

STAR VALLEY RANCH ASSOCIATION

PLATS 4, 11, & 22

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION made on the date hereinafter set forth by LEISURE VALLEY, INC., a Nevada corporation doing business as STAR VALLEY RANCH, hereinafter referred to as Declarant",

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property in the unincorporated area of the County of Lincoln, State of Wyoming, described on Exhibit "A" attached hereto and made a part hereof, and said property is being developed by Declarant, LEISURE VALLEY, INC., a Nevada corporation doing business as STAR VALLEY RANCH, which corporation is also hereinafter referred to as "Developer"; and

WHEREAS, it is the desire and intention of the Declarant to sell the property described above and to impose upon it mutual beneficial restrictions under a general plan or scheme of improvement for the benefit of all of said lands and the future owners of those lands; and

WHEREAS, the Developer has incorporated a non-profit corporation known as THE STAR VALLEY RANCH ASSOCIATION, which will have powers to maintain, administer and enforce the covenants and restrictions hereinafter created, and the owners of lots or parcels referred to herein may be assessed by said Association for their share of common properties and recreational facilities which have been or may hereafter be acquired by the Association for the benefit of its members; and

WHEREAS, Declarant will convey the said property, subject to certain protective covenants, conditions, restrictions, reservations, easements, liens, and charges as hereinafter set forth;

NOW, THEREFORE, Declarant hereby declares that all of the property shall be held, sold, conveyed, encumbered, leased, rented, used, occupied, and improved subject to the following easements, restrictions, covenants, and conditions, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the real property and every part thereof. These easements, covenants, restrictions, and conditions shall run with the real property and shall be binding on all parties having or acquiring any right, title or interest in the described property or any part thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to THE STAR VALLEY RANCH ASSOCIATION, its successors and assigns.

Section 2. "Property" shall mean and refer to that certain real property described on Exhibit A attached hereto and made a part hereof.

Section 3. "Common Area" shall mean all real property acquired by the Association for the common use and enjoyment of the members of the Association, including any structures or other improvements thereon, and any real property used for ingress or egress to the Property which has been dedicated to, but is not being maintained by, the County of Lincoln.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property, with the exception of the Common Area.

Section 5. "Member" shall mean and refer to any person or entity who holds a membership in the Association by reason of purchasing or owning a portion of the Property.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot or parcel, and shall also include contract purchasers and the Declarant, but shall exclude those having such interest merely as security for the performance of any obligation.

Section 7. "Declarant" and "Developer" shall both mean and refer to LEISURE VALLEY, INC., doing business as STAR VALLEY RANCH, its successors and assigns, and shall also refer to the Developer if additional properties are annexed hereto by Developer, as hereinafter provided.

ARTICLE II

ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Additional properties in Lincoln County, Wyoming, may be annexed hereto by the Developer, LEISURE VALLEY, INC., or its successors, and said properties may be annexed to the Property without the assent of the Association members, and may be annexed subject to conditions, covenants and restrictions different from those contained herein. The Owners of said additional parcels or improvements shall also be members of the STAR VALLEY RANCH ASSOCIATION.

ARTICLE III

MEMBERSHIP

Every purchaser or owner of a Lot or parcel which is subject to assessment, as set forth in Article VI herein, shall be a Member of the Association. Membership shall be appurtenant to each Lot and may not be separated from the interest of an Owner in such Lot or parcel. Ownership of such interest shall be the sole qualification for membership.

ARTICLE IV

VOTING RIGHTS

The Association shall have one class of voting membership. All Owners or purchasers of a Lot shall be entitled to one vote for each Lot or parcel in which they hold the interest required for membership in Article III. When more than one person holds such an interest in any Lot, the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any one Lot. The Developer shall be entitled to one vote for each Lot or parcel held for sale.

ARTICLE V

PROPERTY RIGHTS

Section 1. Members' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area and such easement shall be appurtenant to the respective Lot or parcel for which each Owner holds such interest, and shall pass with the title to every assessed Lot or parcel, subject to the following provisions:

- (a) The right of the Association to limit the number of guests of Members;
- (b) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;
- (c) The right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of purchasing and improving Common Areas and facilities and in aid thereof to mortgage or otherwise encumber said property.
- (d) The right of the Association to suspend the voting rights and rights to use of the common facilities of a Member for any period during which any assessment against his Lot or parcel remains due and unpaid, and for a period not to exceed thirty (30) days after notice and hearing for any infraction of its published rules and regulations; and
- (e) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of the entire membership.

Section 2. Delegation of Use. Any member may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the Property.

ARTICLE VI

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner or purchaser of any Lot or parcel shall be deemed to covenant and agree to pay to the Association (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made when the Association causes to be recorded with the County Recorder of the County of Lincoln a notice of assessment stating the amount of such assessment and such other charges as hereinbelow provided, a description of the property being assessed, and the name of the record Owner thereof, executed by a duly authorized representative of the Association. Each such assessment, together with such interest, costs, and reasonable attorneys' fees shall also be the personal obligation of the person who was the Owner or purchaser of such property at the time when the assessment fell due. The Developer shall not be liable for the payment of assessments relating to unsold lots covered by these covenants and restrictions.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the Members of the Association, and in particular for the improvement and maintenance of the services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area.

Section 3. Basis and Maximum of Annual Assessments. Until January 1, 1987, the maximum annual assessment shall be Two Hundred Fifty Dollars (\$250.00) per Lot or parcel.

- (a) Thereafter, the maximum annual assessment may be increased effective January 1 of each year by the Board of Directors, without a vote of the membership, in conformance with the percentage increase, if any, of the Consumer Price Index, United States City Average for All Urban Consumers, as published by the United States Department of Labor for the immediately preceding month of July over such Index for the previous immediately preceding month of July.
- (b) Anything contained herein to the contrary notwithstanding, the maximum annual assessment may be

increased for the next succeeding year above that established by the Consumer Price Index formula by a vote of the Members taken within the last quarter of each such year, for each succeeding year, provided that any such change shall have the assent of two-thirds (2/3) of the votes of each the Members, present in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days, nor more than sixty (60) days in advance of the meeting, setting forth the purpose of the meeting.

- (c) After consideration of current maintenance costs and future needs of the Association, the Board of Directors shall fix the annual assessment at an amount not in excess of the maximum established for the subject year.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the costs of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto; provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the Members present in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days, nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

Section 5. Quorum for Any Action Authorized Under Sections 3 and 4. At any meeting called, as provided in Sections 3 and 4 hereof, the presence at the meeting of Members, or of proxies, entitled to cast sixty percent (60%) of all of the votes of the membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Sections 3 and 4, except that the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, and no such subsequent meeting shall be held more than thirty (30) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and parcels and may be collected on a monthly or other convenient basis.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots or parcels on the first day of the month following the execution of a Contract for Deed or the conveyance of a deed to the purchaser. The first annual assessment shall be adjusted according to the number of months remaining in the calendar or fiscal year. The Board of Directors shall fix the amount of the annual assessment against each Lot or parcel at least thirty (30) days in advance of each annual assessment period as provided herein. Written notice of the annual assessment shall be sent to every Owner subject thereto at least annually. The due dates shall be established by the Board of Directors. The Association shall upon demand at any time furnish a certificate in writing, signed by an officer of the Association, or a duly authorized agent, setting forth whether the assessments on a specified Lot or parcel have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 8. Effect of Non-Payment of Assessments: Remedies of the Association. Any assessments which are not paid within thirty (30) days after the due date shall bear interest from the date of delinquency at the maximum allowable rate per annum, and the Association may bring legal action against the Owner personally obligated to pay the same or foreclose the lien against the Lot for which the assessment is past due. Interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. Such foreclosure will be by appropriate action in court, or in the manner provided by law for the foreclosure of a trust deed or mortgage as set forth in the laws of the State of Wyoming, as the same may be amended. In the event the foreclosure is in the manner provided by law for foreclosure under power of sale, the Association shall be entitled to actual expenses and such fees as may be allowed by law or as may be prevailing at the time the sale is conducted. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments created therein:

- (a) all properties dedicated to and accepted by a local public authority.
- (b) the Common Area.
- (c) All properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Wyoming. Nothing contained in the foregoing shall exempt land or improvements devoted to dwelling use from said assessments.
- (d) All Lots or parcels held for sale by the Developer.

ARTICLE VII

ARCHITECTURAL CONTROL

Section 1. No building, fence, structural wall, or other structure shall be commenced, erected or maintained upon any Lot or parcel, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, heights, materials, and location of the same shall have been submitted to and approved in writing, as to harmony of external design and location in relation to surrounding structures and topography, by the Board of Directors of the Association, or by an Architectural Committee composed of three (3) or more representatives appointed by the Board. Prior to the commencement of any excavations, construction or remodeling of any structure theretofore completed, there shall first be filed with the Board of Directors of the Association or the Architectural Committee two (2) complete sets of building plans and specifications therefor, together with a block or plot plan indicating the exact part of the building site the improvements will cover, and said work shall not commence unless

the Architectural Committee shall endorse said plans as being in compliance with these covenants and are otherwise approved. The second set of plans shall be filed as a permanent record with the Architectural Committee. In the event said Board or its designated Committee fails to approve or disapprove such design and location within forty-five (45) days after said plans and specifications have been submitted to it, approval will not be required and full compliance with this Article will be deemed to have been made.

ARTICLE VIII

USE RESTRICTIONS

A water reservoir will be located on Lot 15 in Plat 11 and said Lot shall not be utilized for any other purposes other than purposes relating to said reservoir. All other Lots of Star Valley Ranch Plats 4, 11 and 22 shall be used solely for private, single-family residential purposes, and there shall not be constructed or maintained thereon more than one single-family dwelling and a private garage for not more than three (3) cars. In addition, the Lots shall be subject to the following restrictions:

Section 1. No residential structure having a floor area of less than 900 square feet, not including open porches, patios and garages, shall be erected or placed on any residential Lot. All structures shall be furnished with a pressure reducing valve and an anti-siphoning valve.

Section 2. No building shall be located on any Lot nearer to the front line than 30 feet therefrom, measured to the foundation of such building; nor nearer than 30 feet to the rear lot line; nor nearer than 12 feet to the side lot line, unless said side line borders the golf course, in which case said distance shall be 30 feet. For the purpose of this covenant, eaves, steps and open porches shall be considered as part of a building for the purpose of determining such distances.

Section 3. No derrick or other structure designed for use in boring, mining, or quarrying for water, oil or natural gas or precious mineral shall be maintained or permitted on any Lot or parcel in said Plats. No oil drilling, development operations, refining, quarrying or mining operations of any kind shall be permitted upon any Lot.

Section 4. No building having a width of less than 20 feet at the minimum building set-back line shall be erected or placed upon any Lot.

Section 5. No mercantile, manufacturing, mechanical or trade business, or business establishment of any nature shall be maintained on said land.

Section 6. No animals of any kind, including horses, cattle, swine, sheep, goats, poultry, chickens or rabbits shall be raised, bred or kept on any Lot, except that dogs, cats, or other household pets may be kept, provided they are not kept, bred, or maintained for any commercial purpose.

Section 7. No noxious or offensive activity shall be carried on upon any Lot or parcel, nor shall anything be done thereon that may be or become an annoyance or nuisance to the neighborhood. Without limiting the generality of the foregoing, no laundry, clothing, rags or any similar material shall be hung or displayed upon the eaves, doors, or upon the portion of any building or Lot which faces upon or is visible from the streets or golf course in the Property.

Section 8. After the commencement of any building, structure, fence or wall permitted hereby to be constructed, the same shall be prosecuted to completion with reasonable diligence.

Section 9. No structures of a temporary nature, trailer, basement house, tent, shack, garage, barn or other outbuilding shall be used at any time as a residence, either temporarily or permanently, nor shall said structures be permitted on said Lots or parcels at any time. No old or second-hand structures shall be moved onto any of said Lots or parcels, it being the intent hereof that all dwellings and other buildings to be erected on said Lots shall be new construction of good quality workmanship and materials.

Section 10. No boats, trailers, campers, house trailers, vans or trucks larger than three-quarter ton capacity shall be parked or stored upon the roadways and streets of the Property or in the driveways of any Lot or upon the portion of any Lot which is visible from said street and roadway. No automobile, motorcycle, trailer, boat, truck or similar vehicle shall be repaired or painted upon the portion of any Lot which is visible from the streets or roadways of the Property.

Section 11. All slopes or terraces on any Lot or parcel shall be maintained so as to prevent any erosion thereof upon adjacent streets or adjoining Lots or Common Area.

Section 12. There is hereby reserved from each Lot and the Owner thereof an easement for the installation and maintenance of all types of utilities and draining facilities, together with reasonable rights of access to said easement.

Section 13. No billboard of any character shall be erected, posted, painted or displayed upon or about any Lot or parcel. No sign shall be erected or displayed upon or about any Lot or parcel unless and until the form and design of said sign has been submitted to and approved by the Architectural Control Committee. No "For Sale" signs shall be displayed upon or about said Property without approval of the Architectural Control Committee.

Section 14. No Lot or parcel shall be used or maintained as a dumping ground for rubbish, trash, garbage, or other waste. Such trash, rubbish, garbage or other waste shall not be kept, except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition, and no rubbish, trash, papers, junk or debris shall be burned upon any Lot or parcel except within a standard concrete incinerator.

Section 15. No individual water supply system shall be used or permitted on any Lot or group of Lots unless such system is located, constructed and equipped in accordance with the standards of the State Health Department and approved by such authority, and unless such system is permitted and approved by the Architectural Control Committee, which may deny approval if, in its sole discretion, such a system would not be in the best interest of the Association.

Section 16. No fence, wall, hedge, trees, or shrub planting shall be placed or permitted to remain in front of any building or residence placed on a Lot without first obtaining the approval of the Board of Directors or the Architectural Committee.

ARTICLE IX
GENERAL PROVISIONS

SECTION 1. Enforcement. Each and all of said conditions, covenants and reservations is and are for the benefit of each Owner of land or any interest therein in Star Valley Ranch Plats 4, 11 and 22, , and each thereof shall inure to and pass with each and every Lot or parcel and shall apply to and bind the respective successors in interest. Each grantee of a deed to any part or portion of a Lot or parcel shall be deemed to have taken ownership subject to the declarations and covenants contained herein. The Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. A breach of any restriction, condition or covenant may be enjoined, abated or remedied by appropriate proceedings. No such breach shall affect nor impair the lien of any bona fide mortgage or deed of trust which shall have been given in good faith and for value; provided, however, that any subsequent Owner of said property shall be bound by the said conditions and covenants, whether obtained by foreclosure or at a trustee's sale or otherwise.

Section 2. Violation Constitutes Nuisance. Every act or omission whereby any restriction, condition or covenant in this Declaration set forth, if violated in whole or in part, is declared to be and shall constitute a nuisance, and may be abated by Declarant or its successors in interest and/or by any Lot Owner; and such remedy shall be deemed cumulative and not exclusive.

Section 3. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 4. Duration of Restrictions. All of the conditions, covenants and reservations set forth herein shall continue and remain in full force and effect at all times against said Property and the Owners thereof, subject to the right of change or modification hereinafter provided, until January 1, 1992, and shall as then in force be continued for a period of twenty (20) years, and thereafter for successive periods of twenty (20) years each without limitation, unless within the six months prior to January 1, 1992, or within the six (6) months prior to the expiration of any successive twenty-year period thereafter, a written agreement executed by seventy per cent (70%) of the then record Lot Owners covered hereby be placed on record in the Office of the County Recorder of Lincoln County, by the terms of which agreement any of said conditions or covenants are changed, modified or extinguished, in whole or in part, as to all or any part of the property subject thereto, in the manner and to the extent therein provided. In the event that any such written agreement of change or modification be duly executed and recorded, the original conditions and covenants, as therein modified, shall continue in force for successive periods of twenty years each, unless and until further changed, modified or extinguished in the manner herein provided for, by mutual written agreement of not less than seventy per cent (70%) of the then Owners of record title of said Property. Nothing contained herein shall preclude the Developer from annexing additional property subject to covenants, conditions and restrictions different from those contained herein. The Owners of Lots or parcels or improvements of such additional properties shall also be members of the Association.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 19 day of February, 1986.

LEISURE VALLEY, INC., a
Nevada corporation, doing
business as STAR VALLEY RANCH

By Paul Judd
Secretary

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On this 19 day of February, 1986, before me, the undersigned, a Notary Public in and for said County and State, personally appeared PAUL JUDD, known to me to be the Secretary of LEISURE VALLEY, INC., a Nevada corporation, doing business as STAR VALLEY RANCH, and duly acknowledged to me that he executed the within instrument for and on behalf of said corporation, with full authority to do so, and that said Corporation executed said instrument freely and voluntarily and for the uses and purposes therein mentioned.

WITNESS my hand and official seal.

H. Eugene Adams
NOTARY PUBLIC in and for said
County and State
My Commission expires June 5, 1989