

AMENDED AND RESTATED

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS**

for

Alpine Meadows

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AMENDED AND RESTATED**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS****FOR****ALPINE MEADOWS**

Alpine Junction, LLC, a Wyoming limited liability company (hereinafter referred to as the "Founder") established a Declaration of Covenants, Conditions, and Restriction for Alpine Meadows recorded in the Office of the Clerk of Lincoln County, Wyoming on August 23, 2005 at Book 595 of Public Records, Pages 404 to 459 (the "First Declaration"). In Section 14.1 of the First Declaration, the Founder reserved the power to amend or modify any of the provisions of the First Declaration within three years from the date of recording of the First Declaration. Pursuant to such reserved power, Founder hereby amends the First Declaration, and restates it in its entirety, by deleting Articles I through XIV in their entirety and substituting therefore the following new Articles I through XIV.

This AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS (the "Declaration") is made this 4th day of October, 2006, by ALPINE JUNCTION LLC, a Wyoming Limited Liability Company.

PART ONE: INTRODUCTIONS TO THE COMMUNITY

ALPINE JUNCTION LLC, as the developer of Alpine Meadows and Founder herein, has established this Declaration to provide a governance structure and a flexible system of standards and procedures for the overall development, administration, maintenance and preservation of the Properties located in Alpine Meadows.

ARTICLE I - CREATION OF THE COMMUNITY

1.1 Purpose and Intent. The Founder, as the owner of the real property described on **Exhibit "A"** intends by the recording of this Declaration to create a general plan of development for the planned community know as Alpine Meadows. This Declaration provides for the overall development, administration, maintenance and preservation of the real property now or hereafter comprising the Properties at Alpine Meadows. An integral part of the development plan is the creation of the Alpine Meadows Property Owners Association, an association comprised of all owners of Properties in Alpine Meadows, 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 in perpetuity.

1.2 Binding Effect. All property described on **Exhibit "A"** and any additional property which is made a part of Alpine Meadows 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 and any amendments or supplements thereto, 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 Alpine Meadows Property Owners 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 Alpine Meadows which 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 Property Owners 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 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 - CONCEPTS AND 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 Architectural Review Committee or "ARC". The Architectural Review Committee as defined in Section 5.2 herein.

2.2 Alpine Meadows Property Owners Association or Property Owners Association or Association. The Alpine Meadows Property Owners Association, a Wyoming non-profit corporation, its successors or assigns. The Property Owners Association may be referred to herein as "Alpine Meadows Property Owners Association" or "Property Owners Association" or "Association".

2.3 Base Assessment. Assessments levied on all Residential Properties, Mixed Use Properties and Business Park Properties subject to assessment under Article VIII to fund Common Expenses, as determined in accordance with Section 9.1.

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

2.5 Building Envelope. The building envelope(s) as shown on the Designation of Building Envelopes for Alpine Meadows to be filed concurrently with this Declaration.

2.6 Business Park Property or Properties. Shall mean Lots 176 to 183, whether improved or unimproved, which may be independently owned, and is intended for development, use, and occupancy as a business park pursuant to Section 3.3 hereof. Business Park Property or Business Park Properties may be referred to herein with other Properties individually as a "Lot" or "Property" and collectively as "Lots" or "Properties".

2.7 Business Park Use. A Business Park Use shall include those permitted uses set forth in Section 3.3 hereof, including but not limited to, the following: (i) public or private schools; (ii) professional offices; (iii) limited businesses; (iv) general businesses; (v) light industrial uses, such as metal fabrication and woodworking; (vi) wholesale uses; (vii) distribution uses; and (viii) service commercial uses.

2.8 Common Area. Common Area shall consist of such portions of any property, or easements thereon, designated on the Plat or as may be dictated by this Declaration, any Supplemental Declaration or Amendment to the Declaration, any Covenant to Share Costs or any contract or agreement for maintenance thereof entered into by the Association. Common Area shall also include all real and personal property, including property and easements for pathways and roadways, which the Association owns, leases or in which it otherwise holds possessory or use rights for the common use and enjoyment of the Owners.

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

2.10 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 Design Guidelines, the Master Rules and Regulations, and in Board resolutions.

2.11 Covenant to Share Costs. Any Declaration of Easements and Covenant to Share Costs, including this Declaration, 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, including the property described on **Exhibit "A"** hereto.

2.12 Declaration. This Declaration of Covenants, Conditions and Restrictions for Alpine Meadows.

2.13 Design Guidelines. The architectural, design and construction guidelines and review procedures adopted pursuant to Article V as they may be amended.

2.14 Founder. Alpine Junction LLC, a Wyoming limited liability company, or any successor or assign who takes title to any portion of the property described on **Exhibit "A"** hereto 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.

2.15 Governing Documents. A collective term referring to this Declaration and any applicable Supplemental Declaration, the Bylaws of the Association, the Articles, the Design Guidelines, the Use Restrictions, and the Master Rules and Regulations as they may be amended pursuant to this Declaration.

2.16 Lot. "Lot" or "Lots" shall mean those Single-Family Residential Properties, Mixed Use Properties and Business Park Properties designated as a "Lot" or "Lots" on the Plat, together with such additional property as is subjected to this Declaration in accordance with Article X.

2.17 Master Rules and Regulations. The Master Rules and Regulations are the Rules and Regulations adopted by the Board pursuant to Section 4.2 hereof, as they may be amended pursuant to this Declaration.

2.18 Member. A Person subject to membership in the Association pursuant to Section 7.2.

2.19 Mixed Use Property or Properties. Shall mean Lots 184 to 186, whether improved or unimproved, which may be independently owned, and is intended for development, use, and occupancy as a Mixed Use property pursuant to Section 3.3 hereof. Mixed Use Property or Properties may be referred to herein with other Properties individually as a "Lot" or "Property" and collectively as "Lots" or "Properties".

2.20 Mixed Use Property Use. A Mixed Use Property Use shall be those permitted uses set forth in Section 3.3. The purpose of the Mixed Use Property Use is to provide for a mixed use development of lodging, restaurants, financial, retail, general business, and resident and visitor-oriented services, and permitted residential uses.

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

2.22 Neighborhood. A group of Properties designated as a separate Neighborhood for purposes of sharing benefits or services from the Association which are not provided to all Properties within Alpine Meadows. A Neighborhood may be comprised of more than one

property classification and may include noncontiguous parcels of property. If the Association provides benefits or services to less than all Properties within a particular Neighborhood, then the benefited properties shall constitute a sub-Neighborhood for purposes of determining and levying Neighborhood Assessments for such benefits or services.

2.23 Neighborhood Assessments. Assessments levied against the Properties in a particular Neighborhood(s) to fund Neighborhood Expenses, as described in Section 9.2.

2.24 Neighborhood Committee. A committee of the Association charged with administering the affairs of a specific Neighborhood and advising the Association regarding such neighborhood. Nothing in this Declaration shall require the creation of a Neighborhood Committee for any Neighborhood.

2.25 Neighborhood Expenses. The actual and estimated expenses which the Association incurs or expects to incur for the benefit of Owners of Properties within a particular Neighborhood(s), which may include a reasonable reserve for capital repairs and replacements and a reasonable administrative charge, as may specifically be authorized pursuant to this Declaration or in the Supplemental Declaration(s) applicable to such Neighborhood(s).

2.26 Occupant. Any person other than an owner residing in or occupying a building on a Property, which shall include but not be limited to lessees, invitees, guests, employees and licensees.

2.27 Owner. One or more Persons who hold the record title to any Property, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Property is sold under a recorded contract of sale and the contract specifically so provides, the purchaser (rather than the fee owner) will be considered the Owner.

2.28 Pathways. Shall mean those pathways to be located within the Pathway and Utility Easements designated on the Plat or as may be designated in the Common Area by the Founder. Subject to Section 11.8(b), all Pathways shall be designated as Common Area.

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

2.30 Plat. That plat of Alpine Meadows Subdivision to be filed with the Office of the Clerk of Lincoln County, Wyoming contemporaneous with this Declaration.

2.31 Property or Properties. The real property described on **Exhibit "A"**, or a portion thereof, together with such additional property as is subjected to this Declaration in accordance with Article X.

2.32 Public Records. The Official Records of the County Clerk of Lincoln County, Wyoming.

2.33 Residential Owner. An Owner of a Residential Property other than the Founder.

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2.34 Residential Property or Residential Properties. The real property designated for use as a dwelling within the Single-Family Residential Property, Business Park Property and Mixed Use Property.

2.35 Residential Use. A Residential Use shall be a use of the property for a dwelling unit and not for business purposes.

2.36 Road Lots. Shall mean Lot 187 and Lot 188 as designated on the Plat. The Road Lots shall include a three-lane 36-foot wide asphalt road, 50 parking spots adjacent to the asphalt road on Foxtail Street. Subject to Section 11.8(b), the Road Lots shall be designated as Common Area.

2.37 Roadway System. The roadway system shall consist of the following: (i) the roadway easements located on each Residential Property as designated on the Plat as Columbine Street, Oatgrass Street, Arnica Trail, Sweetgrass Trail, Primrose Court, Aster Loop and the portion of Wintergreen Drive that is not part of Lot 187; and (ii) the access and utility easements set forth on Lot 185 and Lot 186 as designated on the Plat. All Owners of Properties have easements for access and utilities for benefit of their Properties over and across the Roadway System. The Roadway System shall include a 22-foot wide asphalt. Subject to Section 11.8(b), the Roadway System shall be designated as Common Area.

2.38 Single-Family Residential Property or Properties. Shall mean Lots 1 to 167, whether improved or unimproved, which may be independently owned, and is intended for development, use, and occupancy as a single family residence pursuant to Section 3.1 hereof. A Single-Family Residential Property or Properties may be referred to collectively herein with other Properties or Residential Properties as a "Lot" or "Lots", "Property" or "Properties" or as the "Residential Property" or "Residential Properties."

2.39 Special Assessment. Assessments levied in accordance with Section 9.4.

2.40 Specific Assessment. Assessments levied in accordance with Section 9.5.

2.41 Supplemental Declaration. An instrument filed in the Public Records pursuant to Article X which subjects additional property to this Declaration, designates Neighborhoods, 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 – LAND CLASSIFICATIONS****3.1 Single-Family Residential.**

(a) The Single-Family Residential Properties shall consist of not more than 166 lots. Except as provided for in Section 3.1(b) below, Single-Family Residential Properties shall be restricted to Residential Use only and any one single-family residential lot shall not contain more than one single-family dwelling unit and one accessory building. The principal building on each Single-Family Residential Property shall not exceed two stories and a maximum of thirty-five feet in height. The accessory building, if any, on each Single-Family Residential Property shall not exceed one story and a maximum of fifteen feet in height. All improvements located within each Single-Family Residential Property shall comply with Section 5.1 hereof.

(b) The following uses are permitted within the Single-Family Residential Property:

1. One (1) single-family dwelling per lot.
2. Lots 6, 7, 71 or 72 may be designated by the Founder as public or private school lots for elementary, middle school and high school education.
3. Parks, playgrounds and other municipal recreational facilities.
4. Public utility mains, lines and substations where no public office or repair storage facilities are maintained.
5. Lot 36 may be developed as a stormwater detention facility and/or a potential enclosed sanitary sewer treatment facility, including ancillary structures and open space.
6. Lot 17 and Lot 42 may be developed for roadway access to neighboring properties.
7. Accessory buildings and uses. An accessory building or use shall be limited to a guest house or garage/storage barn.
8. Home occupations are allowed on single-family dwelling lots, with one permitted employee and all other definitions provided in Section 501 N of the Town of Alpine Zoning Ordinances, as it may be amended from time to time.

3.2 Mixed Use.

(a) The Mixed Use Properties shall consist of the following three adjoining lots: Lot 184, 185 and 186. Buildings constructed on Mixed Use Properties shall not exceed two and one-half stories and a maximum of forty-five feet in height. All improvements located on each Mixed Use Property shall comply with Section 5.1 hereof. Notwithstanding any other provision set forth in this Declaration, each Mixed Use Property may be subdivided into condominiums or townhomes, subject to applicable county or Town of Alpine regulations.

(b) The permitted uses in the Mixed Use Property (“Mixed Use Property Use(s)”) are the following: (i) Light Commercial Use (as defined below) shall be permitted on the street level but shall be prohibited on the second story; (ii) Residential Use shall be permitted on both floors.

(c) Light Commercial Uses. The following light commercial uses (the "Light Commercial Uses") are permitted within the Mixed Use Property:

1. Municipal buildings.
2. Retirement center.
3. Public utility mains, lines and substations where no public office or repair storage facilities are maintained.
4. Automobile parking areas.
5. Community buildings.
6. Nursery schools and day care centers.
7. Rest homes, convalescent homes and nursing homes.
8. Professional offices such as accountants, architects, attorneys, engineers and surveyors.
9. Places for the conduct of any of the following limited businesses: antique shops and art shops, banks, barbershops and beauty parlors, book and stationery stores, bowling alleys, clothing store, department stores, drugstores, dry goods and variety stores, electrical and household appliance stores, florists, furniture stores, gift shops, grocery stores, hardware stores, hotels and motels, jewelry and craft shops, membership clubs, music radio and television stores, office supply stores, offices, package liquor stores, paint stores, photographic studios, equipment and supply stores, private schools, shoe stores, sporting and athletic goods stores, theaters (indoor only), toy stores, travel bureaus, watch repair stores, providing that all such uses are operated primarily within an enclosed building, that traffic hazards are minimized, that lights are directed away from adjoining residential areas, that off-street loading areas are available as needed, and that in general no dust, smoke, fumes, gas, noxious odor, excessive noise or other atmospheric effluent shall be disseminated beyond the boundaries of each Mixed Use Property.
10. Places that serve food and beverages for consumption inside an enclosed building, including membership clubs.
11. Gasoline service stations.
12. Drive-in eating places.
13. Service stations selling diesel fuel.
14. Places for conduct of any general business, such as the following: places of amusement or recreation; places serving alcoholic beverages; automobile sales, repair and used car lots; bakeries, primarily for retail sales on the premises; frozen food lockers (not including slaughtering on premises); gasoline service stations; electrical supply stores; laundries; membership clubs such as gyms; pet shops; plumbing shops; printing and publishing establishments; upholstery shops; water softening services.
15. Animal hospitals which may include the boarding and grooming of animals.
16. Lot 184 may be developed as a utility provider and/or a water treatment facility and may include a 30,000 gallon buried propane tank.

(d) Conditional Uses. The following conditional uses may be approved by the Board for the Mixed Use Properties pursuant to Section 3.4:

1. Developer permitted temporary home and land sales offices.
2. Hospitals, clinics, medical and dental offices.

3. Parks, playgrounds, libraries, museums, and other municipal recreational facilities.
4. Churches, or other places of religious worship.
5. Non-profit, community health and welfare service organizations may be permitted provided that such a user obtain the consent of a majority of the property owners within three hundred feet from the lot lines of the proposed use.
6. Funeral homes.
7. Multi-family dwellings permitted. Two-story multi-family dwellings are allowed with four living units per dwelling. Second story dwellings are also permitted in structures with another permitted use on the ground floor.

3.3 Business Park.

(a) Any building constructed on the Business Park Property shall not exceed two stories and a maximum of thirty-five feet in height, and shall be used for Business Park Use, office use or Residential Use, with the second story of such buildings restricted to office use, Residential Use or storage use. All improvements located on each Business Park Property shall comply with Section 5.1 hereof. The Business Park Property may be subdivided into condominiums or townhomes, subject to applicable county or Town of Alpine regulations.

(b) The following light commercial, commercial, wholesale, processing and distribution uses, together with necessary accessory uses and certain residential uses, are permitted within the Business Park Property:

1. Public or private schools for daycare, elementary, middle school and high school education.
2. Multi-family dwellings limited to second story only.
3. Automobile parking areas for permitted structures only.
4. Professional offices such as accountants, architects, attorneys, engineers, surveyors.
5. Places for the conduct of any limited business, such as the following: antique shops and art shops, banks, barbershops and beauty parlors, book and stationery stores, bowling alleys, clothing store, department stores, drugstores, dry goods and variety stores, electrical and household appliance stores, florists, funeral homes, furniture stores, gift shops, grocery stores, hardware stores, hotels and motels, jewelry and craft shops, music radio and television stores; office supply stores, offices, package liquor stores, paint stores, photographic studios, equipment and supply stores, shoe stores, sporting and athletic goods stores, theaters (indoor only), tourist homes, toy stores, travel bureaus, watch repairs, providing that all such uses are operated primarily within an enclosed building, traffic hazards are minimized, lights are directed away from adjoining residential areas, off-street loading areas are available as needed, and in general, no dust, smoke, fumes, gas, noxious odor, excessive noise or other atmospheric effluent shall be disseminated beyond the boundaries of the district.
6. Places for conduct of any general business, such as the following: places of amusement or recreation; places serving alcoholic beverages; automobile sales, repair and used car lots; bakeries, primarily for retail sales on the premises; builders supply yards and lumber yards; cleaning and dyeing establishments, drive-in eating places,

frozen food lockers (not including slaughtering on premises); electrical supply stores, laundries, membership clubs, pet shops, plumbing shops, printing and publishing establishments, upholstery shops, water softening services.

7. Places for conduct of any commercial, wholesale, processing or distribution activity, such as the following: bottling plants; dry cleaners; retail sales of cement and concrete products; cabinet making and carpenter shops; dairy processing and distribution plants; ice and cold storage plants; machine shops; sheet metal shops.

8. Lots 176-179 allow for construction yards and equipment but prohibit heavy construction equipment.

9. Any industrial or manufacturing operation on lots 176-179 only subject to the following conditions and exceptions:

a. Excessive amounts of dust, fumes, odors, smoke, vapor, noise, lights and vibrations shall be confined within the Business Park zone.

b. Outdoor storage, equipment and refuse areas shall be concealed from view from abutting rights-of-way and adjoining residential lots.

c. The following uses shall not be permitted under any circumstances: acid manufacturing; alfalfa dehydrators; cement, lime, gypsum or plaster of paris manufacturing; chemical plant; distillation of bones; fat rendering; fertilizer manufacturing; fireworks or explosives manufacturing; garbage, offal, or dead animal dumping or reduction operations; gas manufacturing; glue manufacturing; petroleum refining; reclaiming petroleum products; slaughterhouses and packing houses; smelting of ore; stockyards; and tanneries.

10. Public utility mains, lines and substations where a public office and repair storage facilities are maintained.

11. Temporary home and land sales offices and model homes provided they are located within the same subdivision as that land or homes which are offered for sale.

(c) Conditional Uses. The following conditional uses may be considered by the Board for the Business Park Properties pursuant to Section 3.4:

1. Public utility buildings, structures, or appurtenances thereto for public service use. Extension of public service lines in public or private rights-of-way is exempt from this requirement.

2. Public utility mains, lines and substations where a public office and repair storage facilities are maintained.

3. Developer is permitted temporary home and land sales offices and model homes provided they are located within the same subdivision as that land or homes which are offered for sale.

4. Hospitals, clinics, medical and dental offices.

5. Animal hospitals which shall include the boarding and grooming of animals.

6. Municipal buildings and uses.

7. Retirement center.

8. Community buildings.

9. Churches, or other places of religious worship.

10. Non-profit, community health and welfare service organizations may be permitted provided that such a user obtain the consent of a majority of the property owners within three hundred feet from the lot lines of the proposed use.

11. Rest homes, convalescent homes and nursing homes.

3.4 Conditional Use. Any Owner or potential Owner of a Property that desires to use a Property for a Conditional Use set forth in Section 3.3 or Section 3.2 shall apply to the Board for a conditional use permit in addition to obtaining any necessary approvals from applicable governmental entities for such use. The Board shall grant or deny such conditional use permit in its sole and absolute discretion.

3.5 Variance of Permitted Use. Any Owner of a Property that desires to use the Property for a purpose other than one provided in this Declaration shall apply to the Board for a variance of permitted use. The Board shall grant or deny such variance in its sole and absolute discretion.

ARTICLE IV – USE AND CONDUCT

4.1 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 which inevitably will affect Alpine Meadows, its Owners, Occupants and residents. Toward that end, this Article establishes procedures for modifying and expanding the initial Master Rules and Regulations.

4.2 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 at least five (5) business days prior to the Board meeting at which 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 subsection (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 4.2(a), the proposed action shall not become effective until after such meeting is held, and then 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.

(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, without cost, a copy of the Master Rules and Regulations then in effect to any requesting Member or Mortgagee.

(d) Nothing in this Article shall authorize the Board or the Members to modify, repeal or expand the Design Guidelines. In the event of a conflict between the Design Guidelines and the Master Rules and Regulations, the Design Guidelines shall control.

4.3 Owners' Acknowledgement and Notice to Purchasers. All Owners are given notice that use of their Property 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 Property acknowledges and agrees that the use and enjoyment and marketability of his or her Property can be affected by this Declaration and that the Master Rules and Regulations may change from time to time. All purchasers of a Property 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.

4.4 No Mining, Excavating or Drilling. No property within Alpine Meadows shall 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 contained in this Declaration shall be construed to limit the rights of the Founder to develop the Properties.

4.5 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; provided, the Master Rules and Regulations may vary by Neighborhood.

(b) **Displays.** The rights of Owners to display religious and holiday signs, symbols, and decorations inside structures on their Property of the kinds normally displayed in dwellings located in residential neighborhoods and buildings in commercial areas shall not be abridged, except that the Association may adopt time, place, and manner restrictions with respect to displays visible from outside the dwelling or building.

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 Composition.** No rule shall interfere with the freedom of Owners to determine the composition of their households although household composition may be regulated by and subject to Town of Alpine or Lincoln County, Wyoming regulations.

(d) **Activities Within Dwellings.** No rule shall interfere with the activities carried on within the confines of the Residential Properties, 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 (i) create monetary costs for the Association or other Owners; (ii) create a danger to the health or safety of Occupants or Owners of Properties; (iii) generate excessive noise or traffic; (iv) create unsightly conditions visible outside the dwelling; or (v) create an unreasonable source of annoyance.

(e) **Allocation of Burdens and Benefits.** No rule shall alter the allocation of financial burdens among the various Properties or rights to use the Common Area to the detriment of any Owner over that Owner's objection expressed in writing to the Association. Nothing in this provision shall prevent the Association from changing the Common Area available, from adopting generally applicable rules for use of the Common Area, or from denying use privileges to those who abuse the Common Area or violate the Governing Documents. This provision does not affect the right to increase the amount of assessments as provided by Article IX.

(f) **Alienations.** No rule shall prohibit leasing or transfer of any Property, or require consent of the Association or Board for leasing or transfer of any Property; provided, the Association or the Board will require a minimum lease term of thirty (30) days for all Residential Properties. The Association may require that Owners use lease forms approved by the Association, but shall not impose any fee on the lease or transfer of any Property greater than an amount reasonably based on the costs to the Association of administering that lease or transfer.

(g) **Abridging Existing Rights.** If any rule would otherwise require Owners to dispose of personal property which they maintained in or on the Property prior to the effective date of such rule, or to vacate a Property 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.

(h) **Rights to Develop.** No rule or action by the Association or Board shall impede the Founder's right to develop the Properties.

The limitations in subsections (a) through (h) of this Section 4.5 shall only limit rulemaking authority exercised under Section 4.2; they shall not apply to amendments to this Declaration adopted in accordance with Article XIV.

4.6 Domestic Animals. Except as specifically permitted herein or by the Master Rules and Regulations, no animals, reptiles, primates, fish, fowl or insects of any kind shall be kept, raised, bred, maintained or boarded within or upon any part of the Properties.

Notwithstanding the foregoing, each Property shall be entitled to a maximum of no more than a total of three (3) dogs or cats and a reasonable number of other 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 Property Owners. The term "Household Pet" specifically excludes horses, cattle and other livestock which are not permitted to be kept on any Property. All Owners or Occupants with Household Pets shall keep the animals restrained and controlled on that Owner's or Occupant's Property at all times so they do not cause a nuisance to others and do not harass or endanger wildlife. "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 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. "Noisy Animal" means any animal which habitually, constantly, or frequently disturbs the sleep, peace, or quiet of any person. The Board or its designee shall have the right to enter the property and remove any Noisy Animal and any such action shall not be deemed a trespass. In the event the Board removes such Noisy Animal, the animal shall be kenneled and the cost therefore shall be levied against the offending Owner as a Specific Assessment.

Food for Household Pets shall be stored in a secure area that cannot be accessed by bears or other wildlife.

No owner or custodian of any animal who is visiting or working on the Properties shall be permitted to allow such animals to run free. Also, 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 thereby allowing such animal to become a nuisance or interfere with pedestrian or vehicular traffic in and around any public area 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 Property where a Household Pet is kept, as well as the legal owner of the pet (if not such Owner), shall be jointly and severally liable for any and all damage and destruction caused by the pet, and for any clean-up of roads or other Property 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 Property Owners or Occupants, or that a Property 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 dog that barks or howls excessively, or of a Household Pet with other offensive habits, to confine such animal indoors. In the event that the Board shall determine that a pet has become a "nuisance pet", a written notice of violation shall be personally delivered to the owner or custodian of the nuisance pet, and if the nuisance pet is not removed from the Properties within seventy-two (72) hours thereafter, the Board shall have the right to remove the nuisance pet, or cause the nuisance pet to be removed and kenneled, at the sole expense of the Owner of the Property on which the nuisance pet is boarded and to enter upon an Owner's Property for such purpose, all without liability on the part of the Board. Any costs associated with responding to complaints of a nuisance pet may be levied against an Owner or Occupant as a Specific Assessment.

4.7 Wildlife. 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. By acceptance of a deed therefore, the owner of every Property agrees to release and hold the Wyoming Game and Fish harmless from any and all claims for wildlife damage to their property.

4.8 Fencing and Gates. No fence, gate, hedge, or wall shall be erected or maintained, except to screen service areas, dog runs, gardens patios, or other elements directly related to the main structure on a Property. No fence, gate, hedge, or boundary wall shall be erected or maintained on any Property line. No fence construction of any type shall be permitted in a big game movement and migration corridor as identified by the Wyoming Game & Fish. All fencing shall require the prior written approval of the ARC, at the ARC's sole discretion, shall be in compliance with the Design Guidelines and shall be wildlife friendly.

4.9 Trees. Native trees and timber shall not be removed from any Property, except as may be deemed necessary by the ARC for the construction of authorized buildings and improvements. 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 building envelopes with retention of mature trees, native shrubs and grasses is encouraged.

4.10 Vehicle Parking, Storage, Operation and Repair.

(a) No boats, trailers, buses, campers (on or off supporting vehicles), motorcycles, snowmobiles, recreational vehicles, golf carts, industrial or commercial vehicles (except within the Business Park Properties and the Mixed Use Properties), abandoned or inoperable vehicles (as defined below), or any other similar vehicles (excepting passenger vehicles and one-ton or smaller pick-up trucks, commercial vehicles not exceeding 30 feet in length or one licensed recreational vehicle not exceeding 30 feet in length) shall be parked or stored in or upon the Properties, the Road Lots or the Roadway System 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 Property except within a completely enclosed garage which fully screens the sight and sound of the activity from the surrounding Properties. 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, non-permitted vehicles may be temporarily parked on driveways of Properties 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 Design Guidelines and any conditions imposed by the ARC. In addition, guests and invitees of Owners may temporarily park their permitted vehicles on driveways on Properties 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 Owners or Occupants on their driveways on their Properties 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 4.10, 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 Properties on which the vehicle is located and to enter upon an Owner's Property 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) Motorcycles, and motorized trail bikes, mini-bikes, dirt bikes, all-terrain vehicles, mopeds, go-carts and similar motorized vehicles licensed for operation on public roads may be used or operated on the Properties except as such use may be expressly limited in the Master Rules and Regulations. Snowmobiles may not be operated on the Properties.

4.11 Hunting; Fireworks. No hunting or discharge of firearms shall be permitted on any portion of the Properties. No discharge of firecrackers and other fireworks shall be permitted on any portion of the Properties; provided, however, the Board shall have no obligation to take action to prevent or stop such discharge.

4.12 Nuisance. No noxious or offensive activity shall be carried on upon any Property, 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 in the enjoyment of their Properties, or in their enjoyment of Common Area. Without limiting any of the foregoing, no exterior speakers, 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 Property.

4.13 Garbage. All garbage and trash shall be placed and kept in covered containers which shall be maintained so as not to be visible from neighboring Properties. The collection and disposal of garbage and trash shall be in strict compliance with such rules as may be adopted by the Board. The maintenance of accumulated waste plant materials is prohibited except in an appropriate composting container approved by the ARC.

4.14 Prohibition Against Water Wells and Septic Systems. All Properties shall be required to connect to a centralized community water and sewer system and shall be prohibited from having thereon a private well for domestic water or a septic and leach field system for disposal of domestic wastewater and sewage.

ARTICLE V - ARCHITECTURE AND LANDSCAPING

5.1 General. No structure shall be placed, erected, or installed upon any Property, and no improvements (including staking, clearing, excavation, grading and other site work, exterior alterations of existing improvements, and planting or removal of landscaping materials, native trees or shrubs) shall take place except in compliance with this Article, the Design Guidelines promulgated pursuant to Section 5.3, the Designation of Building Envelopes, the Lincoln County Land Development Regulations and the Final Development Permit approved by Lincoln County, Wyoming for development of the Properties.

Any Owner may remodel, paint or redecorate the interior of structures on his Property without approval. However, modifications to the exterior of improvements on a Property 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 a damaged structure substantially in accordance with originally approved plans and specifications.

All plans and specifications 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.

5.2 Architectural Review.

(a) **Architectural Review Committee.** The Architectural Review Committee ("ARC") shall consist of three (3) members who shall each serve for a three-year term. The Founder shall appoint all three (3) of the original regular members of the ARC and all of their replacements pursuant to Section 11.12 herein. Thereafter, all of the members of the ARC shall be appointed by the Board.

(b) **Fees; Assistance.** The ARC may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application

reviewed by architects, landscape architects, engineers or other professionals. The Founder and the Association may employ architects, landscape 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.

5.3 Guidelines and Procedures.

(a) **Design Guidelines.** The Founder shall prepare the initial Design Guidelines, which may contain general provisions applicable to all of the Properties as well as specific provisions which vary from Land Classification to Land Classification. The Design Guidelines are intended to provide guidance to Owners and Builders regarding matters of particular concern to the ARC in considering applications hereunder. The Design Guidelines are not the exclusive basis for decisions of the ARC, and compliance with the Design Guidelines does not guarantee approval of any application. The Design Guidelines shall set forth the requirements for any grading done on a Property and shall also include an approved landscape "plant palette" which shall provide for the exclusive use of plant species native to Lincoln County, Wyoming. Such plant palette shall be designed to include the existing mix, distribution and densities of the plants on site. The intent will be to replace the habitat as well as the plant species that compose the habitat.

Notwithstanding the reviewing authority of the ARC and any other provision in this Declaration, the Founder shall have sole and full authority to amend the Design Guidelines as long as it owns any portion of the Properties or has a right to expand the Properties pursuant to Article X, unless the Founder delegates the power to amend to the Board. Upon termination or delegation of the Founder's right to amend, the Board shall have the authority to amend the Design Guidelines. Any amendments to the Design Guidelines shall be prospective only and shall not apply to require modifications to or removal of structures previously approved or structures for which the review process has commenced. There shall be no limitation on the scope of amendments to the Design Guidelines, and such amendments may remove requirements previously imposed but shall not otherwise make the Design Guidelines less restrictive.

The Association shall make the Design Guidelines available to Owners and builders who seek to engage in development or construction within the Properties. In the Founder's discretion, such Design Guidelines may be recorded in the Public Records, in which event the recorded version, as it may unilaterally be amended from time to time, shall control in the event of any dispute as to which version of the Design Guidelines was in effect at any particular time.

(b) **Procedures.** Prior to applying for a Town of Alpine or Lincoln County, Wyoming building permit or 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 the Design Guidelines or the ARC may specify. Such application shall include plans and specifications ("Plans") showing site layout, grading, structural design, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, and other features of proposed construction, as applicable. The Design Guidelines and 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 the Design Guidelines.

The ARC, in its discretion and after written notice to the Owner, may delegate any portion of its administrative duties hereunder to the Board. In this instance, the Board shall within ten (10) days review any application for sufficiency and compliance with this Declaration, the Design Guidelines and the Master Rules and Regulations. If the Board deems the application sufficient, the Board shall forward the Application to the ARC with its written recommendation for approval or denial. If the Board deems the application insufficient or not otherwise compliant with the Governing Documents, the Board shall provide written notice to the Owner within the ten (10) day period described above that the application is insufficient or otherwise non-compliant with the Governing Documents and therefore not ready for review by the ARC.

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 (whether from an Owner or the Board, as the case may be) 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. Additionally, the ARC may or may not, in its sole discretion, adopt any recommendations for approval or disapproval as given by the Board.

In the event an application is received by the ARC for work that was started without prior approval from the ARC, the time limits for review and approval set forth in this section shall not apply. In this event, the ARC and/or the Board as the case may be, shall review the application in a reasonable time taking into account the facts and circumstances giving rise to the application.

In the event that the ARC fails to respond in writing in a timely manner, approval shall be deemed to have been given. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted pursuant to Section 3.5. 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 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 Official Records of Lincoln County, Wyoming.

(c) **Obligation to Complete Construction.** Regardless of the type of improvement being constructed on a Property, once construction has commenced, 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, which it shall not be obligated to do. Completion of improvements shall mean that a certificate of occupancy has been issued by the local governing body empowered to do so and that the improvements are in a condition suitable for immediate occupancy by the Owner or its Occupant.

5.4 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 city, county, state and federal laws.

5.5 Enforcement. Any structure, improvement or landscaping placed or made in violation of this Article or the Design Guidelines 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 or such that it complies with an approved application. 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 Property 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 Property, 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 Property and an opportunity to be heard in accordance with the Bylaws, to enter upon the Property and remove or complete any incomplete work and to assess all costs incurred against the Property 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 and the Design Guidelines 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 paragraph.

In addition to the foregoing, the Association shall have standing to pursue all available legal and equitable remedies available to enforce the provisions of this Article and the decisions of the ARC.

5.6 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 Lincoln County and the Final Development Permit approved by Lincoln County, Wyoming shall be required, in addition to the requirements of this Declaration.

(b) **Authorized Use.** The authorized use of a particular lot shall be in accordance with the Land Classifications Section in Article III herein unless a conditional use permit has been granted pursuant to Section 3.4 or a variance has been granted pursuant to Section 3.5.

(c) **Authorized Structures.** No building or structure shall be constructed on any Property, except as approved and permitted by the ARC.

(d) **Building Envelope.** No improvement or development shall be permitted on any Property outside of the Building Envelope except access driveways, utility installations and bridges, or ground level patios, or walkways.

(e) **Impervious Surface Limitations.** Construction on any Residential Property shall not exceed more than 40% of the total impervious surface of such property, less easements encumbering such property and construction on any Business Park Property shall not exceed more than 68% of the total impervious surface of such property, less easements encumbering such property.

5.7 Construction. Mobile homes are prohibited. Pre-fabricated or modular structures are prohibited on all Properties except as may be permitted upon an Owner obtaining

advance approval from the ARC, in the ARC's sole and absolute discretion. Previously-put-to-use materials designed for architectural detailing on the outside of structures may be permitted by the ARC, in the ARC's sole discretion.

5.8 Height, Size and Floor Area Limitations. Building height shall be as determined by the Plat or the Design Guidelines. Building height shall be measured from existing grade to the highest point of the roof. All other restrictions relating to maximum allowable square footage for principal residences, other than as provided for herein and in the Plat and Design Guidelines, shall comply with the Lincoln County Land Development Regulations and the Final Development Permit approved by Lincoln County, Wyoming.

5.9 Utilities. Electrical, water, sewer and telephone utility lines will be installed underground to the property line of each Property. Connections from improvements on a Property to the underground utility lines shall be completed at the Owners' expense, and shall be constructed underground. Above ground utility installations are prohibited.

5.10 Temporary Structures Prohibited. No temporary structures, such as trailers, tents, shacks or other similar buildings, shall be permitted on any Property except during construction or as authorized by the Board.

5.11 Satellite Dishes. An 18" or smaller diameter satellite dish shall be permitted on any Property provided that any such satellite dish must be visually shielded from adjacent Residential Properties with shielding approved by the ARC before such satellite dish is installed.

5.12 Berms. No berms shall be constructed or maintained on any Property unless the ARC, in its sole discretion approves such construction and maintenance and finds the same to be beneficial between adjacent Residential Properties. 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 Residential Properties, which information may include appropriate engineering studies.

5.13 Improvement of Wetlands-Wildlife Habitat. Notwithstanding any provision herein to the contrary, the Board may allow development outside of the Building Envelope for the sole purpose of improving wetlands and/or wildlife habitat. Only wildlife habitat creation/enhancement approved by the ARC shall be allowed in these areas. 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.

ARTICLE VI – MAINTENANCE AND REPAIR

6.1 Maintenance of Properties. Each Owner of a Lot shall maintain his or her Lot and any and all improvements thereon 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. Subject to Section 11.8(b), the Association shall have the obligation to maintain the Common Area and any improvements thereon, including but not limited to the Roadway System and the roads, pathways and parking spaces within the Road Lots and the costs associated therewith shall be the obligation of the Association.

6.2 Maintenance of Vacant Properties. Each Owner of a Lot that is unimproved is responsible for maintaining the landscape on such unimproved Lot in a healthy and vigorous condition. Required maintenance shall include, but not be limited to, necessary irrigation to control fire danger, treatment to control weeds and other steps recommended by the Board 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 VII – THE ASSOCIATION AND ITS MEMBERS**

7.1 Function of Association. The Association shall be the entity responsible for management, maintenance, operation and control of the Common Area as described herein and shall also be the primary entity responsible for enforcement of the Governing Documents. The Association shall also be responsible to provide all duties and obligations of the Association as set forth in this Declaration and the Governing Documents. The Association shall perform its functions in accordance with the Governing Documents and the laws of the State of Wyoming.

7.2 Membership.

(a) **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 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, member, manager 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.

(b) **Subdivision of Mixed-Use and Business Park Lots.** Upon any subdivision of a Mixed-Use or Business Park Lot into condominium or townhome units, as provided for in Sections 3.2 and 3.3 hereof, each original Lot, prior to any such subdivision, shall be deemed as one Lot for purposes of Membership and voting in the Association, and each original Lot shall retain only one vote in the Association, as further described in Section 7.3 below.

7.3 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 7.2. All votes shall be cast as provided in Section 7.3(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.

(b) **Commencement of Voting Rights.** Voting rights as to each Lot shall vest upon the commencement of assessment obligations for such Lot, as defined in Section 9.7.

7.4 **Neighborhoods.** The Association shall have the right to create Neighborhoods consisting of similarly situated Lots for the purpose of consolidating services that are appropriate to such Properties but not to all Properties. A Neighborhood, if any, acting through a Neighborhood Committee, if any, may request that the Association provide a higher level of service than that which the Association generally provides to all Neighborhoods or may request that the Association provide special services for the benefit of the Lots in such Neighborhood. Upon the affirmative vote, written consent, or a combination thereof, of Owners of a majority of the Lots within the Neighborhood, the Association shall provide the requested services. The cost of such services, which may include a reasonable administrative charge in such amount as the Board deems appropriate (provided, any such administrative charge shall apply at a uniform rate per Lot to all Neighborhoods receiving the same service), shall be assessed against the benefited Lots within such Neighborhood as a Neighborhood Assessment.

ARTICLE VIII – ASSOCIATION POWERS AND RESPONSIBILITIES

8.1 Acceptance and Control of Association Property.

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

(b) The Founder and its designees may convey or dedicate real or personal property to the Association and the Association shall accept all such conveyances or dedications.

8.2 Maintenance of Common Area.

(a) The Association shall maintain the Common Area in accordance with the Community-Wide Standard, which obligation shall include, but need not be limited to:

(i) The entering into of contracts or agreements for maintenance of the Common Area; and

(ii) The maintenance of other property which the Association 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.

(b) The Association shall maintain the facilities and equipment within the Common Area in continuous operation, except for any periods necessary, as determined in the sole discretion of the Board, to perform required maintenance or repairs, unless at least seventy-five percent (75%) of the Members in the Association agree in writing to discontinue such operation.

Except as provided above, 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 within **Exhibit "A"** of this Declaration.

(c) The costs associated with maintenance, repair and replacement of the Common Area 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.

8.3 **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 Property Owner's claim because of negligent acts of the Association or of other Property 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 Property 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 the Lincoln County, Wyoming area. 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 8.3(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 Property 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;

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(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 Property 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;

(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 which 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, if any, agree in writing to discontinue such operation.

Except as provided above, 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.

The costs associated with maintenance, repair and replacement of the Common Area 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.

Policies secured on behalf of a Neighborhood shall be for the benefit of the Owners within the Neighborhood and their Mortgagees, as their interest may appear.

Damaged improvements on the Common Area shall be repaired or reconstructed unless at least seventy-five percent (75%) of the total votes in the Association 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 Residential Properties 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 8.3(a).

8.4 Compliance and Enforcement. Every Owner and occupant of a Property 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 or the fine so imposed, constitute a lien upon the violator's Property). In the event that any occupant, guest or invitee of a Property 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. The fine, in either circumstance, shall be a Specific Assessment against the Owner;

(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 Property;

(d) Suspending any services provided by the Association to an Owner or the Owner’s Property 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 Property in violation of Article V and to restore the Property or any structure located thereon 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. Any costs incurred by the Board in bringing a non-confirming Property or any structure located thereon into compliance shall be a Specific Assessment;

(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 and the Design Guidelines 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 Property into compliance with the 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:

(i) 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

(ii) Bringing suit at law or in equity to enjoin any violation or to recover monetary damages or 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 Property and the Owner as a Specific Assessment. If a Neighborhood Committee fails to perform its maintenance responsibilities, the Association may perform such maintenance and assess the costs as a Specific Assessment against all within such Neighborhood. Except in an emergency situation, the Association shall provide the Owner or Neighborhood Committee reasonable notice and an opportunity to cure the problem prior to taking enforcement action authorized herein.

All remedies set forth in the Governing Documents 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 as a waiver of the right of the Association to enforce such provision at a later time under other circumstances nor shall it estop the Association from enforcing any other covenant, restriction or rule.

The Association, by contract or other agreement, may enforce applicable county regulations, if applicable, and permit Lincoln County, Wyoming or the Town of Alpine, Wyoming, as may be applicable, to enforce regulations within the Properties for the benefit of the Association and its Members.

8.5 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.

8.6 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 of 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.

8.7 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 Property 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 personal injury and loss or damage to property, including the Property and the contents of their Property, resulting from acts of third parties.

8.8 Powers of the Association Relating to Neighborhoods. The Association shall have the power to veto any action taken or contemplated to be taken by a Neighborhood Committee, if any, which the Board reasonably determines to be adverse to the interests of the Association or its Members or inconsistent with the Community-Wide Standard. The Association also shall have the power to require specific action to be taken by any Neighborhood Committee in connection with its obligations and responsibilities, such as requiring specific maintenance or repairs or aesthetic changes to be effectuated and requiring that a proposed budget include certain items and that expenditures be made therefore.

A Neighborhood Committee shall take appropriate action required by the Association in a written notice within the reasonable time frame set by the Association in the notice. If the Neighborhood Committee fails to comply, the Association shall have the right to effect such action on behalf of the Neighborhood Committee and levy Specific Assessments to cover the costs, as well as an administrative charge and sanctions.

8.9 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 and facilities which might be offered include landscape maintenance, pest control, utilities, and similar services and facilities.

8.10 Consolidation of Services. The Association is encouraged to consolidate local service providers so as to minimize traffic and other impacts to the Properties.

ARTICLE IX – ASSOCIATION FINANCES

9.1 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 8.7 and 8.9, for the coming year, including any contributions to be made to a reserve fund pursuant to Section 9.3. 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 Properties and the amount to be generated through the levy of Base Assessments and Special Assessments against each.

The Association is hereby authorized to levy Base Assessments against all Properties subject to assessment under Section 9.7 to fund the Common Expenses. Such assessments shall be uniform as among each of the like Properties (i.e. Single-Family Residential Properties, Mixed Use Properties and Business Park Properties) although assessments do not have to be uniform as between Properties. In determining the Base Assessment rate per Property, the Board may consider any assessment income expected to be generated from any additional Property 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 9.8(b)), which may be either a contribution, an advance against future assessments due from the Founder, or a loan, all in the Founder's sole discretion and without obligation. 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 forty-five (45) nor more than sixty (60) days prior to the effective date of such budget; provided, however, if the Base Assessment is increased from the previous year's Base Assessment, the Board shall send notice of the increase by first class mail to the Owners not less than thirty (30) nor more than sixty (60) days prior to the increased Base Assessment becoming due. Such budget and assessment shall automatically become effective unless objected to in writing by an Owner within 10 days of Owner's receipt of the budget.

Failure of the members to approve a budget or 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 9.6.

9.2 Budgeting and Allocating Neighborhood Expenses . At least sixty (60) days before the beginning of each fiscal year, the Board shall prepare a separate budget covering the estimated Neighborhood Expenses for each Neighborhood, if any, on whose behalf Neighborhood Expenses are expected to be incurred during the coming year. Each such budget shall include any costs for additional services or a higher level of services which the Owners in such Neighborhood have approved pursuant to Section 7.4 and any contribution to be made to a reserve fund pursuant to Section 9.3. 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

Residential Properties, and the amount required to be generated through the levy of Neighborhood and Special Assessments against the Properties in such Neighborhood.

The Association is hereby authorized to levy Neighborhood Assessments equally against all Properties which are subject to assessment under Section 9.7 to fund Neighborhood Expenses; provided, if so specified in the applicable Supplemental Declaration or if so directed by petition signed by a majority of the Owners within the Neighborhood, any portion of the assessment intended for exterior maintenance of structures, insurance on structures, or replacement reserves which pertain to particular structures shall be levied on each of the benefited Properties in proportion to the benefit received.

The Board shall cause a copy of the Neighborhood budget and notice of amount of the Neighborhood Assessment for the coming year to be delivered to each Owner in the Neighborhood not less than forty-five (45) nor more than sixty (60) days prior to the beginning of the fiscal year; provided, however, if the Neighborhood Assessment is increased from previous year's Neighborhood Assessment, the Board shall send notice of the increase by the first class mail to the Owners not less than thirty (30) nor more than sixty (60) days prior to the increased Neighborhood Assessment becoming due. Such Neighborhood budget and Neighborhood Assessment shall automatically become effective unless subject to the limitation on increases of assessments provided for in Section 9.6 or disapproved in accordance with the Bylaws.

Failure of the Members to approve a Neighborhood Assessment or 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 Neighborhood 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 for any Neighborhood and the amount of any Neighborhood Assessment from time to time during the year, subject to the notice requirements and the limitations on increases of assessments provided for in Section 9.6.

9.3 Budgeting for Reserves. The Board shall prepare and review at least annually a reserve budget for the Common Area and other assets of the Association and for each Neighborhood, if any, for which the Association maintains capital items as a Neighborhood Expense. The budgets 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 9.1 or the Neighborhood Expense budgets adopted pursuant to Section 9.2, as appropriate, a capital contribution 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.

9.4 Special Assessments. In addition to other authorized assessments, the Association may, subject to the limitations of Section 9.6, 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 Special Assessment is for Common Expenses, or against an individual Property or Properties if such Special Assessment is for an unbudgeted expense relating to less than all of the Properties. 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 of the Special Assessment by first class mail to the Owners not less than thirty (30) nor more than sixty (60) days prior to the Special Assessment becoming due.

9.5 Specific Assessments. The Association shall have the power to levy Specific Assessments against a particular Property as follows:

(a) Costs, including overhead and administrative costs, of providing services to a Property 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 8.9). 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 Property into compliance with the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or occupants of a nonconforming Property, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the nonconforming Property Owner prior written notice and an opportunity for a hearing, in accordance with the Bylaws, before levying any Specific Assessment under this subsections (b).

The Association may also levy a Specific Assessment against a Property within any Neighborhood to reimburse the Association for costs incurred in bringing the Neighborhood into compliance with the provisions of the Governing Documents, provided the Board gives prior written notice of the assessment to the Owners in the Neighborhood and an opportunity for such Owners to be heard before levying any such assessment.

9.6 Limitation of 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 Section 9.5, the Board may not impose a Base Assessment or a Neighborhood 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 which are subject to the applicable assessment at a meeting of the Association, or action without meeting by written ballot in lieu thereof be conformance with the Wyoming Business Corporations Act 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 Property 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 is 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 could not have been reasonably foreseen by the Board in preparing and distributing the pro forma budget pursuant to Section 9.1. 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.

9.7 Authority to Assess Owners; Date of Commencement of Assessments; Time of Payment. The Founder hereby establishes and the Association is authorized to levy assessments as provided for in this Article and elsewhere in the Governing Documents. Subject to Section 9.1 and 9.8, the obligation to pay the assessments provided for herein shall commence as to all Properties on the first day of the month following the first conveyance of Properties 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 Property.

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 Property and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, assessments may be paid in two or more installments. Unless the Board otherwise provides, the Base Assessment and any Neighborhood 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 Property, the Board may require the outstanding balance on all assessments to be paid in full immediately.

9.8 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 Property until paid in full. Upon a transfer of title to a Property, 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 Property shall remain subject to any liens imposed upon it pursuant to Section 9.9 herein. No first Mortgagee who obtains title to a Property 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 and Neighborhood 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 Common Area, abandonment of his Property 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 Properties which it owns; provided, however, any Property that the Founder owns which does not include a structural improvement for human occupancy shall be exempt from payment of that portion of any such assessment which is for the purpose of defraying expenses and reserves directly attributable to the existence and the use of the structural improvements. The exemption may include, but is not necessarily limited to refuse disposal.

The Founder shall also be exempt from the payment of that portion of any assessment which is for the purpose of defraying expenses and reserves directly attributable to the existence and use of any Common Area that is not complete at the time assessments commence. Any exemption from the payment of assessments attributed to the Common Area shall be in effect only until such area has been placed into use.

The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services, materials, or a combination of services and materials with the Founder or other entities for payment of Common Expenses subject to the Bylaws. The Founder's payment of assessments may be reduced or abated by the agreed value of any such services or materials provided by Founder, in accordance with any such contract or agreement with the Association.

9.9 Lien for Assessments. The Association shall have a lien against each Property to secure payment of delinquent assessments, as well as interest, late charges (subject to the limitations of Wyoming law), and costs of collection (including attorneys' fees). Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value. Such lien, when delinquent, may be enforced by suit, judgment, and judicial or non-judicial foreclosure as provided for by Wyoming law.

The sale or transfer of any Property shall not affect the assessment lien or relieve such Property from the lien for any subsequent assessments. However, the sale or transfer of any Property pursuant to foreclosure of the first Mortgage shall not extinguish the lien as to any installments of such assessments due prior to the Mortgagee's foreclosure, such liens to become a deficiency judgment against the foreclosed owner. The subsequent Owner to the foreclosed Property shall not be personally liable for assessments on such Property due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Properties subject to assessment under Section 9.7, including such acquirer, its successors and assigns.

9.10 Exempt Property. The following property shall be exempt from payment of Base Assessments, Neighborhood Assessments, and Special Assessments:

- (a) Any property dedicated to and accepted by any governmental authority, special improvement district or public utility; and
- (b) Any property owned by the Founder and used for sales, resales or administration purposes.

PART FOUR: COMMUNITY DEVELOPMENT

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ARTICLE X – EXPANSION OF THE COMMUNITY**10.1 Expansion by the Founder.**

Until the Founder has sold 90% of the Properties subject to this Declaration to buyers unaffiliated with Founder, or three years from the date this instrument is recorded in the land records of Lincoln County, Wyoming, whichever period is longer, 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.

10.2 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) 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.

10.3 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. Any additional property subjected to this Declaration may be, but is not required to be, made a part of a Neighborhood hereunder and subject to Neighborhood Assessments.

10.4 Budget Considerations. As additional property is annexed to the Properties pursuant to this Article X, 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 XI – ADDITIONAL RIGHTS RESERVED TO FOUNDER

11.1 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 X, 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 or the Plat, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Properties.

11.2 Marketing and Sales Activities. The Founder may maintain and carry out upon portions of the Common Area, and any 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 Properties, including, but not limited to, signs, construction of sales pavilions and other forms of advertising.

The Founder shall also have the right to conduct marketing and sales activities on all property that it owns. The Founder shall have easements for access over the Properties to and use of such facilities together with the right to attract, invite or bring prospective purchasers of Properties into any Property owned by Founder at all times.

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

Every Person that acquires any interest in the Properties acknowledges that Alpine Meadows is a master planned community, the development of which is likely to extend over many years, and agrees not to protest, challenge or otherwise object to (a) changes in uses or density of property outside the Neighborhood in which such Person holds an interest, or (b) changes in the Plat as it relates to property outside the Neighborhood in which such Person holds an interest.

11.4 Right to Approve Additional Covenants. So long as Founder owns any property described on **Exhibit "A"**, 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.

11.5 Right to Approve Changes in Community Standards. No amendment to or modification of any Master Rules and Regulations or Design Guidelines 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 Section 10.1.

11.6 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.

11.7 Exclusive Rights to Use Name of Development. No Person shall use the name "Alpine Meadows" or any derivative of such name in any printed or promotional material without the Founder's prior written consent. However, Owners may use the name "Alpine Meadows" in printed or promotional matter where such term is used solely to specify that particular property is located within Alpine Meadows, and the Association shall be entitled to use the words "Alpine Meadows" in its name.

11.8 Special Districts; Dedication to Governmental Entity.

(a) The Founder hereby reserves the right to create an assessment, water, road or any other type of special district or improvement service district which, in its sole opinion, are beneficial to the Properties. The Association and each and every Owner, by accepting a deed to a Property, 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.

(b) The Founder hereby reserves the right to transfer and/or dedicate all or any portion of its rights in and to the Common Areas, including the Road Lots and/or the Roadway System, to a governmental entity or special district if Founder believes such transfer or dedication is beneficial to the Properties. Any portion of the Common Areas that is transferred to a Special District or dedicated to a Governmental Entity shall no longer be designated as Common Area. The Association and each and every Owner, by accepting a deed to a Property, agrees to cooperate with Founder in creating and implementing such transfer or dedication.

11.9 Right to Reclassify Property. Founder hereby reserves the right to reclassify all or a portion of any properties in a particular land classification pursuant to Article III herein provided Founder owns all of the properties in that land classification or Founder receives written permission to reclassify the subject properties from the other owners of properties in that land classification. Such reserved right shall include the right to amend the Plat.

11.10 Right to Amend Plat. Founder hereby reserves the right to amend the Plat to provide for the orderly development of the Properties as determined by the Founder. By

accepting a deed for their Property, an Owner acknowledges the Founder's rights set forth in this Section 11.10 and expressly consents thereto.

11.11 Right to Dedicate Land to Lincoln County School District. Founder hereby reserves the right to dedicate up to eight acres of land, or the minimum size required by the State of Wyoming or applicable governmental entity, currently designated as Park land on the Plat to Lincoln County School District for use as a school site.

11.12 Right to Appoint Members of Board, Neighborhood Committees and Architectural Review Committee. The Founder hereby reserves the right to appoint all members of the Board of Directors of the Association, the Neighborhood Committees, and the Architectural Review Committee.

11.13 Termination of Rights. The rights contained in this Article, except for Founder's right to maintain a permanent sales office on the Property, shall not terminate until the later of three years from the date this instrument is recorded in the land records or Lincoln County, Wyoming or the recording by Founder of a written statement that eighty percent (80%) of the Properties have been sold to owners not affiliated with Founder, whichever period is longer. 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.

PART FIVE: PROPERTY RIGHTS WITHIN THE COMMUNITY

The nature of living in a planned community requires the creation of special property rights and provisions to address the needs and responsibilities of the Owners, the Founder, the Association, and others within or adjacent to the community.

ARTICLE XII - EASEMENTS

12.1 Easements in Common Area. The Founder grants to each Owner a nonexclusive right and easement of use, access, and enjoyment in and to the Common Area, 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, including rules limiting the number of guests who may use the Common Area;
- (d) The right of the Board to suspend the right of an Owner to use recreational facilities within the Common Area (i) for any period during which any charge against such Owner's Property 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;
- (e) The 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 Property shall be deemed to have assigned all such rights to the lessee of such Property for the period of the lease.

12.2 Easements for Drainage, Utilities, Roads, Snow Storage, Etc.

- (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 reserves for itself, so long as the Founder owns any property described on **Exhibit "A"** of this Declaration, and grants to the Association and all utility providers, perpetual non-exclusive easements within the Road Lots, the Roadway System and easement areas described on the Plat for the Properties (but not through a structure) to the extent reasonable necessary for the purpose of:

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

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

(iii) Access to read utility meters.

(c) Founder also reserves for itself 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 any property described on **Exhibit "A"** and all adjacent properties; including, but not limited to the right to grant to a governmental entity, to a special improvement district, or to any person non-exclusive easements over the Roadway System and/or title to the Road Lots.

(d) All work associated with the exercise of the easements described in subsections (b) and (c) 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 Property nor shall it unreasonably interfere with the use of any Property and, except in an emergency, entry onto any Property shall be made only after reasonable notice to the Owner or occupant.

(e) All Properties and the Common Area are burdened with a snow storage and drainage easement to provide for the orderly removal and storage by the Association of snow from the Common Area and the associated drainage from any melting thereof.

12.3 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, the Road Lots and the Roadway System for the purposes of enjoyment, use, access, and development of any property annexed into the development and/or any property that is adjacent to the Property, 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 Common Area, the Road Lots and the Roadway System for construction of roads and for connecting and installing utilities on such property.

12.4 Easements for Maintenance, Emergency and Enforcement. The Founder grants to the Association easements over the Common Areas and Properties as necessary to enable the Association to fulfill its maintenance responsibilities in Article VI and under Section 8.2. The Association shall also have the right, but not the obligation, to enter upon the Common Area and any Property but not to enter any structure thereon, for emergency, security, and safety reasons, to perform maintenance 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.

12.5 Easements for Cross-Drainage. Every Property 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 Property to increase materially the drainage of storm water onto adjacent portions of the Properties without the consent of the Owner(s) of the affected property and the Board.

12.6 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.

12.7 Easements for Alleys and Pathways. The Founder grants to each Owner a nonexclusive right and easement of use, access, and enjoyment in and to the alleys and bike paths as designated by a declaration on any plat of a portion of the Properties, as may be created from time to time, subject to:

- (a) The Governing Documents and any other applicable covenants;
- (b) The right of the Board to adopt rules regulating the use and enjoyment of the bike paths, including rules limiting the time of day that the bike path may be used;
- (c) The right of use and enjoyment of the alleys and bike paths by 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 Property shall be deemed to have assigned all such rights to the lessee of such Property for the period of the lease.

12.8 Title to Road Lots; Use of Roadway System. Title to the Road Lots as described on the Plat and in this Declaration, may either be conveyed by Founder to a governmental entity, a special improvement district or to the Association. Each Owner and occupant and each of their guests or invitees are hereby granted a non-exclusive perpetual easement and right-of-way to use such Road Lots, for vehicular and pedestrian ingress, egress, access to and from their Property.

Title to the portion of the Roadway System that is contained within the boundaries of a Single-Family Residential Property (the "Burdened Lot") shall be retained by the Owner of the Burdened Lot and shall be subject to the provisions of this Declaration. Founder may grant additional easements over and across the Roadway System to a governmental entity, a special improvement district or to the Association. Each Owner and occupant of a Property and each of their guests or invitees are hereby granted a non-exclusive perpetual easement and right-of-way to use the Roadway System for vehicular and pedestrian ingress, egress, access to and from their Property.

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Subject to Section 11.8(b), the Roadway System and the Road Lots shall be designated as Common Area. 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 Alpine Meadows as a community in which people enjoy living, working, and playing 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 XIII– DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

13.1 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.

13.2 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 (individually, “Bound Party”, and 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 13.3 shall be resolved using the procedures set forth in Section 13.4 in lieu of filing suit in any court.

13.3 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 shall be subject to the provisions of Section 13.4.

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 13.4:

(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 Article IV and Article 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);

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(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 13.4, 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 be 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 13.4.

13.4 **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:

(i) The nature of the Claim, including the Persons involved and Respondent;

(ii) The legal basis of the Claim (i.e., the specific authority out of which the Claim arises);

(iii) Claimant’s proposed remedy; and

(iv) That Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim; and

(v) 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.**

(i) 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.

(ii) 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 the Lincoln County, Wyoming area.

(iii) 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 forever released and permanently 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.

(iv) 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.

(v) 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.

13.5 Allocation of Costs of Resolving Claims.

(a) Subject to Section 13.5(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.

13.6 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 13.4. 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.

13.7 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, (c) damage to the Properties which arises out of, or is integrally related to, damage to the Common Area, or (d) any other civil claim or action.

ARTICLE XIV – AMENDMENT OF DECLARATION

14.1 By Founder. In addition to specific amendment rights granted elsewhere in this Declaration, until conveyance of the one hundred twenty-sixth (126th) Property to an Owner unaffiliated with Founder or three years from the date this instrument is recorded in the Land Records of Lincoln County, Wyoming, whichever period is longer, 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 Properties; (iii) enable any institutional or Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make purchase, insure or guarantee mortgage loans on the Properties; 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 Property unless the Owner thereof shall consent in writing.

14.2 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 a majority of the Members voting or providing a written consent/disapproval for such action. In no event shall the Members be permitted to amend the Declaration until the later of (i) the termination of the Founder's reserved rights in Section 11 or the Sale of the forty-first Property to an Owner unaffiliated with Founder.

Notwithstanding the above, the number 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.

14.3 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.

Exhibit ALegal Description of Alpine Meadows Subdivision

A parcel of land located in the SE1/4SE1/4 of Section 19, the SW1/4SW1/4 and SE1/4SW1/4 of Section 20, the N1/2NW1/4 of Section 29, and the NE1/4NE1/4 of Section 30, T37N, R118W, 6th P.M., Lincoln County, Wyoming, further described as follows:

BEGINNING at the south 1/16 corner common to said Sections 19 and 20 where is found a monument as described in a Wyoming Corner Record on file in the Office of the Clerk of Lincoln County, Wyoming;

THENCE along the north line of the SW1/4SW1/4 of said Section 20, N89°58'35"E, 1315.50 feet to the southwest 1/16 corner of said Section 20 where is found a monument as described in a Wyoming Corner Record on file in said Office;

THENCE departing said north line and following the east line of that parcel of record described in Book 457 of Photostatic Records, Page 639 on file in said Office, S00°06'33"E, 1029.36 feet to a 5/8 inch diameter steel rebar with an aluminum cap inscribed "RLS 164";

THENCE along the north line of that parcel of record described in Book 457 of Photostatic Records, Page 114 on file in said Office, S89°57'51"E, 704.25 feet more or less to an intersection with the westerly right-of-way line of U.S. Highway 26 where is found a 5/8 inch diameter steel rebar with an aluminum cap inscribed "RLS 164";

THENCE along said westerly right-of-way line, S08°05'28"E, 419.61 feet to a 5/8 inch diameter steel rebar with an aluminum cap inscribed "RLS 164";

THENCE departing said westerly right-of-way line and following the south line of said parcel of record described in Book 457 of Photostatic Records, Page 114, S89°58'43"W, 762.87 feet to a 5/8 inch diameter steel rebar;

THENCE along said east line, S00°12'03"W, 969.38 feet more or less to an intersection with the northerly Palisades Reservoir Take Line where is found a 5/8 inch diameter steel rebar with an aluminum cap inscribed "PLS 6447";

THENCE along said Palisades Reservoir Take Line through the following courses,
N88°17'37"W, 648.39 feet to a 5/8 inch diameter steel rebar with an aluminum cap inscribed "RLS 164";

N82°19'49"W, 671.32 feet to an aluminum pipe with an aluminum cap inscribed "RLS 164";

N63°45'42"W, 581.95 feet to a 5/8 inch diameter steel rebar with a plastic cap stamped "PLS 698";

THENCE departing said Palisades Reservoir Take Line, along the west line of that parcel of record described in Book 467 of Photostatic Records, Page 454 on file in said Office, N00°01'44"E, 2052.29 feet more or less to an intersection with the north line of the SE1/4SE1/4 of said Section 19;

THENCE along the north line of said SE1/4SE1/4, S89°32'42"E, 519.89 feet to the POINT OF BEGINNING;

Said parcel ENCOMPASSES an area of 104.89 acres more or less.