased.

An emergency situation justifying a Special Assessment may be, but shall not be limited to, any one of the following:

- (a) An extraordinary expense required by an order of a court;
- (b) An extraordinary expense necessary to repair or maintain the Properties or any part of them for which the Association is responsible where a threat to personal safety on the Properties is discovered; or
- (c) An extraordinary expense necessary to repair or maintain the Properties or any part of them for which the Association is responsible which expense could not have been reasonably foreseen by the Board in preparing and distributing the budget as provided for in Section 8.1. However, prior to the imposition or collection of such an assessment, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process. Such resolution shall be distributed to the Members with the notice of such assessment. In no event shall such resolution become effective against the Founder so long as the Founder owns any Lot(s) within the Properties unless the Founder consents in writing by executing any such resolution.

**8.6 Authority to Assess Owners; Date of Commencement of Assessments; Time of Payment.** The Founder hereby establishes that the Association is authorized to levy assessments as provided for in this Article and elsewhere in the Governing Documents. Subject to Sections 8.1, 8.7 and 10.10, the obligation to pay the assessments provided for herein shall commence as to all Lots on the first day of the month following the first conveyance of a Lot to an Owner. The first annual assessment shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on the Lot. Any assessments collected but not spent prior to the completion of the Roadway System or the Association incurring expenses shall be placed into the Association's reserve account for maintenance, repair and replacement of the Roadway System and any other common amenities.

Assessments shall be paid in such manner and on such dates as the Board may establish. The Board may require advance payment of assessments at closing of the transfer of title to a Lot and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, annual assessments may be paid in two or more installments. Unless the Board otherwise provides, the Base Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his or her Lot, the Board may require the outstanding balance on all assessments to be paid in full immediately.

**8.7 Personal Obligation.**

(a) Each Owner, by accepting a deed or entering into a recorded contract of sale for any portion of the Properties, is deemed to covenant and agree to pay all assessments authorized in the Governing Documents. All assessments, together with interest (computed from its due date at a rate of eighteen percent (18%) per annum or such other rate as the Board may establish, subject to the limitations of Wyoming law), late charges as determined by Board resolution, costs, and reasonable attorneys' fees, shall be the personal obligation of each Owner and a lien upon each Lot until paid in full. Upon a transfer of title to a Lot, the grantee shall not be personally liable for any assessments and other charges due at the time of conveyance unless expressly assumed by him/her, but such transferred Lot shall remain subject to any liens imposed upon it pursuant to Section 8.8 herein. No first Mortgagee who obtains title to a Lot by exercising the remedies provided in its Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

Failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Base Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

No Owner may exempt himself from liability for assessments by non-use of the Common Area, by abandonment of his Lot, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

The Association shall, upon request, furnish to any Owner liable for any type of assessment a certificate in writing signed by an Association officer setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

(b) **Founder's Obligations for Assessments.** The Founder is subject to the payment of assessments against Lots that it owns.

**8.8 Lien for Assessments.** Each Owner, by his or her acceptance of a deed to a Lot, hereby vests in the Association and its agents the right and power to bring all appropriate actions against such Owner personally for the collection as a debt of any unpaid and delinquent billings for Base Assessments, Special Assessments, Specific Assessments, interest, late fees, enforcement costs and other charges owing by such Owner in accordance with the terms hereof. Additionally, in order to secure payment of any billings for Base Assessments, as well as Special Assessments and Specific Assessments, interest, late fees, enforcement costs and other charges due hereunder, Founder hereby retains, and each Owner by his or her acceptance of a deed to a Lot, hereby grants the Association and its agents a lien for such Base Assessments, as well as Special Assessments and Specific Assessments, interest, late fees, enforcement costs and other charges for which such Owner is responsible under the terms hereof. The Board, acting on behalf of the Association, is authorized to record a notice of any unpaid amounts secured by such lien in the Public Records, which shall include a description of the applicable Lot and the name of the Owner thereof and the basis for the amount of the lien. Said lien shall be enforceable by the Association or its agents through all appropriate methods available under applicable Wyoming law for the enforcement of such liens, including without limitation, non-judicial foreclosure, and the Founder and each such Owner hereby expressly grant to the Association a power of sale in connection with said lien. The Association may designate a trustee in writing from time to time to post or cause to be posted the required notices and to conduct such foreclosure sale. The trustee may be changed at any time and from time to time by an instrument in writing and signed by the President or a Vice President of the Association and attested by the Secretary or any Assistant Secretary of the Association and filed for record in the Public Records. The lien herein retained and granted is and shall be expressly subordinate in all respects to any Mortgage predating the charge in question (as evidenced by the recording date of a notice of unpaid assessments in the Public Records). Any holder of a Mortgage that predates the date of the charge in question and who acquires title to a Lot through foreclosure of its Mortgage or acceptance of a deed in lieu of foreclosure thereunder, shall not be liable for the unpaid portion of any such charges relating to the Lot in question that arose prior to such acquisition. Additionally, after any such foreclosure or deed in lieu of foreclosure, such Lot shall remain subject to this Declaration and the above-described lien and the new Owner of such Lot shall thereafter be personally liable for all charges of the type described above which relate to such Lot and which become due after such new Owner acquires title to said Lot by foreclosure or by acceptance of a deed in lieu of foreclosure. Except as otherwise provided above as to holders of Mortgages or by applicable law, no sale or transfer of any Lot shall: (a) relieve any Owner thereof from personal liability for any of such unpaid charges attributable to the applicable Lot which become due prior to the date of such sale or transfer; or (b) satisfy or extinguish the above-described lien in respect of such unpaid charges.

#### **PART FOUR: COMMUNITY DEVELOPMENT**

Black Sheep Farm Subdivision  
Declaration of Covenants, Conditions and Restrictions

## ARTICLE IX – EXPANSION OF THE COMMUNITY

**9.1 Expansion by the Founder.** Until the Founder has sold eighty percent (80%) of the Properties subject to this Declaration, the Founder may annex additional properties into the regime of this Declaration provided such property is contiguous to the properties currently contiguous to this Declaration. Such annexation shall be accomplished by filing a Supplemental Declaration in the Public Records describing the property to be annexed and specifically subjecting it to the terms of this Declaration. Such Supplemental Declaration shall not require the consent of Members, but shall require the consent of the owner of such property, if other than Founder. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein.

**9.2 Additional Covenants and Easements.** The Founder may subject any portion of the Properties to additional covenants and easements, including covenants obligating the Association to maintain and insure such property and authorizing the Association to recover its costs through the various Assessments as provided for herein. Such additional covenants and easements may be set forth either in a Supplemental Declaration subjecting such property to this Declaration or in a separate Supplemental Declaration referencing property previously subjected to this Declaration. If the property is owned by someone other than Founder, then the consent of the owner(s) of such property shall be necessary and shall be evidenced by their execution of the Supplemental Declaration. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

**9.3 Effect of Filing Supplemental Declarations.** Any Supplemental Declaration filed pursuant to this Article shall be effective upon recording in the Public Records unless otherwise specified in such Supplemental Declaration. On the effective date of the Supplemental Declaration, any additional property subjected to this Declaration shall be assigned voting rights in the Association and assessment liability in accordance with the provisions of this Declaration.

**9.4 Budget Considerations.** As additional properties are annexed to the Properties pursuant to this Article, the budget of the Association may be affected, as well as assessment obligations of the Owners as a result thereof. In this event, any budget affecting the assessment obligations of the Owners shall be recalculated as of the end of the Association's fiscal year in which the additional property was annexed into the Association.

## ARTICLE X – ADDITIONAL RIGHTS RESERVED TO FOUNDER

**10.1 Withdrawal of Property.** The Founder reserves the right to amend this Declaration so long as it has a right to annex additional property pursuant to Article IX, without prior notice and without the consent of any Person, for the purpose of removing property then owned by the Founder, its affiliates, or the Association from the coverage of this Declaration, to the extent originally included in error or as a result of any changes in the Founder's plans for the Properties, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Properties.

**10.2 Marketing and Sales Activities.** The Founder may maintain and carry out upon any of the Properties owned by Founder such facilities and activities as, in the sole opinion of the Founder, may be reasonably required, convenient, or incidental to the sale of Lots, including, but not limited to, signs, and other forms of advertising. The Founder and authorized invitees shall have easements for access over the Lots for this purpose. The Founder shall also have the right to conduct marketing and sales activities on portions of the Properties that it owns. The Founder shall have easements for access over the Properties to and use of any facilities located thereon together with the right to attract, invite or bring prospective purchasers of Lots into the Properties owned by Founder at all times.

**10.3 Right to Develop.** The Founder and its employees, agents and designees shall have a right of access and use and an easement over and upon all of the Common Area, if any, and the Roadway System for the

purpose of making, constructing and installing improvements to such areas as it deems appropriate in its sole discretion. Founder agrees that it or the Person exercising such easement shall be responsible for any damage caused to such areas as a result of the exercise of the easement.

**10.4 Right to Approve Additional Covenants.** No Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Properties without Founder's review and written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed by the Founder and recorded in the Public Records.

**10.5 Right to Approve Changes in Community Standards.** No amendment to or modification of any Master Rules and Regulations or Article IV shall be effective without prior notice to and the written approval of Founder so long as the Founder owns property subject to this Declaration or which may become subject to this Declaration in accordance with Article IX.

**10.6 Right to Transfer or Assign Founder Rights.** Any or all of the special rights and obligations of the Founder set forth in this Declaration may be transferred in whole or in part to other Persons; provided, the transfer shall not reduce an obligation or enlarge a right beyond that which the Founder has under this Declaration. No such transfer or assignment shall be effective unless it is in a written instrument signed by the Founder and duly recorded in the Public Records. The foregoing sentence shall not preclude Founder from permitting other Persons to exercise, on a one-time or limited basis, any right reserved to Founder in this Declaration where Founder does not intend to transfer such right in its entirety, and in such case it shall not be necessary to record any written assignment unless necessary to evidence Founder's consent to such exercise.

**10.7 Exclusive Rights to Use Name of Development.** No Person shall use the name "Black Sheep Farm" or any derivative of such name in any printed or promotional material without the Founder's prior written consent. This exclusive reservation of right to Founder shall not apply to limit: (i) Owners who may use the name "Black Sheep Farm" in printed or promotional matter where such term is used solely to specify that particular property is located within Black Sheep Farm Subdivision; and (ii) the Association, which shall be entitled to use the words "Black Sheep Farm" in its name.

**10.8 Special Districts.** The Founder hereby reserves the right to create an assessment, water, road or any other type of special district which, in its sole opinion, are beneficial to the Properties. The Association and each and every Owner, by accepting a deed to a Lot, agrees to cooperate with Founder in creating and implementing such district. Nothing in this Section shall create an obligation on Founder to create or implement such districts.

**10.9 Right to Appoint Members of Board and Architectural Review Committee.** The Founder shall have the right to appoint the initial members of the Board of Directors of the Association and the initial members of any committee of the Board, including but not limited to the Architectural Review Committee, except as otherwise provided in the Bylaws.

**10.10 Right to Delay Commencement of Association Meetings or Assessments.** The Founder hereby reserves the right to delay the commencement of Association meetings or to delay implementation of Association assessments as required hereunder and in the Bylaws.

**10.11 Termination of Rights.** The rights contained in this Article shall not terminate until any real property made subject to this Declaration pursuant to Article IX, has been sold or otherwise transferred to Owners unless Founder elects to terminate such reservations at an earlier date. Founder may from time to time relinquish and surrender one or more but less than all of the reserved rights, in which event the unrelinquished reserved rights shall remain fully valid and effective for the remainder of the term thereof. In the event Founder fails to record such written statement relinquishing its reserved rights hereunder, such reserved rights shall nonetheless terminate when Founder no longer owns any real property that is subject to this Declaration or that may become subject to this Declaration pursuant to Section 9.1.

**PART FIVE: PROPERTY RIGHTS WITHIN THE COMMUNITY**

**ARTICLE XI – EASEMENTS**

**11.1 Easements in Common Area.** The Founder grants to each Owner a non-exclusive right and easement of use (subject to the rights of other Owners, Members and the Association), access, and enjoyment in and to the Common Area, if any, subject to:

- (a) The Governing Documents and any other applicable covenants;
- (b) Any restrictions or limitation contained in any deed conveying such property to the Association;
- (c) The right of the Board to adopt rules regulating the use and enjoyment of the Common Area;
- (d) The right of the Board to suspend the right of an Owner to use the Common Area (i) for any period during which any charge or assessment against such Owner's Lot remains delinquent, and (ii) for a period not to exceed thirty (30) days for a single violation or for a longer period in the case of any continuing violation of the Governing Documents after notice and a hearing pursuant to the Bylaws.

Any Owner may extend his or her right of use and enjoyment of the Common Area to the members of his or her family, lessees, and social invitees, as applicable, subject to reasonable regulation by the Board. An Owner who leases his or her Lot shall be deemed to have assigned all such rights to the lessee of such Lot for the period of the lease.

**11.2 Easements.**

(a) All dedications, limitations, restrictions and reservations of easements, including those for drainage, shown on the Plat are incorporated herein by reference and made a part of this Declaration for all purposes as if fully set forth in this Declaration.

(b) The Founder hereby grants to the Association and, so long as the Founder owns any property described on **Exhibit A** of this Declaration or annexed hereto pursuant to Article IX of this Declaration, reserves for itself, and reserves the right to grant to utility providers and the Association, perpetual non-exclusive utilities easements in, on, under, over and across the Properties for the purpose of:

(i) Installing utilities and infrastructure, including without limitation, cable and other systems for sending and receiving data and/or other electronic signals; security and similar systems; walkways, pathways and trails; drainage systems and signage; to serve the Properties;

(ii) Inspecting, maintaining, repairing and replacing a roadway and other such utilities and infrastructure to serve the Properties; and

(iii) Access to read utility meters.

(c) The Founder hereby grants to the Association and, so long as the Founder owns any property described on **Exhibit A** of this Declaration or annexed hereto pursuant to Article IX of this Declaration, reserves for itself, and reserves the right to grant to third parties and the Association, perpetual non-exclusive maintenance easements in, on, under, over and across the Common Area for the purpose of installing, repairing, replacing and maintaining the roadways and the infrastructure for the drainage creek and pond, including without limitation, walkways, pathway, trails and drainage systems;

(d) The Founder hereby grants to the Association the following: (i) a perpetual non-exclusive use and maintenance easement in, on, under, over and across the Agricultural Easement for the purpose of maintaining the Agricultural Easement, including without limitation, fencing, walkways, pathways and trails, and (ii) the right to grant licenses to the Owners to use the Agricultural Easement in accordance with this Declaration and the Master Rules and Regulations.

(e) Founder also reserves for itself, so long as the Founder owns any property described on **Exhibit A** of this Declaration or annexed hereto pursuant to Article IX of this Declaration, the non-exclusive right and power to grant and record in the Public Records such specific easements as may be necessary, in the sole discretion of Founder, in connection with the orderly development of the property described on **Exhibit A** or any property annexed hereto pursuant to Article IX.

(f) All work associated with the exercise of the easements described in subsections (b), (c) and (d) of this Section shall be performed in such a manner as to minimize interference with the use and enjoyment of the property burdened by the easement. Upon completion of the work, the Person exercising the easement shall restore the property, to the extent reasonably possible, to its condition prior to the commencement of the work. The exercise of these easements shall not extend to permitting entry into the structures on any Lot, nor shall it unreasonably interfere with the use of any Lot and, except in an emergency, entry onto any Lot shall be made only after reasonable notice to the Owner or occupant.

**11.3 Easements to Serve Additional Property.** The Founder hereby reserves for itself and its duly authorized agents, successors, assigns, and mortgagees, an easement over the Common Area for the purposes of enjoyment, use, access, and development of any property annexed into the Declaration, whether or not such property is made subject to the Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Roadway System for construction of roads and for connecting and installing utilities on such property.

**11.4 Easements for Maintenance, Emergency and Enforcement.** The Founder grants to the Association easements over the Common Area as necessary to enable the Association to fulfill its maintenance responsibilities under Section 7.2 and, if applicable, Article V. The Association shall also have the right, but not the obligation, to enter upon any Lot, but not to enter any structure thereon, for emergency, security, and safety reasons and to inspect for the purpose of ensuring compliance with and to enforce the Governing Documents. Such right may be exercised by any member of the Board and its duly authorized agents and assignees, and all emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner.

**11.5 Easements for Cross-Drainage.** Every Lot shall be burdened with easements for natural drainage of storm water runoff from other portions of the Properties; provided, no Person shall alter the natural drainage on any Lot to increase materially the drainage of storm water onto adjacent portions of the Properties without the consent of the Owner(s) of the affected Lot and the Board.

**11.6 Easement for Emergency Vehicles.** The Properties are hereby burdened with an easement allowing all policemen, firemen, ambulance personnel, and similar emergency personnel entry to perform their duties, including the enforcement of traffic regulations.

**11.7 Title to and Use of Roadway System.** Title to the portion of the Roadway System that is contained within the boundaries of a Lot (the "Burdened Lot") shall be retained by the Owner of the Burdened Lot and shall be subject to the provisions of this Declaration. Founder hereby grants to each Owner and occupant, its successors and assigns and each of their guests or invitees a non-exclusive easement in, on, under, over and across the Roadway System for vehicular and pedestrian ingress, egress, access to and from their Lot and for private road purposes subject to the Master Rules and Regulations

The Association shall have the right to control vehicular circulation through the Properties by such means as establishing speed limits, by installing speed bumps or by any other means reasonably adopted by the Association.

## PART SIX: RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY

*The growth and success of Black Sheep Farm Subdivision as a community in which people enjoy living requires good faith efforts to resolve disputes amicably, attention to and understanding of relationships within the community and with our neighbors, and protections of the rights of others who have an interest in the community*

### ARTICLE XII – DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

**12.1 Consents for Association Litigation.** Except as provided in this Section, the Association shall not commence a judicial or administrative proceeding without the approval of a majority of a quorum of the Members. This Section shall not apply, however, to (a) actions brought by the Association to enforce the Governing Documents (including, without limitation, the foreclosure of liens); (b) the collection of assessments; or (c) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

**12.2 Alternative Method for Resolving Disputes.** The Founder, the Association, its officers, directors, and committee members, if any, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, “Bound Parties”) agree to encourage the amicable resolution of disputes involving the Properties, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that those claims, grievances or disputes described in Section 12.3 shall be resolved using the procedures set forth in Section 12.4 in lieu of filing suit in any court.

**12.3 Claims.** Unless specifically exempted below, all Claims arising out of or relating to the interpretation, application or enforcement of the Governing Documents, or the rights, obligations and duties of any Bound Party under the Governing Documents or relating to the design or construction of improvements on the Properties shall be subject to the provisions of Section 12.4.

Notwithstanding the above, unless all parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 12.4:

(a) Any suit by the Association against a Bound Party to obtain a temporary restraining order (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association’s ability to enforce the provisions of Articles III, IV and V;

(b) Any suit between Owners, which does not include Founder or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents, if the amount in controversy exceeds five thousand dollars (\$5,000);

(c) Any suit in which any indispensable party is not a Bound Party;

(d) Any suit as to which the applicable statute of limitations would expire within one-hundred twenty (120) days of the Request for Resolution pursuant to Section 12.4, unless the party or parties against whom the Claim is made agree to toll the statute of limitations for such periods as may be reasonably necessary to comply with this Article; and

With the consent of all parties thereto, any of the above may be submitted to the alternative dispute resolution procedures set forth in Section 12.4.

### 12.4 Mandatory Procedures.

(a) **Request for Resolution.** Any Bound Party having a Claim (“Claimant”) against any other Bound Party (“Respondent”) (collectively, the “Parties”) shall notify each Respondent in writing (the “Request for Resolution”), stating plainly and concisely:

1. The nature of the Claim, including the Persons involved and Respondent;
2. The legal basis of the Claim (i.e., the specific authority out of which the Claim arises);
3. Claimant’s proposed remedy;
4. That Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim; and
5. That Respondent must respond to the Request for Resolution within thirty (30) days of its receipt or it will be deemed to have been rejected.

(b) **Negotiation and Mediation.**

1. The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Request for Resolution, the Board may appoint a representative to assist the Parties in negotiation.

2. If the Respondent rejects the Request for Resolution, or Parties do not resolve the Claim within ninety (90) days of the date of acceptance of the Request for Resolution (or within such other period as may be agreed upon by the Parties) (“Termination of Negotiations”), Claimant shall have thirty (30) additional days to submit the Claim to mediation under the auspice of an independent mediation agency providing dispute resolution services in Teton County, Wyoming.

3. If Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to any Person other than the Claimant.

4. Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the Parties. If the Parties do not settle the Claim within thirty (30) days after submission of the matter to the mediation, or within such time as determined by the mediator, the mediator shall issue a notice of termination of the mediation proceedings (“Termination of Mediation”). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.

5. Within five (5) days of the Termination of Mediation, the Claimant shall make a final written settlement demand (“Settlement Demand”) to the Respondent, and the Respondent shall make a final written settlement offer (“Settlement Offer”) to the Claimant. If the Claimant fails to make a Settlement Demand, Claimant’s original Request for Resolution shall constitute the Settlement Demand. If the Respondent fails to make a Settlement Offer, Respondent shall be deemed to have made a “zero” or “take nothing” Settlement Offer. In this event, the Mediator shall issue a final written binding decision within ten (10) days of the last offer. This decision shall bind the parties and may be reduced to judgment. The judgment may be enforced by a court of law after the procedures described in Section 12.6 have been exhausted.

#### **12.5 Allocation of Costs of Resolving Claims.**

(a) Subject to Section 12.5(b), each Party shall bear its own costs, including attorneys’ fees, and each Party shall share equally all charges rendered by the mediator(s) (“Post Mediation Costs”).



(b) Any Award which is equal to or more favorable to Claimant than Claimant's Settlement Demand shall add Claimant's Post Mediation Costs to the Award, such costs to be borne equally by all Respondents. Any Award which is equal to or less favorable to Claimant than any Respondent's Settlement Offer shall award to such Respondent its Post Mediation Costs.

**12.6 Enforcement of Resolution.** After resolution of any Claim, if any Party fails to abide by the terms of any agreement or Award, then any other Party may file suit or initiate administrative proceedings to enforce such agreement or Award without the need to again comply with the procedures set forth in Section 12.4. In such event, the Party taking action to enforce the agreement or Award shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) at all costs incurred in enforcing such agreement or Award, including, without limitation, attorneys' fees and court costs.

**12.7 Board Authorization.** The Board may perform any act reasonably necessary to institute, defend, settle, or intervene on behalf of the Association in binding arbitration, non-binding arbitration, mediation, litigation, or administrative proceedings in matters pertaining to (a) enforcement of the governing documents, (b) damage to the Common Area or Roadway System, (c) damage to the Lots which arises out of, or is integrally related to, damage to the Common Area or Roadway System, or (d) any other civil claim or action.

#### ARTICLE XIII – AMENDMENT OF DECLARATION

**13.1 By Founder.** In addition to specific amendment rights granted elsewhere in this Declaration, until conveyance of the fifth Lot to an Owner, Founder may unilaterally amend or repeal this Declaration for any purpose. Thereafter, the Founder may unilaterally amend this Declaration if such amendment is necessary to (i) bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) enable any reputable title insurance company to issue title insurance coverage on the Lots; (iii) enable any institutional or Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guaranty mortgage loans on the Lots; or (iv) to satisfy the requirements of any local, state or federal governmental agency. However, any such amendment shall not adversely affect the title to any Lot unless the Owner thereof shall consent in writing.

**13.2 By Members.** Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of at least seventy-five percent (75%) of the Members.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

**13.3 Validity and Effective Date.** No amendment may remove, revoke, or modify any right or privilege of the Founder without the written consent of the Founder. If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment. Any amendment shall become effective upon recording in the Public Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within thirty (30) days of its recordation, or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

IN WITNESS WHEREOF, the undersigned Founder has executed this Declaration the date and year first written above.

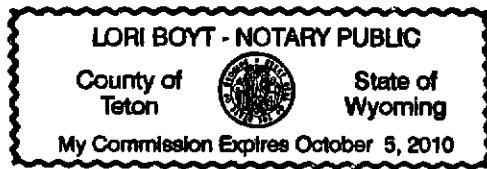
Alta North Investors, LLC, a Wyoming limited liability company,

By: *MWD*  
Name: Mark Dowson  
Title: Manager

STATE OF WYOMING )  
 ) ss.  
COUNTY OF TETON )

On 19<sup>th</sup> of December, 2006, before me, *Lori Boyt* ~~Mark Dowson~~ Notary Public, personally appeared Mark Dowson personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he or she executed the same in his or her authorized capacity, and that by his or her signature on the instrument, the person or entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



*L Boyt*  
Notary Public  
My commission expires: 10/5/2010

**EXHIBIT A**

**{legal description of property subject to Declaration}**

## Exhibit A

### LEGAL DESCRIPTION FOR THE BLACK SHEEP FARM

A parcel of land lying within a portion of the W1/2 E1/2 of Section 8, T. 44 N., R. 118 W., 6th P.M., Teton County, Wyoming described as follows:

**BEGINNING** at a point along the north line of the NW1/4 NE1/4 of said Section 8, lying S 89°56'32" W, a distance of 22.67 feet, from the E1/16 Corner common to Sections 5 and 8, T. 44 N., R. 118 W., 6th P.M., marked by a brass cap monument inscribed "C.V. KING RLS 590 1974", along with other markings;

THENCE, S 0°06'21" E, a distance of 2640.34 feet, along the west line of that strip of land described in that Quitclaim Deed recorded in Book 628, Pages 691-692 in the Office of the Clerk of Teton County, Wyoming, to a point of intersection with the south line of the SW1/4 NE1/4 of said Section 8;

THENCE, N 89°57'34" E, a distance of 18.10 feet, along the south line of the SW1/4 NE1/4 of said Section 8, to the CE1/16 Corner of said Section 8, marked by a pipe monument with aluminum cap inscribed "PIERSON LAND SURVEYS PLS 3831 2000", along with other markings;

THENCE, S 0°03'12" E, a distance of 45.00 feet, along the east line of the NW1/4 SE1/4 of said Section 8, to the NE corner of Lot 1, Dry Creek Meadows Subdivision Amended, recorded as Plat No. 1118 in the Office of the clerk of Teton County, Wyoming, marked by a rebar with aluminum cap inscribed "PIERSON LAND SURVEYS PLS 3831";

THENCE, S 89°57'34" W, a distance of 135.00 feet, along the north line of Lot 1 of said Dry Creek Meadows Subdivision Amended, to the northerly corner common to Lots 1 & 2 of said Dry Creek Meadows Subdivision Amended, marked by a rebar with aluminum cap inscribed "PIERSON LAND SURVEYS PLS 3831";

THENCE, S 83°42'46" W, a distance of 1167.84 feet, along the northerly line of Lot 2 of said Dry Creek Meadows Subdivision, to the NW corner of said Lot 2;

THENCE, N 1°07'20" W, a distance of 39.58 feet, to a point;

THENCE, N 3°10'21" E, a distance of 59.87 feet, to a point;

THENCE, N 1°00'56" E, a distance of 72.73 feet, to a point;

Pierson Land Works, Inc.

Project No. 02128

December 19, 2006

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THENCE, N 0°59'35" W, a distance of 88.79 feet, to a point;  
THENCE, N 1°04'33" E, a distance of 168.15 feet, to a point;  
THENCE, N 0°42'32" W, a distance of 189.51 feet, to a point;  
THENCE, N 0°55'14" E, a distance of 262.90 feet, to a point;  
THENCE, N 4°11'27" W, a distance of 144.60 feet, to a point;  
THENCE, N 3°41'11" W, a distance of 91.47 feet, to a point;  
THENCE, N 1°00'16" E, a distance of 107.78 feet, to a point;  
THENCE, N 9°12'39" W, a distance of 38.17 feet, to a point;  
THENCE, N 26°17'00" W, a distance of 23.53 feet, to a point;  
THENCE, N 0°00'11" E, a distance of 144.30 feet, to a point;  
THENCE, N 31°23'56" E, a distance of 31.57 feet, to a point;  
THENCE, N 1°01'34" W, a distance of 37.43 feet, to a point of intersection with the north line of SW1/4 NE1/4 of said Section 8;  
THENCE, S 89°57'03" W, a distance of 16.77 feet, to the CN1/16 Corner of said Section 8, marked by a pipe monument with aluminum cap inscribed "PIERSON LAND SURVEYS PLS 3831 2000", along with other markings;  
THENCE, N 0°00'11" E, a distance of 1319.97 feet, along the west line of the NW1/4 NE1/4 of said Section 8, to the N1/4 Corner of said Section 8;  
THENCE, N 89°56'32" E, a distance of 1297.49 feet, along the north line of the NW1/4 NE1/4 of said Section 8, to the **POINT OF BEGINNING**.

Said parcel containing 81.13 acres, more or less.

All in accordance with THE FINAL PLAT OF BLACK SHEEP FARM SUBDIVISION, to be recorded concurrently with this instrument in the Office of the Clerk of Teton County, Wyoming.