

## DECLARATION OF COVENANTS FOR SUNRISE RANCH

John Paul Stalick and Colleen J. Stalick, herein the "Declarant", hereby declares that all of the lands within the Sunrise Ranch, a subdivision more particularly described and laid out in that certain plat approved by the County Commissioners of Sheridan County on July 5, 2005, and recorded in the Office of the County Clerk of Sheridan County as Plat No. 5-110 on July 6, 2005 (herein "Plat"), shall be subject to the following covenants:

1. **LOTS DEFINED.** These Covenants shall apply to the four (4) numbered Lots of Sunrise Ranch, as designated and shown on the aforesaid Plat (herein referred to as "Lot" or "Lots") and each record owner thereof, and their guests and invitees (herein "Owner"). Each covenant herein shall apply to each such Lot as set forth herein and shall be binding upon and run with the land.

2. **NO FURTHER SUBDIVISION.** No Lot shall ever be further divided, subdivided, split or partitioned in any manner.

3. **RESIDENTIAL USE.** All Lots shall be used only for residential purposes and associated agricultural uses. No business or commercial uses shall be permitted; provided however, nothing herein shall prohibit an Owner from conducting business from within the Owner's home or accessory building electronically or by other means not involving external or visible activities or increased traffic caused by customer/client travel, subject to applicable regulations of Sheridan County, Wyoming as now in effect or as hereafter amended. For purposes of illustration, such home business which are not precluded herein may include, but shall not necessarily be limited to: the practice of a profession in an office located within the home, a quiet trade or operation which occurs within the home or garage/accessory building, or the operation of a sales office within the residence for the sale of a product which is not inventoried on the Lot. No sign denoting any such business shall be placed on the Lot.

4. **CONSTRUCTION REQUIREMENTS – ASSOCIATION APPROVAL.**

a. ***Submission of Proposed Plans to Association / Review Process***

Whenever an Owner of a Lot wishes to construct a residence, accessory building or any permanent improvement/construction, the Owner shall submit to the Association three (3) full sets of building plans for such proposed construction. Such building plans shall show all exterior elevations of the proposed building(s) and shall designate all the materials and colors to be used for all exterior materials so that the Association has sufficient information to evaluate if the proposal meets the requirements set forth herein. Additionally, the Owner shall submit color samples of all such materials for the Association's review process. Further, the Owner shall submit a landscape plan for the site for the Association's review process.

JTS C.J.S.

Upon receipt of such plans, the Association shall hold a special meeting for the purpose of reviewing the plans and samples submitted as soon as possible, but in no event shall such meeting occur later than twenty (20) calendar days from the date of the Association's receipt of the plans and samples. The Association shall attempt to circulate the plans and samples to the Lot owners before the meeting if possible. At said meeting, each Owner shall have the opportunity to comment on the plans and discuss the same.

The Association shall use the following standards in their review of the plans submitted for approval:

i. *New Construction/Time For Completion.* Any buildings erected on the Lot shall be on-site new construction with new quality materials. Once construction of a structure is commenced on a Lot, construction of that structure shall be completed within eighteen (18) months of commencement. No owner of a Lot shall erect or place any mobile home, factory constructed or other modular residential buildings on a Lot, either temporarily or permanently. However, nothing herein shall prohibit the use of a recreational vehicle to provide temporary accommodations for the Owner during the construction so long as such use does not exceed the period during construction, or if not during construction, then twelve (12) months in total.

ii. *Compatibility of Improvements.* All buildings, fencing and any other improvements constructed on a Lot shall be appropriate in character, design, color and architecture in relation to the general area and to the other homes in the subdivision.

iii. *Colors of Improvements.* All buildings and improvements will be painted, stained, sided and roofed in primarily earth tone colors so that they shall blend with the land and the surrounding area and homes as much as possible.

iv. *Number of Buildings Per Lot.* No building shall be erected, altered, placed or permitted to remain on a Lot other than one (1) single-family primary residential dwelling and a maximum of two (2) additional accessory buildings. The definition of an accessory building includes the garage associated with the residence, whether such garage is attached or detached. The accessory buildings may be used as a garage, barn, studio, carriage or guest house, additional garage, workshop, living quarters for domestic employees, recreation room, storage area, or any combination thereof, all subject to applicable regulations of Sheridan County, Wyoming.

v. *Minimum Square Footage for Homes.* Every primary residential dwelling that is a single story home shall have a minimum of 1,600 square feet of above-grade

finished living area. Every primary residential dwelling that is a two story home (above grade) shall have a minimum ground level floor area (ie., footprint) of no less than 1,400 square feet of finished living area on the ground level. No primary residential dwelling shall exceed two stories above finished grade (not including a standard basement level) and shall be no higher than thirty six feet (36') at the main roof peak. No basement area will be considered a part of the finished floor area requirements, and no basement shall extend higher than thirty six inches (36") from the highest point of the finished grade elevation of the primary residential dwelling.

vi. *Accessory Buildings.* Accessory buildings shall be of properly framed construction, shall not exceed 3,600 square feet on the ground level, shall not exceed a height of sixteen (16) feet at the highest point of the sidewall above finished grade and shall be no higher than thirty-six (36) feet at the main roof peak.

Provided further, an accessory building constructed on a Lot shall be constructed in a style that matches the primary residential dwelling constructed thereon, and the siding and roof materials and colors of both buildings shall be the same. In an effort to promote a higher quality look than an average pole-type barn, each accessory building shall have one or more architectural details that provide a higher-than-average appearance. The architectural details required by this paragraph shall be subject to the approval of the Association.

vii. *Front Elevation – Masonry Requirement.* The elevation of all primary residential dwellings and all accessory buildings that face Sunrise Road shall use a substantial masonry element in their façade (with "masonry" for purposes herein to be either natural or cultured stone or brick). The intent of this paragraph is to require all improvements that are seen from Sunrise Road to be faced with an upscale, higher-than-average attractive and natural appearance. For purposes of satisfying the masonry requirement, the façade of elevation on a building that faces Sunrise Road shall include masonry to the satisfaction of the Association. It is Declarant's intent that each building's façade be faced with masonry on a substantial portion of the wall area (ie., something more than 20% of the wall area requiring siding); however, certain architectural details that are faced with masonry shall apply in fulfilling this masonry requirement (eg., details like masonry porch columns or pillars, masonry retaining walls, fireplaces with masonry exposed to the exterior elevation, and other such masonry details). Provided further, if a primary residential dwelling or accessory building has more than one elevation facing Sunrise Road, this requirement shall apply to that elevation that mostly faces the road only. The primary intent of this paragraph is not to require a certain percentage of masonry; rather to require the building to include enough masonry elements to give it the appearance of an upscale, higher-than-average quality and natural-appearing building.

viii. *Prohibited Sidings.* No primary residential dwelling nor any accessory building erected on a Lot shall be sided with any other materials such as the following materials, which are prohibited as such are typically inferior and less-than-average in quality and appearance, to-wit:

- a. plywood or any wood sheet panel siding (except as used in creating a board and bat siding and approved by the Association);
- b. vinyl siding;
- c. metal siding (except when used in a mix with masonry and approved by the Association)
- d. pressed board, hard board siding or other such inferior grade composite siding;
- e. exposed unfinished cement or concrete block (no more than 12 inches on the front elevation, or 30 inches on other elevations, of unfinished concrete for a basement/foundation wall shall be left exposed in its unfinished condition), or
- f. any other inferior siding.

ix. *Roofing Requirements.* Roof lines on all primary residential dwellings shall include varying roof pitches with architectural interest. Declarant intends as a guideline that the primary roof lines of a primary residential dwelling should be pitched with at least a 6/12 pitch, but ancillary roof line pitches (eg., porches, dormers and other ancillary roof lines) may be less. All buildings constructed on a Lot shall have a roof of at least eighteen inch (18") overhang. Permitted roofing materials shall not be in any unusual color and are limited to: (i) tile or slate; (ii) asphalt shingles (provided however, if asphalt shingles are used, they shall be the architectural design with the "shake" look and shall be of a quality with at least a 40 year rating, (iii) high quality composite shakes, (iv) real cedar shakes, (v) metal roofing with a baked enamel or high quality coated finish and in an architectural grade with concealed screws/fasteners, or (vi) other such higher-than-average quality roofing material. These pitch and material requirements for roofing are intended to require each building to achieve an architecturally interesting and higher-than-average appearance.

x. *Fences.* There shall be no chain-link fences, no concrete block fences (unless surfaced with a stucco or masonry veneer). No fences shall be permitted that are not compatible with the rural atmosphere and no unusual type of fence not common to the area on any Lot (such fences which are common to the area being, for example, wood buck-and-rail, post-and-beam, cedar split rail). All permanent fences to be constructed as a divider fence on a Lot boundary shall be subject to

approval by the architectural control committee, as such approval process is set forth herein.

*xi. Use of Accessory Building.* Subject to applicable Sheridan County regulations, nothing contained in these Covenants shall preclude the construction of the permitted accessory buildings containing living quarters which do not meet the aforesaid minimum finished floor area requirements for a residential dwelling prior to the construction of the primary residential dwelling. Provided further, that upon construction of a primary residential dwelling, nothing herein shall preclude the use of the living quarters in the accessory building thereafter as an accessory use, such as living quarters for domestic employees or as guest quarters, subject again to all applicable Sheridan County regulations governing the same.

**b. Association's Approval of Construction/Voting.** At the conclusion of the Association's discussion on the submission of the above-described plans at the special meeting, the Association shall vote on whether it shall approve the proposed plans and submitted samples. The Association's approval or denial of the submission shall be based (i) primarily upon whether the proposed construction is generally compatible with the existing structures already approved and/or constructed in the subdivision at the time of submission, if any, and (ii) secondarily upon the construction standards set forth above.

Each Lot for which the building plans are not submitted shall be entitled to one vote, so that the three (3) Lots not proposing the construction shall approve or deny the submission. The Lot for which the plans are submitted shall not be entitled to a vote in approval process. Approval of the construction plan submission shall require only a majority vote (ie., 2 of the 3 Lots entitled to vote on the submission) to approve the plans.

The Association shall issue a written statement outlining the result of said vote and whether the Association approved or denied the proposed plans and samples. If denied, the Association shall further provide a written summary of the reasons for such denial, and the factors which need revision to be approved, and shall provide the same to the Lot owner who proposed the plans within ten (10) days from the date of said meeting.

Those Lot owner(s) who are unable to attend said meeting may give another Lot Owner his/her written proxy or may submit a written vote for approval/disapproval of the proposed plans and samples to the Association at or before said meeting and that written vote shall be deemed the vote of that Lot owner.

No construction on the proposed building(s) shall commence until it has been approved by the Association.

**c. *Express Intent of Architectural Control and Possibility For Variance.***

It is the intent of these Covenants to ensure that the homes and accessory buildings constructed within Sunrise Ranch are top quality homes in terms of appearance, styling and construction. The Lot owners wish to promote a high quality of construction and appearance for each building to be constructed in the subdivision to protect each other's desired lifestyles and property values.

The Association, in exercising its architectural control of the subdivision, may grant, in its sole discretion, a variance to an Owner upon the Owner's written request to allow the residence or accessory building to be constructed in some material or manner other than those expressly permitted above. The Association acknowledges that there may be a type of construction, siding, roofing or other materials proposed that may be otherwise prohibited herein but because of the overall high quality of construction, appearance and style of the proposed residence or building the Association may desire, as a group, to allow such and grant a variance.

Provided further, Declarant intends to retain ownership of Lot 4 of Sunrise Ranch for the construction of their personal residence. Because these Covenants and the conceptual plan for the Subdivision were of Declarant's creation and vision, for so long as Declarant owns Lot 4, Declarant shall propose only plans that comply with the intent of this Declaration and the Association/Owners of the remaining three Lots shall not disapprove the plans for improvements proposed by Declarant upon Lot 4 unless such plans clearly contradict the specific requirements set forth herein. Nothing in this paragraph, however, shall be deemed as granting a general variance from the requirements set forth herein for Lot 4.

**5. IMPROVEMENT SET BACK/LOCATION OF BUILDINGS.** No improvement (excluding perimeter fences, landscaping and similar improvements which would not defeat the purpose of the set back) shall be constructed closer to any Lot line which is less than a distance of Thirty Five (35) feet for such Lot lines that are common boundary lines between the Lots. Eaves, steps and open porches of buildings shall not be considered as part of such improvement. Provided further, no building shall be constructed upon the northern-most 165.49 feet of Lot 1, as that narrow portion of Lot 1 (as shown on the Plat) shall be used for the entryway to the subdivision and by the Owner for plantings and any other permitted use not including the construction of a building. Provided further, no set back restriction shall apply to the North boundary line on Lot 4. Provided however, should any person own adjacent Lot(s), nothing herein shall prohibit the construction of improvements on (or within some distance less than

the otherwise applicable set back of) the interior common boundary between the adjacent lot(s).

Each Lot owner shall give consideration to place new structures so as not to disrupt the view of existing homes on neighboring Lots and to provide continuity with the natural surroundings.

6. EXTERIOR LIGHTING. Only standard residential lighting shall be used to illuminate a Lot. All outside lighting shall be arranged, directed and/or shielded so as to prevent any such light shining onto or at the adjacent road and/or Lots.

7. UTILITIES/EASEMENTS. All utilities and service lines installed on Lots shall be underground. No propane tank, if any are used, shall be visible to the other Lot owners. Declarant hereby grants and assigns easements to and for the benefit of each Lot along those easement routes shown on the Plat and designated thereof as easements, including but not limited to the access easement for the benefit of the Lots along Sunrise Road, the access easement (hammerhead) located on Lot 4, and the access and irrigation easement shown at the boundary of Lots 2 and 3, all as shown on the Plat. Provided further, the irrigation easement shown at the boundary of Lot 2 and 3 was placed by Declarant for the purpose of retaining an area for irrigation works if necessary, and if such area is deemed not necessary by the Owners hereafter for the irrigation needs of the subdivision, such easement may be vacated by the Owners.

Declarant further grants a utility, drainage and irrigation easement which is fifteen feet (15') wide along the exterior boundary of each Lot and ten (10') feet wide on each Lot where the boundary lines of two adjacent Lots meet. The purpose of this easement is to provide each Lot with the benefit of allowing utilities, drainage and irrigation along such routes as may be necessary for each Lot.

8. WASTE DISPOSAL. The owner of each Lot shall adhere to local regulations for disposing of trash and garbage. No rubbish, debris, ashes or trash of any kind shall be burned on any Lot, nor shall it be placed or permitted to accumulate upon said Lot, but nothing herein shall prohibit a reasonably-safe fire pit for a recreational fire within the pit. All trash and garbage containers shall be concealed from view except on the day of pickup or removal.

9. PARKING OF VEHICLES, MACHINERY AND EQUIPMENT. Vehicles which are not in running condition or are in a state of disrepair, and trailers, campers, boats, recreational vehicles and other like vehicles, machinery and equipment shall not be placed or stored anywhere on a Lot unless enclosed in a garage or accessory building or substantially screened from the view of other Lot owners, whether by natural means

JPS C.J.S.

or by construction. Vehicles which are used on a daily basis for the owner's transportation are not required to be stored in such a manner. The Association may permit, from time to time and on a case-by-case basis, the temporary parking of high quality recreational vehicles on a Lot in a manner that is not enclosed or substantially screened from view.

Provided further, at the time of this Declaration, the Owners of Lot 4 store certain items of machinery, equipment and vehicles on Lot 4, some of which shall be used to improve, repair and maintain portions of the subdivision. For so long as the owners of Lot 4 use the machinery, equipment or vehicles for such purposes within the subdivision, their use and storage thereof shall be reasonably well-kept but shall not be required to be stored entirely inside a garage or accessory building or substantially screened.

**10. LIMITATION ON PETS; RESTRICTION ON LIVESTOCK.** Commercial animal husbandry shall not be practiced in any form on any Lot, and all pets located on a Lot shall be maintained for personal and family use only. No owner shall keep more than three dogs nor more than three cats on a Lot, and all such dogs/cats shall be kept restrained on an owner's Lot in a reasonable manner and shall at all times be kept from creating a nuisance or disturbance (particularly a noise disturbance) to other Lot owners within Sunrise Ranch.

No Livestock of any nature shall be kept, raised, or maintained on a Lot ("Livestock" shall include but not be limited to: horses, mules, donkeys, cattle, sheep, pigs, goats, llamas, peacocks, turkeys, chickens and any other such animals not customarily kept as household pets in the area), except with the express written approval of the Association, which may be withheld in its sole discretion. This prohibition against Livestock is made due to the size of the Lots being 2 acres (more or less) and the close proximity of the homes to be constructed on Lots 1, 2 and 3 and the belief that an owner of Lots 1, 2 or 3 adding Livestock to the mix of residences in such close proximity would likely lead to disputes between neighbors. If a Lot owner hereafter proposes a plan to keep an otherwise prohibited animal on a Lot that would eliminate the likelihood of disputes and the owners of the adjacent Lot(s) agree to a variance of this restriction, then the Association may grant a specific, limited and conditional variance to this prohibition.

Provided further, this prohibition against Livestock shall not prohibit horses from being kept on Lot 4 – due to the larger size, features and end-of-the-road location of Lot 4, the owners of Lot 4 shall be permitted to keep horses thereon so long the Lot is maintained at all times in a clean and sanitary condition and the natural beauty and character of the Lot is not materially changed by grazing. Provided further, periodic



grazing of other livestock on Lot 4 shall be permitted to the extent the grazing maintains the undergrowth and reduces fire hazards on Lot 4.

11. **NO DISCHARGE OF FIREARMS; FIREWORKS.** No rifle, shotgun, black powder weapon and/or handgun shall be discharged within Sunrise Ranch nor shall fireworks be ignited or displayed within the SUNRISE RANCH.

12. **HAZARDOUS, NOXIOUS, OR OFFENSIVE ACTIVITIES.** No hazardous, illegal, noxious, or unreasonably loud or offensive activities shall be permitted within the SUNRISE RANCH. Nothing shall be done or placed within SUNRISE RANCH which is or may become a nuisance, particularly a visual or noise nuisance which is offensive to a reasonable person.

13. **IRRIGATION OF YARDS/LANDSCAPING/MAILBOXES.** The Association, as defined below, shall have the authority to ensure that all appropriated irrigation water that is available to Sunrise Ranch, and to each Lot thereof, is properly delivered to the subdivision from the point of diversion as shown on the Plat. The irrigation water may be used as it is available, and the water shall be allocated among the Lots on a schedule for the shared use of such water as determined by the Association. The irrigation system of Sunrise Ranch shall provide for an amount of irrigation water proportionate to the size of each Lot. Said available irrigation water is intended to provide water to irrigate the yards and landscaping of each Lot, as the appropriated irrigation water appurtenant to SUNRISE RANCH is available from time to time and from season to season.

Landscaping, including the introduction and planting of grasses, shrubs, and trees is required to the extent that the area of the Lot surrounding the primary residential dwelling be given the area a finished and mature appearance, with plantings of trees, shrubs, plants, grasses and other high-quality landscaping materials compatible with the local surroundings. The inclusion of trees in the landscaping plan is encouraged; however, the location, type and size of such trees shall be chosen so as to not unduly impede the primary view corridor of an existing primary dwelling located upon an adjacent Lot. A landscaping plan showing the location, type and size of the landscaping features shall be submitted by the Owner, and the landscaping as shown in such plan, shall be completed within twelve months from the date the dwelling is first occupied. All such landscaping shall be reasonably maintained and manicured and each Lot shall be kept reasonably clear and free of noxious weeds.

Declarant shall install mailboxes for each Lot, together with a parcel drop box(es), at a common location which is intended to be located at the entrance of the Subdivision, at Declarant's cost, at a location and configuration that complies with the

JPS. C.J.S.

requirements of the United States Postal Service for the common delivery point for all Lots. Each Owner shall use its designated mailbox/parcel drop box and not use any other individual box on a Lot for the delivery of the US Mail. The Association shall maintain said boxes after Declarant bears the initial costs of installation.

**14. SUNRISE RANCH HOME OWNERS' ASSOCIATION.**

a. Creation. The Sunrise Ranch Home Owners' Association (herein referred to as the "Association") shall be created by the Owners as an unincorporated, nonprofit Association under the Wyoming Unincorporated Nonprofit Association Act, Wyoming Statutes, to exercise the powers granted, and to perform the functions imposed, by these Covenants with regard to the Lots.

b. Purposes and Powers. The general purposes of the Association are to:

(i) enforce these Covenants, as set forth herein and as may be amended,  
(ii) to govern, administer and pay for the private maintenance and repair of Sunrise Road,

(iii) to ensure the proper delivery of the available appropriated irrigation water to the boundaries of Sunrise Ranch;

(iv) to serve as an architectural control committee to protect the generally required characteristics of construction described above and to prohibit any construction in violation of such requirements. In this capacity as an architectural control committee, the Association's approval of the construction plans, elevations and color selections shall be required to commence construction. Should the Association deem such plans, elevations or colors a clear violation of the requirements set forth hereinbefore, the Association shall have the right, if after a proper vote is taken, to take action as the Association to attempt to enjoin the non-permitted construction.

(v) to generally promote the health, safety, and welfare of the residents of the Lots. The Association shall also have the power to provide such additional services for the Lots as the owners may from time to time approve.

For these purposes, the Association is hereby empowered to:

(1) exercise all of the authority, powers, and privileges delegated to or vested in the Association by these Covenants, by Wyoming Statutes, or as may be reasonably implied as being necessary and proper hereunder, and to perform all of the duties and obligations established by these Covenants;

(2) elect officers to carry out the administrative duties authorized by the Association's members from time to time. Officers shall include a President, Vice President and Secretary/Treasurer unless otherwise provided by the Association;

(3) fix, levy, collect, and enforce payment by any lawful means, all charges or assessments pursuant to these Covenants, and to pay all expenses in connection

therewith and all expenses incident to the conduct of the business of the Association, specifically including the costs associated with repairing, maintaining and operating Sunrise Road; and

(4) employ such firms or persons to perform any or all of the duties and obligations of the Association.

c. Membership. Every person who is an owner of a Lot shall be a member of the Association, and such membership shall be appurtenant to and may not be separated from the ownership of the Lot. An owner shall become a member upon conveyance of record to him of his Lot and shall cease being a member upon his conveyance of record of such Lot. No certificate or document, save and except a recorded conveyance to a Lot, shall be required to evidence such membership.

d. Voting Rights. Each owner shall be entitled to one vote for each Lot owned, save and except that the voting rights of any owner who is more than 30 days past due on the payment of any assessment to the Association shall be automatically suspended until such assessment, together with interest, costs, and reasonable attorney's fees, is paid in full. The voting rights of any owner against an enforcement issue is being voted upon by the Association shall be suspended for the vote on that enforcement issue only. When more than one person holds an interest in any Lot, the vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast on behalf of one Lot.

e. Action. An action of the Association, or any approval required of the owners under these Covenants, shall require the affirmative vote of *at least* seventy five percent (75%) of all Lots (ie., 3 of the 4 Lots), excluding the vote of any owner whose voting rights are suspended under Subparagraph d., cast in person or by proxy, at a duly constituted meeting of the Association, or, without a meeting by written approval of such action.

f. Meetings. The Association shall have an annual meeting. The first annual meeting shall be held in the month of June of 2007, as called to order by Declarant. At such initial annual meeting, the members of the Association shall determine the preferred time, date and location for the annual meetings thereafter. Other special meetings of the Association may be called at any time by the written request of the owners of any two (2) Lots. Written notice of any and all meetings of the Association shall be given by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each owner, addressed to the owner's address last appearing on the books of the Association, or supplied by such owner to the Association for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting, and the purpose of the meeting. Each owner may vote in person or by proxy at all meetings of the Association. All proxies shall be in writing. Every proxy shall be revocable and shall automatically cease upon conveyance by the owner of his Lot.

g. Books and Records. Upon prior written request, the books, records,

JPS. C.J.S.

and papers of the Association shall be subject to inspection at a reasonable time and place by any owner and by a mortgagee holding a duly recorded mortgage against a Lot.

h. Principal Office. The Association shall designate a principal office from time to time.

i. Dissolution. The Association may be dissolved upon the written approval of all of the owners of all the Lots. Upon dissolution of the Association, the assets of the Association shall be distributed to the owners of the Lots within SUNRISE RANCH in equal shares, or, dedicated to an appropriate public agency or nonprofit organization to be used for purposes broadly similar to those for which this Association was created.

j. Limitations. No part of the net earnings of the Association shall inure to the benefit of, or be distributed to, the owners, except that the Association shall be authorized to pay reasonable compensation for services rendered.

#### 15. ASSESSMENTS.

a. Creation of Lien & Personal Obligation of Assessments. Each owner of a Lot, 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 the Association all assessments or charges duly established and collected as hereinafter provided. All such assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot 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 Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to an owner's successors in title unless expressly assumed by them.

b. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to pay the obligations imposed upon the Association by these Covenants and to promote the health, safety, and welfare of the residents of the Lots.

c. Annual Assessments. The Association shall establish annual assessments reasonably sufficient to meet its obligations under these Covenants, including specifically the obligations to maintain the surface of, and shoulders/borrow ditches along, Sunrise Road, the irrigation system to the point of the riser on each Lot and to satisfy the other general operating expenses of the Association. The annual assessment shall be fixed by the Association each year, shall accrue beginning on January 1 and ending on December 31 of each year, and shall be collected on the date of the annual meeting of the Association each year, unless otherwise agreed by the Association. The Association shall have the power to include within the annual assessment amounts to meet the costs of any other service duly approved by the Association.

d. Special Assessments. In addition to the regular assessments

authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only.

e. Approval of Assessments. All assessments under this Paragraph shall be subject to the approval of the Association, as provided herein. Declarant has set the initial annual assessment (for the year 2007) at \$250.00 per year per Lot. All annual assessments thereafter shall be set by the Association in accord with c. above at its first annual meeting. Except in extraordinary circumstances, it is expected that the annual assessment shall not be increased or decreased by more than ten percent (10%) in any year, unless unanimously approved by the Owners.

f. Uniform Rate of Assessment. Both annual and special assessments must be fixed as a uniform rate, in an amount equal for each Lot.

g. Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to all Lots on such date as shall be established by the Association. The Association shall fix the amount of the annual assessment against each Lot at least 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 Association. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

h. Effect of Nonpayment of Assessments. Any assessment not paid within 30 days after the due date shall thereafter bear interest from the due date at the rate of 12 percent per annum. Upon the failure of a Lot owner to pay the assessment when due, the Association will provide written notice to the violating Lot owner by delivering the notice by certified mail -- such delivery shall be deemed effective on the date notice is mailed by the Association. The violating Lot owner shall have thirty (30) days from the date the notice is deposited in the mail to pay, in full, the unpaid assessment, interest thereon and costs. If payment is not received by the Association within said 30 day period, the Association may bring an action at law against the owner personally obligated to pay the same, or may foreclose the lien against the Lot which is created herein by such nonpayment. The lien created herein shall be foreclosed in the manner provided for the foreclosure of real estate mortgages in the State of Wyoming and may be, at the Association's discretion, accomplished by advertisement and sale as provided in the Wyoming Statutes. In the event of such collection and/or foreclosure, the nonpaying Lot owner shall be liable for all attorney's fees and costs incurred by the enforcing party in such collection. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of his Lot.

i. Subordination of Lien to Mortgages. The lien of the assessment provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of

J.P.S. C.J.S.

any Lot pursuant to the foreclosure of a first mortgage or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

**16. VARIANCE REQUEST/VOTE.** The Association shall have full power and authority, upon an affirmative vote to grant a variance from these Covenants for good cause shown in order to prevent undue hardship on an owner subject to the Covenants. The variance, if granted, shall not violate the overall theme and appearance of the property subject to these Covenants and shall be in writing. Should a variance be requested by an Owner, the request shall be submitted in writing and the Association shall either grant or deny the variance in writing within 30 days of the request, stating the reasons supporting the grant or denial as the case may be.

Should the variance requested be for the benefit of one Lot, that Lot shall not have a vote in the variance request. Each Lot for which the variance is not requested shall be entitled to one vote, so that the Association, by and through the three (3) Lots not requesting the variance, may grant or deny the requested variance. The granting of such a variance shall only occur upon the approval of a majority vote (ie., 2 of the 3 Lots entitled to vote on the request) to grant the variance.

Provided further, should the variance requested be for the benefit of two or more Lots, then the Association may grant or deny the requested variance after a full vote of the Association. The granting of such a variance shall only occur upon the unanimous (100%) approval to grant the variance.

**17. ENFORCEABILITY.** These Covenants may be enforced by the record owner of any Lot in the SUNRISE RANCH or by the Association, but shall not run to the benefit of any third party. The Association shall be entitled to recovery of its attorneys fees and costs incurred in a successful enforcement of these Covenants.

**18. 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.

**19. NON-WAIVER.** Any failure to promptly enforce a violation of these Covenants shall not be deemed a waiver of the right to so enforce whatsoever.

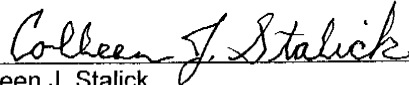
**20. COVENANTS RUN WITH THE LAND; AMENDMENT.** This Declaration of Covenants shall run with the land and shall be binding upon all parties and shall be automatically extended for successive periods of ten (10) years unless an instrument

signed by all Lots (ie., 100% of the Lots) repeals or amends this Declaration covenants.

Except as expressly otherwise provided hereafter, these Covenants may be amended only upon an affirmative unanimous vote of Lots and with an instrument signed by all record owners of Lots in the SUNRISE RANCH which shall be filed in the Office of the County Clerk of Sheridan County, Wyoming.

Executed by the Declarant this 19<sup>th</sup> day of October, 2006.

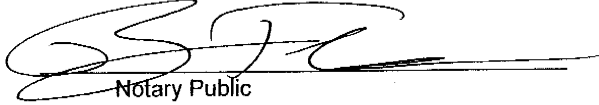
  
John Paul Stalick

  
Colleen J. Stalick

STATE OF WYOMING     )  
                                      ) ss.  
COUNTY OF SHERIDAN    )

On this 19<sup>th</sup> day of October, 2006, the foregoing Declaration was acknowledged before me by John Paul Stalick and Colleen J. Stalick, who appeared before me and was personally known to me.

GIVEN under my hand and notary seal the day and year first above written. .

  
Notary Public

My Commission expires: 5-13-10

