

**NOTICE TO CLOSING AGENTS: THIS IS A FEE-ASSESSED SUBDIVISION.
CHECK WITH THE HOMEOWNERS ASSOCIATION FOR FEE SCHEDULE.**

**DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS
FOR
SUN CHASE VILLAGE**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR SUN CHASE VILLAGE is made and entered into this 9th day of September, 2004, by LARAMIE MF HOUSING PARTNERS, LLC, a Colorado limited liability company, hereinafter referred to as "the Declarant."

RECITALS

A. The Declarant is the owner of that certain real property located in the City of Laramie, County of Albany, State of Wyoming legally described on Exhibit "A" attached hereto and incorporated herein by reference ("the Real Estate"). (See Exhibit "C" for the Common Area with the location of building pads.)

B. On portions of the Real Estate, the Declarant desires to create residential development(s) in multi-family buildings, pursuant to the Wyoming Condominium Ownership Act, W. S. § 34-20-101, et seq., as it may be amended from time to time ("the Act"), and other portions of the Real Estate may be designated for multi-family apartments and single family residences.

C. The Declarant has caused to be incorporated under the laws of the State of Wyoming SUN CHASE VILLAGE MASTER ASSOCIATION, a nonprofit corporation, for the purpose of exercising the functions herein set forth.

ARTICLE I. SUBMISSION OF REAL ESTATE

The Declarant hereby publishes and declares that the Real Estate shall be held, sold, conveyed, transferred, leased, subleased, and occupied subject to the following easements, covenants, conditions, and restrictions which shall run with the Real Estate and shall be binding upon and inure to the benefit of all parties having any right, title, or interest in the Real Estate or any portion thereof, their heirs, personal representatives, successors, and assigns.

ARTICLE II. DEFINITIONS

Section 1: Capitalized Terms. When used in this Declaration, unless the context clearly indicates otherwise, capitalized terms shall have the meanings provided in this Article.

- (a) "Allocated Interests" shall mean and refer to the Common Expense Liability and votes in the Association.
- (b) "Approval" or "Consent" shall mean securing the prior written approval or consent as required herein before doing, making, or suffering that for which such approval or consent is required.
- (c) "Association" shall mean and refer to the Owners' association organized and existing under the Wyoming Nonprofit Corporation Act provided in this Declaration.
- (d) "Board of Directors" shall mean and refer to the Board of Directors of the Association.
- (e) "Building," where the text indicates, shall mean a building containing one or more residential Units.
- (f) "Bylaws" shall mean and refer to any instruments, however denominated, which are adopted by the Association for the regulation and management of the Association, including amendments to those instruments.
- (g) "Common Area" shall be driveways, parking spaces, identification sign(s) for Sun Chase Village, gazebo, clubhouse/laundry/mail facility, basketball court, detention pond, and all landscape areas (some landscape areas' use may be limited to designated Unit Owners).
- (h) "Common Expense Liability" shall mean and refer to the liability for Common Expenses allocated to each Unit pursuant to this Declaration.
- (i) "Common Expenses" shall mean and refer to expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves.

- (j) "Dealer" shall mean and refer to a Person in the business of selling Units for such Person's own account.
- (k) "Declarant" shall mean and refer to Laramie MF Housing Partners, LLC and any Legal Entity, Person or group of Persons acting in concert who:
 - (1) As a part of a common promotional plan, offers to dispose of to a Purchaser such Declarant's interest in a Unit not previously disposed of to a Purchaser; or
 - (2) Reserves or succeeds to any Special Declarant Right.
- (l) "Declaration" shall mean and refer to this Declaration, including any amendments hereto and also including, but not limited to, plats of the Real Estate recorded in the Clerk and Recorder's office of Albany County, Wyoming.
- (m) "Dispose" or "Disposition" shall mean and refer to a voluntary transfer of any legal or equitable interest in a Unit, but the term does not include the transfer or release of a security interest.
- (n) "Identifying Number" shall mean and refer to a symbol or address that identifies only one (1) Unit in the Real Estate.
- (o) "Limited Common Areas" shall mean areas of the Real Estate that are designated for use by a Unit Owner or more than one Unit Owner, but less than all unit owners, and are maintained by the Association who shall have direct governance over the Limited Common Area with a right to assess Common Expense Liability for the maintenance of the area to fewer than all the Unit Owners.
- (p) "Unit" shall mean space in a multi-family residential building or a single family residential building that is occupied by a single family, or a group of related or non-related individuals, or a single individual.
- (q) "Unit Owner" or "Owner" shall mean and refer to the Declarant or other Person who owns a Unit, or Units, but does not include a Person having an interest in a Unit solely as security for an obligation. The Declarant is the Owner of any Unit created in the Real Estate until that Unit is conveyed to another Person.

- (r) **“Manager” shall mean and refer to a Person employed or engaged to perform management services for the Association.**
- (s) **“Member” shall mean and refer to every Person or entity that holds membership in the Association.**
- (t) **“Mortgagee” shall mean and refer to any Person who has a security interest in a Unit and who has provided written notice of such interest to the Association. “First Mortgagee” shall mean and refer to a Mortgagee who has a security interest in a Unit prior to all other security interests except the security interests of real property taxes and assessments made by Albany County, Wyoming, or other governmental authority having jurisdiction over the Real Estate.**
- (u) **“Multi-family Residence” shall mean a building containing more than one Unit.**
- (v) **“Person” shall mean and refer to a natural person, a corporation, a limited liability company, a partnership, an association, a trust, or any other entity or combination thereof.**
- (w) **“Plat” shall mean and refer to the Plat of the Real Estate recorded in the office of the Clerk and Recorder of Albany County, Wyoming, and all recorded amendments or supplements thereto.**
- (x) **“Purchaser” shall mean and refer to a Person, other than a Declarant or a Dealer, who, by means of a transfer, acquires a legal or equitable interest in a Unit, other than:**
 - (1) **A leasehold interest in a Unit of less than forty (40) years, including renewal options, with the period of the leasehold interest, including renewal options, being measured from the date the initial term commences; or**
 - (2) **A security interest.**
- (y) **“Real Estate” shall mean and refer to the Real Estate described on Exhibit “A” attached hereto and incorporated herein by reference, which Real Estate may be referred to herein as the “Common Interest Community.”**
- (z) **“Residence” shall mean and refer to a Unit.**

- (aa) "Residential Use" shall mean and refer to use for dwelling by a single family or related or non-related individuals, or a single individual.
- (bb) "Rules and Regulations" shall mean and refer to any instruments, however denominated, which are adopted by the Association for the regulation and management of the Real Estate, including any amendment to those instruments.
- (cc) "Security Interest" shall mean and refer to an interest in real estate or personal property created by contract or conveyance that secures payment or performance of an obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in an association, and any other consensual lien or title retention contract intended as security for an obligation.
- (dd) "Single-family" shall mean and refer to any individual or group of people related by blood or marriage or any unrelated group of persons living together, or any individual living alone.
- (ee) "Subassociation" shall mean the associations that may be organized to govern parts of the Real Estate, such as condominium associations.

Section 2: Other Terms in Declaration. Other terms in this Declaration may be defined in specific provisions contained herein and shall have the meaning assigned to such terms by such definition.

ARTICLE III. COMMON INTEREST COMMUNITY

Section 1: Name. The name of the Common Interest Community is SUN CHASE VILLAGE.

Section 2: Association. The name of the Association is SUN CHASE VILLAGE OWNERS' ASSOCIATION.

Section 3: County. The name of every county in which any part of the Common Interest Community is situated is Albany County, Wyoming.

Section 4: Legal Description. A legal description of the Real Estate included in the Common Interest Community is set forth on Exhibit "A" attached hereto and incorporated herein by reference.

Section 5: Maximum Number of Units. The maximum number of Units that the Declarant reserves the right to create within the Common Interest Community is eighty-eight (88) Multi-family Residences and one (1) Unit in a single family residence.

Section 6: Boundaries of Buildings and Units. The boundaries of each Building and of each Unit and/or Multi-family Residence if dedicated to condominium shall be set forth on supplemental maps hereinafter filed and may be described and further regulated and assessed in amended declarations hereinafter filed.

Section 7: Allocated Interests. The Common Expense Liability and votes in the Association shall be allocated among the Owners as follows:

- (a) Each Owner's share of the Common Expenses shall be a fraction, the numerator of which shall be one (1) and the denominator of which shall be the total number of Units within the Common Interest Community.
- (b) Each Owner shall be entitled to one (1) vote for each Unit owned.

Section 8: Recording Data. All easements and licenses to which the Common Interest Community is presently subject are listed on Exhibit "B" attached hereto and incorporated herein by reference and the Plat. In addition the Common Interest Community may be subject to other easements or licenses granted by the Declarant pursuant to the terms of this Declaration and supplemental Declarations.

Section 9: Notice. Notice of matters affecting the Common Interest Community may be given to Unit Owners by the Association or by other Unit Owners in the following manner: notice shall be hand delivered or sent prepaid by United States mail to the mailing address of each Unit or to any other mailing address designated in writing by the Unit Owner. Such notice shall be deemed given when hand delivered or when deposited in the United States mail.

ARTICLE IV. ASSOCIATION

Section 1: Authority and Power. The business and affairs of the Common Interest Community shall be managed by the Association. The development, regulation,

and administration of the Common Interest Community shall be governed by those certain Documents, including, but not limited to the development plan approved by the City of Laramie, Wyoming, as it may be amended from time to time; this Declaration, and the Articles of Incorporation, Bylaws, and published Rules and Regulations of the Association, as each may be amended from time to time. The Association shall have all of the powers, authority, and duties permitted pursuant to the Documents and that are necessary and proper to manage the business and affairs of Sun Chase Village. The authority and power of the Association shall be paramount.

Section 2: Declarant Control. The Declarant, or persons designated by it, shall appoint the Board of Directors. The period of Declarant control as set forth herein is subject to the limitations set forth in Article V, Section 1, of this Declaration.

Section 3: Board of Directors' Powers and Duties. The Board of Directors may act in all instances on behalf of the Association, except as provided in this Declaration, or the Articles of Incorporation and Bylaws of the Association. The Board of Directors shall have, subject to the limitations contained in this Declaration and the Act, the powers and duties necessary for the administration of the affairs of the Association and of Sun Chase Village, which shall include, but not be limited to, the following:

- (a) Adopt and amend Bylaws.
- (b) Adopt and amend Rules and Regulations regarding the use and enjoyment of the Common Areas and Limited Common Areas and the activities of occupants thereon.
- (c) Adopt and amend budgets for revenues, expenditures, and reserves.
- (d) Collect Common Expense Assessments from Unit Owners.
- (e) Hire and discharge Managers.
- (f) Hire and discharge independent contractors, employees, and agents other than Managers.
- (g) Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violation of the Documents in the Association's name, on behalf of the Association, or Member(s) on any matters affecting the Common Interest Community.

- (h) **Make contracts and incur liabilities.**
- (i) **Regulate the use, maintenance, repair, replacement, and modification of the Common Areas.**
- (j) **Cause additional improvements to be made as a part of the Common Areas.**
- (k) **Acquire, hold, encumber, and convey in the Association's name, any right, title, or interest to real estate or personal property, but the Common Areas may be conveyed or subjected to a Security Interest only pursuant to this Declaration and applicable law.**
- (l) **Grant easements for any period of time, including permanent easements, leases, licenses, and concessions through or over the Common Areas.**
- (m) **Impose and receive a fee or charge for the use, rental, or operation of the Common Areas and for services provided to Owners.**
- (n) **Impose a reasonable charge for late payment of assessments and levy a reasonable fine for violation of this Declaration, the Bylaws, and the Rules and Regulations of the Association.**
- (o) **Impose a reasonable charge for the preparation and recordation of supplements or amendments to this Declaration and for statements of unpaid assessments.**
- (p) **Provide for the indemnification of the Association's officers and the Board of Directors and maintain Directors' and officers' liability insurance.**
- (q) **Exercise any other powers conferred by the Documents.**
- (r) **Exercise any other power that may be exercised in the State of Wyoming by a legal entity of the same type as the Association.**
- (s) **Exercise any other power necessary and proper for the governance and operation of the Association.**
- (t) **May, but shall not be required to, negotiate and enter into contracts for the following services to be provided Owners of Sun Chase**

Village: (1) water; (2) electric power; (3) gas; (4) phone (base service); (5) cable; (6) internet; (7) trash; and (8) such other services as shall be provided generally to Owners in Sun Chase Village. The contract services shall be available on a uniform basis to all Owners, but shall not be mandatory for any Owner (optional uniform service contract).

- (u) By resolution, establish permanent and standing committees of Directors to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee. All committees must maintain and publish notice of their actions to the Board of Directors. Actions taken by a committee may be appealed to the Board of Directors by any Member within forty-five (45) days of publication of a notice. If an appeal is made, the committee's action must be ratified, modified, or rejected by the Board of Directors at their next regular meeting.
- (v) The Declarant shall dedicate and/or convey to the City of Laramie, Wyoming, such facilities and areas as may be required by the City of Laramie in its approval and acceptance process.
- (w) Establish a reserve fund from the Common Expense Assessments as may be required for future reasonable needs.
- (x) The Association shall maintain all landscaping identified as part of the Common Areas of the Common Interest Community.
- (y) The Sun Chase Village Common Area as identified on Exhibit "C" is private for the owners of Sun Chase Village and shall be maintained and replaced as required by the Association. The building pads for future development are shown on Exhibit "C". The driveway off Seventh Street to the single family dwelling is a Limited Common Area to be maintained and replaced by the beneficiary user. Parking shall be designated by the Board of Directors of the Association.
- (z) The detention pond in the southeast corner of Sun Chase Village shall be a Common Area and maintained by the Association.
- (aa) The clubhouse laundry building and associated facilities shall be a Common Area operated, maintained and regulated by the Association.

- (bb) The basketball court area near the laundry building shall be a Common Area operated, maintained and regulated by the Association.
- (cc) The picnic gazebo area in the southwest corner of Sun Chase Village shall be a Common Area operated, maintained and regulated by the Association.
- (dd) Regulate the outside appearance of buildings including, but not limited to, color, roofing materials and color, alterations and window coverings.

Section 4: Professional Management and Contract Termination Provisions. The Association may utilize its employees or a professional management organization in performing its duties hereunder. Any agreement for professional management of the Association's business shall have a maximum term of three (3) years and shall provide for termination by either party thereto, with or without cause, and without payment of a termination fee, upon sixty (60) days' prior written notice. Any contracts, licenses, or leases entered into by the Association while Declarant is in control of the Association shall provide for termination by either party thereto, with or without cause and without payment of a termination fee, at any time after termination of Declarant control of the Association, upon sixty (60) days' prior written notice; provided, however, that any contract entered into at any time by the Association providing for services of the Declarant shall provide for termination at any time by either party thereto without cause and without payment of a termination fee upon sixty (60) days' prior written notice.

Section 5: Board of Directors' Limitations. The Board of Directors may not act on behalf of the Association to amend this Declaration, to terminate the Common Interest Community, or to elect members of the Board of Directors or determine their qualifications, powers, and duties or terms of office of the Board members.

Section 6: Owner's Negligence. Notwithstanding anything to the contrary contained in this Declaration, or in the event that the need for maintenance or repair of the Common Areas or any improvements located thereon is caused by the willful or negligent act, omission, or misconduct of any Unit Owner, or by the willful or negligent act, omission, or misconduct of any member of such Unit Owner's family, or by a guest or invitee of such Unit Owner, or any tenant or tenant's family, the costs of such repair and maintenance shall be the personal obligation of such Unit Owner, and any costs, expenses, and fees incurred by the Association for such maintenance, repair, or reconstruction shall be added to and become part of the assessment to which such

Owner's Unit is subject and shall be a lien against such Owner's Unit as provided in this Declaration imposing assessments on the Unit Owner for payment of Common Expenses. A determination of the willful or negligent act, omission, or misconduct of any Unit Owner or any member of a Unit Owner's family, or a guest or invitee of any Unit Owner, or tenant or tenant's family, and the amount of the Unit Owner's liability therefor, shall be determined by the Association after notice to the Unit Owner and the right to be heard before the Board of Directors in connection therewith.

**ARTICLE V. SPECIAL DECLARANT RIGHTS AND
ADDITIONAL RESERVED RIGHTS**

Section 1: **Special Declarant Rights**. Declarant hereby reserves the right for a period of seven (7) years after this Declaration is recorded in the office of the Clerk and Recorder of Albany County, Wyoming, to perform the acts and exercise the rights hereinafter specified ("the Special Declarant Rights"). Declarant's Special Declarant Rights include the following:

- (a) **Completion of Improvements**. The right to complete improvements indicated in the approval plan for Sun Chase Village with the City of Laramie, Wyoming.
- (b) **Exercise of Developmental Rights**. The right to exercise any Development Right reserved in Article VI of this Declaration.
- (c) **Sales Management and Marketing**. The right to maintain one (1) sales office, one (1) management office, signs advertising the Common Interest Community, and models. The Declarant shall have the right to determine the number of models and the size and location of the sales office, management office, and models. The Declarant shall also have the right to relocate the sales office, management office, and models from time to time at Declarant's discretion. After the Declarant ceases to be the Owner of a Unit, Declarant shall have the right to remove any sales office, management office, or model from the Common Interest Community.
- (d) **Construction Easements**. The right to use easements through the Common Areas for the purpose of making improvements within the Common Interest Community.

- (e) Control of Association and the Board of Directors. The right to appoint or remove and replace any officer of the Association or any Board member.
- (f) Future Development of the Common Interest Community. Declarant reserves the right to develop part or all of the Real Estate in any number of individual lots, Buildings, and Units, and to sell Units as condominiums in one or more separate condominium developments, or to sell one or more of the Buildings containing Units as an apartment complex for rental purposes, which may later be converted or not converted to condominiums. All Units, whether sold as condominium units or not, shall not remain burdened and benefited by this Declaration.
- (g) Amendment of Declaration. The right to amend the Declaration in connection with the exercise of any Development Rights or to comply with HUD, FannieMae, FreddieMac, FHA, or VA.
- (h) Amendment of Plat. The right to amend the Plat in connection with the exercise of any Development Rights.

Section 2: Additional Reserved Rights. In addition to the Special Declarant Rights set forth in Section 1 of this Article, Declarant also reserves the following additional rights ("the Additional Reserved Rights"):

- (a) Dedications. The right to establish, from time to time, by dedication or otherwise, utility and other easements over, across, and upon the Common Areas and Limited Common Areas for purposes including, but not limited to, streets, paths, walkways, drainage, recreation areas, parking areas, and to create other reservations, exceptions, and exclusions over, across, and upon the Common Areas for the benefit of and to serve the Unit Owners within the Common Interest Community.
- (b) Use Agreements. The right to enter into, establish, execute, amend, and otherwise deal with contracts and agreements for the use, lease, repair, maintenance, or regulation of Common Areas, which may or may not be a part of the Common Interest Community for the benefit of the Unit Owners and/or the Association.

- (c) **Other Rights.** The right to exercise any Additional Reserved Right created by any other provision of this Declaration.

Section 3: Rights Transferable. Any Special Declarant Right or Additional Reserved Right created or reserved under this Article for the benefit of the Declarant may be transferred to any Person by an instrument describing the rights transferred and recorded in Albany County, Wyoming. Such instrument shall be executed by the transferor Declarant and the transferee.

ARTICLE VI. RESERVATION OF DEVELOPMENT RIGHTS

Section 1: Development and Withdrawal Rights. Declarant expressly reserves the right to create additional Common Areas and Limited Common Areas; to modify Units or subdivide lots in the Common Interest Community; and to convert lots into Common Areas or Limited Common Areas, or to convert Common Areas and Limited Common Areas into buildable lots upon first having the approval of the City of Laramie, Wyoming on all or any portion of the Common Interest Community property as reserved for future development on the Plat. Declarant may exercise its Development Rights on all or any portion of the reserved property in whatever order of development Declarant, in its sole discretion, determines.

Section 2: Maximum Number of Units. The maximum number of Units in the Common Interest Community shall not exceed the number set forth in Article III, Section 5 above, or the maximum number of Units allowed by any governmental entity having jurisdiction over the Real Estate. Declarant shall not be obligated to expand the Common Interest Community beyond the number of Units initially submitted to this Declaration.

Section 3: Construction Easement. Declarant expressly reserves the right to perform construction work on or adjacent to Units and store materials on Common Areas and Limited Common Areas; and the future right to control such work and the right of access thereto until its completion. Work may continue to be performed by Declarant without the further consent or approval of any Unit Owner or Mortgagee. Declarant has such an easement through the Common Areas and Limited Common Areas as may be reasonably necessary for the purpose of discharging Declarant's obligations and exercising Declarant's reserved rights in this Declaration. Such easement includes the right to complete landscaping and construct underground utility lines, pipes, wires, ducts, conduits, and other facilities across the Real Estate for the purpose of furnishing utility and other services to the future development property. Declarant's reserved construction easement includes the right to grant easements to the City of Laramie, Wyoming, and to public utility

companies and to convey improvements within those easements. If Declarant grants any such easements, the Plat will be amended to include reference to such recorded easement(s).

Section 5: Transfer of Development Rights. Any development, or withdrawal right created or reserved under this Article for the benefit of Declarant may be transferred to any Person by an instrument describing the rights transferred and recorded in Albany County, Wyoming. Such instrument shall be executed by the transferor Declarant and the transferee.

ARTICLE VII. ASSESSMENT FOR COMMON EXPENSES

Section 1: Common Expenses Prior to Assessments. Until the Association makes a Common Expense Assessment, the Declarant shall pay all common expenses.

Section 2: Personal Obligation of Owners for Common Expenses. After Assessments are made by the Board of Directors, the Declarant, for each Unit owned, hereby covenants, and each Owner of any Unit by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to its share of the Association Common Expense Assessments imposed by the Association to meet the estimated Common Expenses.

Section 3: Purpose of Assessments. The assessments levied by the Association through its Board of Directors shall be used exclusively for the purpose of promoting the health, safety, and welfare of the Owners in the Common Interest Community; for the maintenance, repair, and upkeep of the Common Areas and Limited Common Areas, and for any other maintenance obligations or common services which may be deemed necessary by the Association for the common benefit of the Unit Owners, or the maintenance of property values, or for the payment of expenses which may be incurred by virtue of an agreement with, or requirement of any city, county, or other local government authority. The assessments shall further be used to provide adequate insurance of various types and in such amounts as hereinafter provided. Also, a portion of the assessment shall be used to provide an adequate reserve fund for replacement, repair, and maintenance of the Common Areas that must be repaired or replaced by the Association, and the Board of Directors shall be obligated to establish such reserve fund.

Section 4: Annual Assessment. The annual Common Expense Assessment against all Units shall be based upon the Association's advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during such assessment year, which estimates may include, among other things:

- (a) Expenses of management.
- (b) Premiums for all insurance which the Association is required or permitted to maintain.
- (c) Repairs, maintenance, and operation of the Association and the Common Areas and Limited Common Areas.
- (d) Where a Unit or Units receive special benefit, and use is limited to a specific Unit or Units for designated Limited Common Areas, the Unit Owner(s) may have common expense allocation made only to such benefited Unit(s).
- (e) Wages for Association employees, if any.
- (f) Legal and accounting fees.
- (g) Any deficit remaining from a previous assessment year.
- (h) The creation of reasonable reserve funds.
- (i) Any other costs, expenses, and fees which may be incurred or may reasonably be expected to be incurred by the Association for the benefit of the Owners under or by reason of this Declaration.

Section 5: Payment Period. The Board of Directors may require payment of assessments annually or may permit annual assessments to be payable in installments as the board shall from time to time determine but not less than quarterly.

Section 6: Initial Assessment. The initial annual assessment for each Unit shall be determined by the Board of Directors. The actual assessment will be determined by the Board of Directors during Declarant control. After the period of Declarant control of the Board of Directors, the Unit assessment may be increased by one of the following two methods:

- (a) From and after January 1 of the year immediately following the conveyance of the first Unit to an Owner, the annual Assessment may be increased effective January 1 of each year without a vote of the membership in conformance with the rise, if any, of the Consumer Price Index for the Laramie/Cheyenne region (published by the

Department of Labor, Washington, D.C.) for the preceding month of July over the month of July in the preceding year.

- (b) 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 that established by the Consumer Price Index formula by a vote of the Owners for the next succeeding two (2) years, and at the end of each such period of two (2) years, for each succeeding period of two (2) years, provided that any such change shall have the assent of a majority of the votes of the Owners who are voting in person or by proxy at a meeting duly called for this purpose.

Section 7: Special Assessments for Capital Improvements. In addition to the annual Assessments authorized above, the Association may levy, in any assessment year, a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Areas, including fixtures and personal property related thereto, provided that any such Special Assessment shall have the assent of two-thirds (2/3) of the votes of the Owners who are voting in person or by proxy at a meeting duly called for this purpose.

Section 8: Notice and Quorum for any Action Authorized Under Sections 6 and 7. Written notice of any meeting called for the purpose of taking any action authorized under Section 6 or 7 of this Article shall be sent to all Owners not less than thirty (30) days or more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Owners or of proxies entitled to cast ten percent (10%) of all the votes of the Owners 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 sixty (60) days following the preceding meeting.

Section 9: Uniform Rate of Assessment. Both annual and Special Assessments must be fixed at a uniform rate for all Units, except where a Unit receives special benefits.

Section 10: Date of Commencement of Annual Assessments; Due Dates. The annual Assessments provided for herein shall commence on the first day of the month following the conveyance of a Unit by the Declarant to a Purchaser. Unless the Declarant is paying all assessments as provided in Section 1 above, (in which event no Annual

Assessments shall commence during the period of time that Declarant is paying all of said Assessments). The first annual Assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors 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 date shall be established by the Board of Directors. The Board of Directors may, at its discretion, permit annual assessments to be payable in installments.

Section 11: Exempt Property. All properties dedicated to and accepted by a local public authority and all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of Wyoming shall be exempt from the Assessments created herein, except no land or improvements devoted to residential use shall be exempt from said Assessments.

Section 12: Reserve Fund. Upon the sale, transfer, or conveyance of a Unit, the purchaser or transferee of the Unit shall deposit with the Association as a reserve fund an amount equal to the quarterly assessment established by the Board of Directors for the year in which the transfer occurs. If, at any time, an Owner is in default in the payment of any assessments due to the Association, the Association shall have the right to use said reserve, or as much thereof as may be necessary, to pay any delinquent amount owed to the Association and to reimburse the Association for any expenses incurred by the Association in collecting delinquent assessments from the Owner. In such event, the Owner shall, upon written demand of the Association, promptly remit to the Association a sufficient amount of cash to restore the reserve to its original amount. In the event the reserve account is not used to make delinquent payments, then it shall be refunded to the Owner upon the sale of the Owner's Unit without interest. The Association shall have the right to commingle the reserve account with other funds of the Association and shall have no obligation to retain the reserve funds in a separate account or pay interest on the reserve funds. The reserve account shall not be deemed to be liquidated damages, and if claims of the Association against an Owner exceed the reserve account, the Owner shall remain liable for the payment of the balance of such claims to the Association.

ARTICLE VIII. LIEN FOR NONPAYMENT OF COMMON EXPENSES

Section 1: Liens. Any Assessment, charge, or fee provided for in this Declaration or any monthly or other installment thereof which is not fully paid within ten (10) days after the date due shall bear interest at a rate determined by the Board of Directors. In addition, the Board of Directors may assess a late charge thereon. Any Owner who fails to pay any Assessment, charge, or fee of the Association shall also be obligated to pay to the Association, on demand, all costs and expenses incurred by the Association, including

reasonable attorney's fees, in attempting to collect the delinquent amount. The total amount due to the Association, including unpaid Assessments, fees, charges, fines, interest, late payment penalties, costs, and attorney's fees, shall constitute a lien on the defaulting Owner's Unit as provided in the Act. Said lien shall have the priority provided for in the Act. The Association may bring an action, at law or in equity, or both, against any Owner personally obligated to pay any amount due to the Association or any monthly or other installment thereof and may also proceed to foreclose its lien against such Owner's Unit. An action at law or in equity by the Association against a delinquent Owner to recover a money judgment for unpaid amounts due to the Association or monthly or other installments thereof may be commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien.

Section 2: Subordination of Lien to Security Interests. A lien under this section is prior to all other liens and encumbrances on a Unit except:

- (a) Liens and encumbrances recorded before the recordation of this Declaration.
- (b) A First Security Interest on the Unit recorded before the date on which the Common Expense Assessment sought to be enforced became delinquent.
- (c) Liens for real estate taxes and other governmental assessments or charges against the Unit.

If a holder of a First Security Interest in a Unit forecloses that Security Interest, the purchaser at the foreclosure sale is not liable for any unpaid Common Expense Assessments against the Unit which became due before the sale, other than the assessments which are prior to the Security Interest under this section of the Declaration. Any unpaid Common Expense Assessments not satisfied from the proceeds of sale become Common Expenses collectible from all Unit Owners, including the purchaser. Sale or transfer of any Unit shall not affect the lien for said assessment charges except that a sale or transfer of any Unit pursuant to foreclosure of any First Security Interest, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture of any such executory land sales contracts shall only extinguish the lien of

assessment charges which become due more than six (6) months immediately preceding institution of an action to enforce either the Association's lien or a Security Interest, and statutory liens recognized under Wyoming law. No such sale, transfer, foreclosure, or other proceeding in lieu thereof, including deed in lieu of foreclosure, shall relieve any Unit from liability for any assessment charges thereafter becoming due, nor from the lien thereof. This section does not affect the priority of mechanics' or materialmen's liens.

Section 3: Record of Receipts and Expenditures. The Association shall keep detailed and accurate records in chronological order of all of its receipts and expenditures, specifying and itemizing the maintenance and repair of expenses of the Common Areas and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available on request for examination by the Members and others with an interest, such as prospective lenders.

Section 4: Notice to Security Interest. The Board of Directors shall establish Rules where appropriate, to respond to the request of a holder of a First Security Interest on a Unit for information of any unpaid assessments on the Units. The information shall be provided for a reasonable fee.

Section 5: Certificate of Status of Assessments. The Board of Directors shall establish Rules, where appropriate, to respond to the request of Owners for information concerning assessments assessed and not paid on their Unit. The Rules shall require a response within fourteen (14) days of receipt of the written request and may require the payment of a reasonable fee for each such request. The certificate of assessment may be relied upon by any purchaser or lender of Owner as true and accurate as of the date of issue.

Section 6: Homestead. The lien of the Association assessments shall be superior to any homestead exemption as is now or may hereafter be provided by Wyoming or federal law. The acceptance of a deed to land subject to this Declaration shall constitute a waiver of the homestead exemption as against said lien.

Section 7: Common Expenses Attributable to Less than All Areas or All Units.

- (a) If a Common Expense is caused by the misconduct of a Unit Owner or the Unit Owner's tenants, guests or invitees, the Association may assess that expense exclusively against that Unit Owner's Unit.
- (b) Fees, charges, taxes, impositions, late charges, fines, collection costs and interest charged against a Unit Owner pursuant to the

Declaration are enforceable as Common Expense Assessments.

ARTICLE IX. INSURANCE

Section 1: Insurance Requirements Generally. To the extent reasonably available, the Association shall obtain and maintain insurance on the Common Areas and for the Association for the protection of the Association and its Members as hereinafter provided. If such insurance is not reasonably available and the Board of Directors determines that any insurance described in this Article will not be maintained, the Board of Directors shall cause notice of that fact to be hand delivered or sent, postage prepaid, by United States mail to all Unit Owners at their respective last known addresses. All such insurance shall be underwritten, to the extent possible, with companies licensed to do business in the state of Wyoming having a Best's Insurance report rating of B/VI or better covering the risks below.

To the extent possible, casualty, property and liability insurance shall incorporate the following:

- (a) The insurer waives the right to subrogation under the policy against a Unit Owner, members of the household of a Unit Owner, the Association, its Directors, officers, employees, and agents.
- (b) An act or omission by a Unit Owner, unless acting within the scope of the Unit Owner's authority on behalf of the Association, will not void the policy or be a condition of recovery under the policy.
- (c) Contain a "severability of interest" clause that the insurance cannot be canceled, invalidated, or suspended on account of the negligent or intentional acts of the Association, its Directors, officers, employees, and agents.
- (d) If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner which covers the same risk covered by the policy, the Association's policy provides primary insurance.
- (e) Losses must be adjusted with the Association.
- (f) Insurance proceeds shall be paid to the Association, but are to be held in trust for each Unit Owner and the holder of a Security