

STATE OF WYOMING)
COUNTY OF ALBANY) 832483
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BY: AS

STATE OF WYOMING)
COUNTY OF ALBANY) SS.

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR LANDS SEPARATELY OWNED **BOOK 406 PAGE 947**

THIS DECLARATION, made on the date hereinafter set forth by Thomas D. Whitson, Donna L. Whitson, David L. Koch, Regina E. Koch, Leslie A. Darnall and Roberta M. Darnall, hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property situated in the County of Albany, State of Wyoming, more particularly described as:

Pilot Peak Estates, A Subdivision lying in Section 6, Township 15N, Range 72W, 6th P.M., Albany County, Wyoming,

and including Units as are more particularly described and identified in Exhibit "A" attached hereto, and hereinafter referred to as "Real Property"; and

WHEREAS, Declarant desires to establish by this Declaration a plan for the ownership in fee simple of real property estates separately owned.

NOW, THEREFORE, Declarant does hereby publish and declare that the lands and improvements constructed and located thereon, are hereby subject to use and ownership as set forth herein and the following terms, covenants, conditions, easements, and restrictions, uses, limitations, and obligations shall be deemed to run with the land, shall be a burden and a benefit to Declarant, its successors and assigns and any person acquiring or owning an interest in the real property and improvements, their grantees, successors, or assigns.

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ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to Pilot Peak Estates Homeowners Association, its successors and assigns operated as a not-for-profit group. The By-laws shall govern the administration of this property and the members of which shall be all owners of the Units in the entire project. Officers will be elected from the five to carry out functions of the Association.

Section 2. "Owner" shall mean and refer to record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Project, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Declarant" shall mean and refer to Whitsons, Kochs, and Darnalls and their successors and assigns.

Section 4. "Unit" means individually owned lands.

Section 5. "Project" means the land and all building and other improvements located on the land, and all rights, easements, and appurtenances belonging thereto.

Section 6. "Map" means the plat, consisting of a map of the land, a legal description thereof, locations of boundaries of each unit, unit identification numbers together with such other information as may be included thereon in the discretion of the Declarant.

Section 7. "Mortgagee" means any person or other entity or any successor to the interest of such person or entity, named as the Mortgagee, trust beneficiary, or creditor under any recorded mortgage, deed of trust, or other security instrument by which a Unit or any part thereof is encumbered.

Section 8. "Owner" means a person, firm, corporation, partnership, association or other legal entity, or any combination thereof, who owns one or more units but excluding, however, any such person having an interest therein merely as mortgagee (unless such mortgagee has acquired fee simple title interest therein pursuant to foreclosure or any proceedings in lieu thereof).

ARTICLE II

PLAT

The plat of the Land and of the improvements thereon shall be filed for record in the office of the Albany County Clerk and Ex-Officio Register of Deeds of Albany County, Wyoming. The plat shall be filed for record prior to the conveyance of any Unit to a purchaser. The plat shall depict and show the legal description of the land and measurement thereof including all units.

ARTICLE III

DESCRIPTION OF UNITS

A. Every contract for the sale of a Unit written prior to the recordation of the Map and this Declaration may legally describe a Unit by its identifying unit designation, followed by the words "Pilot Peak Estates." The location of such Unit shall be depicted on the Map subsequently recorded. Upon recordation of the Map in the County of Albany, Wyoming, such description shall be conclusively presumed to relate to the thereon described Units.

B. After the Map and this Declaration have been recorded in the Office of the County Clerk and Ex-Officio Register of Deeds, of Albany County, Wyoming, every contract, deed, lease, mortgage, trust deed, will or other instrument shall legally describe a Unit as follows:

Lot _____, Block 1, Pilot Peak Estates, an Albany County subdivision lying in Section 6, Township 15 North, Range 72 West, 6th P.M., Albany County, Wyoming.

C. Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber, or otherwise affect the Unit, and incorporate all of the rights and burdens incident to ownership of a Unit and all of the limitations thereon as described in this Declaration and Map. Each such description shall be construed to include a non-exclusive easement for ingress and egress to and from an Owner's Unit.

ARTICLE IV

NATURE OF OWNERSHIP

A. Division. The real property described in Exhibit A which has been submitted to individual ownership, including the improvements thereon, is hereby divided into fee simple estates. Each such estate shall consist of a separately designated Unit and an undivided interest owned by the declarants. Title to each Unit is hereby made subject to the terms and conditions hereof, which shall bind the Declarant and all subsequent Owners, whether or not it be so expressed in the deed by which any Owner acquires his Unit.

B. Taxation. Declarant shall give written notice to the Assessor of Albany County, Wyoming, of the creation of joint ownership of the Project, as is provided by law, so that each Unit shall be deemed separate parcels and subject to separate assessment and taxation.

C. Owning Entity. A Unit be held and owned by more than one (1) person or entity as joint tenants or as tenants in common or in any other form of ownership recognized under the laws of the State of Wyoming.

D. Inseparability. No part of a Unit or of the legal rights comprising ownership thereof may be separated from any other part thereof during the period of ownership prescribed herein, so that each Unit must be conveyed, rented or encumbered only as a constituent Unit.

E. Partition. Neither an Owner, a Group of Owners, nor the Association shall have the right to combine, divide, or partition any Unit or Units, and in taking title to any Unit the Owner thereof shall be deemed to have waived any and all rights to combine, divide, or partition. A violation of the provisions of this Section shall entitle the Association to personally collect, jointly and severally, from the parties violating the same, attorney's fees, costs and other damages the Association incurs in connection therewith.

ARTICLE V

USE OF UNITS

A. Residential. Each Unit shall be used for residential purposes only, and no trade or business of any kind may be carried on therein. Lease or rental of a Unit

for lodging or residential purposes shall not be considered to be a violation of this covenant.

B. Prohibitions. Nothing shall be done or kept in any Unit or any part thereof which would result in the cancellation of the insurance of the Project or any part thereof or increase the rate of the insurance on the Project or any part thereof over what the Association, but for such activity, would pay, without the prior written consent of the Association. No operation or activity shall be permitted by an Owner or another within or upon any portion of the Project which will violate the provisions of any applicable statute, rule, ordinance, regulation, permit, or other validly imposed requirement of any governmental body or the By-laws or the reasonable rules and regulations of the Association or any applicable protective restrictions and covenants. Each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by him or his invitees.

ARTICLE VI

ASSOCIATION ORGANIZATION AND BY-LAWS

A. Administration and Management. Owners of each unit shall become a member of the Association upon conveyance to them of their unit and shall remain a member for the period of the ownership. The Association shall be granted all of the powers necessary to govern, maintain, manage, repair, administer and regulate the project and to perform all of the duties required of it.

B. Association Functions. The Association shall manage, control and maintain the roads to, from and within the development. They shall be responsible, along with Sherman Hills Estates, for filling and maintaining the fire water storage tank located at the corner of Pilot Peak Road and Mountain Shadow Lane. Each Unit will pay \$100.00 in 1990 and \$75.00 annually thereafter due on July 1 of each year to the Road Maintenance Board of Sherman Hills Estates for the purpose of road maintenance.

C. Transfer. Except as otherwise expressly stated herein, any of the rights, interest, and obligations of the Association set forth herein or reserved herein may be transferred or assigned to any other person or entity; provided, however, that no such transfer or assignment shall relieve the Association of any of the obligations set forth herein. Any such transfer or assignment shall not revoke or

change any of the rights or obligations of any Owners as set forth herein.

D. Voting Rights. Association members shall be all Owners and shall be entitled to one (1) vote for each Unit owned. When more than one (1) person holds an interest in any Unit, all such persons shall be members. The vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Unit.

E. Rules and Regulations. The Association may make reasonable rules and regulations governing the use of the Units which rules and regulations shall be consistent with the rights and duties established in this Declaration. The Association may suspend any Owner's voting rights in the Association during any period or periods during which such Owner fails to comply with such rules and regulations, or with any other obligations of such Owner under this Declaration. The Association may also take litigative action against any Owner to enforce compliance with such rules, regulations or other obligations or to obtain damages for non-compliance.

F. Notice and Quorum for any Action Authorized. Written notice of any meeting called for the purpose of taking any action authorized shall be sent to all members not less than fifteen (15) days, nor more than thirty (30) days, in advance of the meeting.

ARTICLE VII

COVENANT FOR MAINTENANCE ASSESSMENTS

A. Personal Obligation of Assessments. The Declarant, for each Unit owned within the Properties, hereby covenants, and each Owner of any Unit by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

- (1) Annual assessments or charges, and
- (2) Special assessments for road improvements, such assessments to be established and collected as hereinafter provided.

B. Creation of the Lien. The Assessments and special assessment, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such

assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. Subject to Article VII, Section I, the personal obligation for delinquent assessments shall pass to his successors in title unless expressly disclaimed by them by notice to the Association prior to transfer of title.

C. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the health, safety, and welfare of the residents in the Units and for the improvement, maintenance and operation of the roads situated within the Project, and other activities mutually approved for joint benefit of owners.

D. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Unit to an Owner, the maximum annual assessment shall be Two Hundred Forty Dollars (\$240.00) per Unit payable Twenty Dollars (\$20.00) per month.

(1) From and after January 1 of the year immediately following the conveyance of the first Unit to an Owner, the maximum annual assessment may be increased each year not more than 10% above the maximum assessment for the previous year without a vote of the membership.

(2) From and after January 1 of the year immediately following the conveyance of the first Unit to an Owner, the maximum annual assessment may be increased above 10% by a vote of a majority of members who are voting in person or by proxy, at a meeting of the Homeowners' Association duly called for this purpose.

(3) The Association may fix the annual assessment at an amount not in excess of the maximum.

E. Notice and Quorum for any Action Authorized Under this Section. Without regard for any other provisions for notice of meetings, written notice of any meeting called for the purpose of taking any action authorized under this Section shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No

such subsequent meeting shall be held more than 60 days following the preceding meeting.

F. Rate of Annual Assessments. The annual assessments as determined under the preceding paragraphs shall be uniform among all Owners and shall be collected in 1/12th installments on a monthly basis.

G. Rate of Special Assessments. Any special assessment as determined hereunder shall be apportioned equally among all owners.

H. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to all Units on the first day of the month following the filing of this Declaration. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Association shall fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Unit have been paid.

I. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum. The association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property.

J. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Unit from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VIII

INSURANCE

A. Owner's Personal Liability and Property Insurance.

An Owner shall carry such fire, casualty and personal liability insurance, as he may desire, including specifically casualty and hazard insurance for improvements constructed on his Unit.

ARTICLE IX

USE, CONSTRUCTION AND MAINTENANCE
COVENANTS AND RESTRICTIONS

A. Residential Use: The real property hereinabove described, and as may be subdivided hereafter, is hereby restricted in use for residential purposes only, and neither the premises nor any improvements thereon shall be used for any commercial, industrial, public, illegal or immoral purpose or purposes, and no public nuisance shall be maintained or permitted to exist thereon; provided however, that any person who practices a profession such as doctor, lawyer, architect, engineer or such other similar occupation, may maintain as an integral part of the physical resident, an office which may not be his principal office.

B. Construction: Only new construction or alteration of existing construction shall be permitted. All buildings and fencing shall be appropriate in character, design and architecture for the area. No building shall be erected, altered, placed or permitted to remain on any part of the property hereinabove described, other than one detached single family dwelling and a private garage, and buildings incident to residential use may be permitted. All buildings will be painted or sided to blend with the land as much as possible; no aluminum or galvanized metal will be used to build or side any buildings. The total combined size of all out buildings shall not exceed 1200 square feet in size. All construction and alteration shall comply with provisions of the following standard codes or their official amendments:

Uniform Building Code, current edition,
International Conference of Building Officials.

National Plumbing Code, current edition.

National Electrical Code, current edition.

National Fire Protective Association,
International.

and with such State of Wyoming building and safety codes as may be applicable. Variances from the terms of such codes in substitution of applicable codes may be made only with the consent of the architectural control committee.

C. Subdivision: No portion of the above-described real property shall be subdivided.

D. Utilities: All utilities and service lines shall be underground. The owner of each portion of the above-described real property shall adhere to local regulations for disposing of trash and garbage. No rubbish, debris, ashes or trash of any kind shall be placed or permitted to accumulate upon said property.

E. Waste Disposal:

(1) Each structure designed for occupancy by human beings shall be connected to a private individual waste disposal system at Owner's expense. The waste disposal system shall conform to standards applicable for the area including but being without limit to the Wyoming State Public Health Department and the Wyoming Department of Environmental Quality, and no outdoor toilet shall be permitted.

(2) Solid wastes shall be disposed of by commercial waste disposal contractors.

F. Water System: Each structure designed for occupancy or use by human beings shall be connected to a water supply system.

G. Excavation and Mining: No excavation of any kind including that for stone, sand, gravel or earth shall be made on any portion of the above-described real property, except for such excavation as may be necessary in connection with the erection of an improvement thereon. No oil drilling, oil development operations, quarrying, or mining operations of any kind shall be permitted upon said premises.

H. Continuity of Construction: All structures commenced shall be prosecuted diligently to completion and shall be completed within 24 months of commencement. If the construction progress is slowed or interrupted, the

construction site shall be cleaned up into a neat, orderly and safe place.

I. Fences: No fences may be erected on any property line except a pole-type fence. No other fences, hedges or walls shall be erected or maintained except to screen service areas, patios, swimming pools or other elements directly related to the main structure, and all such fences shall be limited to the materials prescribed for buildings, shall be a maximum of eight feet in height, and shall fall within the set-back limit prescribed for dwellings, except for property line fences.

J. Architectural Control, Design and Construction: No building shall be erected, placed or altered on any lot until the construction plans and specifications and a plan showing the location of the structure have been approved by the Association as to quality of workmanship and materials, harmony of external design with existing structure and location with respect to topography and finish grade elevations.

K. Improvement Set Back: No improvement, except property line fences shall be constructed closer to any property line or easement line than a distance of fifty (50) feet. For the purposes of this covenant, eaves, steps and open porches shall not be considered as part of such improvement. Provided, however, that this shall not be construed to permit any portion of a building on the property owned by one party to encroach upon the property owned by another party. No animal pens will be closer than fifty (50) feet to property lines.

L. Nuisances: No noxious or offensive activities shall be carried on upon any part of the property subject to these covenants, nor shall anything be done, tolerated or suffered thereon which may become annoyance or nuisance to other property owners on the land subject to these covenants.

M. Temporary Residence: No trailer, basement, tent, shack, garage, barn or other out-building erected on said real property shall be at any time used as a residence, temporarily or permanently, nor shall any structure of a temporary character be used as a residence, except during a period of construction of no longer than 12 months.

The foregoing prohibition shall not extend to recreational vehicles occupied during vacation periods by parking on the premises prior to the commencement of or during construction or a permanent facility on the tract.

N. Signs: No signs of any kind or character shall be displayed to the public view on any of the property hereinabove described, except:

(1) A sign advertising the premises for sale or rent, or open for inspection, which sign shall not exceed a surface area of six square feet.

(2) A sign identifying the owner or occupant of a residence situated upon said premises, which sign shall not have a surface area exceeding two square feet.

(3) Any light used to illuminate signs, parking areas or for any other purpose shall be so arranged as to reflect the light away from the nearest residence and away from the vision of passing motorists.

O. Animals: Dogs not to exceed two per unit shall be maintained inside enclosures or otherwise be kept within boundaries of unit. Animals utilized and owned as participation by minors in 4-H or FFA projects shall be kept or maintained within a 1/4 acre fenced area.

Up to four hoofed animals may be maintained in appropriate facilities on each lot and shall not constitute a nuisance to the immediate neighbors or any lot in the subdivision. Hoofed animals must be maintained in a fenced area not to exceed 1/4 acre. The fenced enclosure shall not be within fifty (50) feet of a unit boundary. Areas outside the 1/4 acre fenced area will not be grazed in order to preserve natural vegetation and prevent soil erosion.

P. Water and Ditch Rights: Each lot is subject to the law, privileges, responsibilities and rules and regulations governing water rights within the State of Wyoming.

Q. Variance: The Association shall have full power and authority to grant variances from these covenants for good cause shown in order to prevent undue hardship on any property owner subject to the covenants.

R. Dwelling Quality and Size: Each ranch style dwelling shall have a minimum of 2,000 square feet finished; bi-levels and tri-level houses shall have a minimum of 2,500 square feet finished on a combination of levels; and a two-story house shall have a minimum of 2,500 square feet finished in the residential unit. No basement areas will be considered a part of the finished area requirements.

ARTICLE X

GENERAL PROVISIONS

A. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

C. Revocation. The Declaration shall not be completely revoked unless all of the Owners and all of the Mortgagees unanimously consent and agree to such revocation by instrument(s) duly recorded.

D. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first thirty (30) year period by an instrument signed by not less than seventy-five percent (75%) of the lot Owners, and thereafter by an instrument signed by not less than sixty-five percent (65%) of the lot Owners. Any amendment must be duly authenticated and recorded.

E. In the event there shall be any conflict between the provisions of this Declaration and any By-Laws or rule and regulation of the Association, the provisions of this Declaration shall be deemed controlling.

IN WITNESS WHEREOF, the undersigned, being the Declarants herein, has hereunto set their hands and seals this 21 day of July, 1990.

Thomas D. Whitson
Thomas D. Whitson

Donna L. Whitson
Donna L. Whitson

David A. Koch
David A. Koch

Regina E. Koch
Regina E. Koch

Leslie A. Darnall
Leslie A. Darnall

Roberta M. Darnall
Roberta M. Darnall

STATE OF WYOMING)
) ss.
COUNTY OF ALBANY)

The foregoing was acknowledged before me this 21 day of July, 1990, by Thomas D. Whitson, Donna L. Whitson, David A. Koch, Regina E. Koch, Leslie Darnall and Roberta M. Darnall.

Witness my hand and official seal.

Joanne Wade Nagel
Notary Public

expires: March 7, 1994

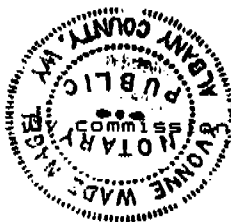


EXHIBIT "A"

Description

A tract of land in the west one-half of Section 6, Township 15 North, Range 72 West, 6th P.M., Albany County, Wyoming, more particularly described as follows:

Beginning at a point in the East line of the SW1/4, Section 6, Township 15 North, Range 72 West which bears N01 51'02"W 1902.92 feet from the S1/4 corner of said Section 6 and proceeding

thence S76 22'24"W 284.49 feet;
 thence S69 41'52"W 275.83 feet;
 thence S75 08'49"W 779.13 feet;
 thence N01 25'43"W 629.73 feet;
 thence N25 53'32"E 1362.67 feet;
 thence S80 08'14"E 674.39 feet, to the East line of the NW1/4, Section 6, Township 15 North, Range 72 West;
 thence S01 51'02"E 1378.17 feet, to the point of beginning.

TR#7
SW

Said tract contains 40.068 acres, more or less.

Reference bearing for the foregoing description is the North-South centerline of said Section 6, Township 15 North, Range 72 West, which bears N01 51'02"W.