

**DECLARATION OF PROTECTIVE COVENANTS  
THE PINES TOWNHOMES  
SHERIDAN COUNTY, WYOMING**

THIS DECLARATION OF PROTECTIVE COVENANTS is made effective this 6th of December, 1999, by **GALLOWAY CONSTRUCTION, INC., a Wyoming corporation** (as "Developer") and **SUGARLAND ESTATES, a Wyoming general partnership, and SUGAR LAND DEVELOPMENT COMPANY, a Wyoming general partnership** (collectively "Owners"), both of Sheridan County, Wyoming. Developer and Owners will be collectively referred to as "Declarant".

**RECITALS**

A. Owners and Developer each own certain lots in the following described real property situated in the City of Sheridan, County of Sheridan, Wyoming:

**Lots 1 through 10 and Outlot "A" Pine Hills Subdivision, a subdivision in Sheridan County, Wyoming, filed in Drawer P, Plat No. 47 in the Office of the Sheridan County Clerk.**

B. Declarant contemplates that approximately ten residential dwelling townhouse units (hereinafter the "Residential Units") will be constructed by Developer on the property described above and will be offered for sale to the general public. The term "Residential Unit(s)" as used in these covenants includes each of the ten platted lots, whether or not a residence is constructed on the lot. The townhouse development shall be known as "The Pines Townhomes".

C. All of the Residential Units of The Pines Townhomes shall be held, transferred, conveyed, or contracted to be conveyed by Declarant subject to the following easements, restrictions, reservations, covenants and conditions, which shall run with the land and be binding upon all parties having any right, title or interest in The Pines Townhomes, or any part thereof, and their respective heirs, successors and assigns.

D. These Protective Covenants are imposed upon The Pines Townhomes and each Residential Unit as an obligation or charge against the same for the benefit of each and every Residential Unit in The Pines Townhomes and the owner and owners thereof. Each and every owner of Residential Units in The Pines Townhomes shall have a right to enforce the following Protective Covenants, which shall be imposed upon each and every Residential Unit in The Pines Townhomes.

### DECLARATION

1. **Purpose of Protective Covenants.** It is the intention of the Declarant that The Pines Townhomes be developed and maintained as a highly desirable townhome development designed to obtain for the residents thereof the benefits of more effective and attractive land use, and freedom from the burdens of individual maintenance and repair of the grounds and the exterior surfaces of the structures located thereon.

2. **Residential Units Effected.** These Protective Covenants shall affect and be binding upon each of the Residential Units and the common areas associated with The Pines Townhomes, and shall be binding upon any additional lands which are contiguous or adjacent to The Pines Townhomes and which now are or hereafter may be owned by Declarant and subjected to these Protective Covenants.

3. **Use of Residential Units.** All Residential Units shall be used only for single family residences. No manufacturing or commercial enterprise shall be permitted. An in-home business may be permitted by The Pines Townhomes Association ("the Association") so long as no extra vehicular traffic, signs, noise, unusual disturbance or any nuisance results from the operation of the in-home business. Written permission for an in-house business must be obtained from the Association prior to commencement of the in-home business.

4. **Residential Units.**

a) **No Alteration.** Following completion of the construction of each Residential Unit, there shall be no alterations, changes, additions or deletions of any nature which will, or may be, visible from the exterior of the Residential Unit or which will, or may, adversely affect any other Residential Unit, provided that, with the prior approval of the Association, minor changes not affecting the structure or general style or appearance of the buildings may be permitted.

b) **Color.** There shall be no change in any exterior color of any Residential Unit from the color scheme then in effect throughout The Pines Townhomes, except in connection with a general change in such color scheme under the direction and approval of the Association.

c) **Signs.** No signs shall be placed upon or about any Residential Unit other than the name and address of Residential Unit owners, in such sizes, styles and materials as the Association shall approve. This sign prohibition shall include "For Sale", "For Rent", and any advertising signs.

d) **Pets.** No pets of any kind shall be kept or maintained within any Residential Unit, with the exception of dogs, cats and small household pets, subject to regulations adopted by the Association. No dog run or animal cages of any kind shall be allowed outside the Residential Units, and all pets shall be kept inside the Residential Unit owner's dwelling unless such pets are being walked on a leash.

e) **Laundry.** Laundry, bedding and the like shall not be hung out to dry in any position in which it is visible from the exterior of any Residential Unit.

f) **Vehicles.** No bicycles, carriages, snowmobiles, trailers, all terrain vehicles or any other vehicles shall be kept outside the Residential Units except when actually in use, and except for automobiles parked in areas designated therefor. Overnight parking of recreational vehicles, boats, or trailers of any kind, including camp trailers, will not be permitted unless such vehicles are kept in garages and out of public view.

g) **Antennas and Satellite Dishes.** Satellite dishes exceeding 24 inches in diameter are prohibited. Other exterior television antennas, satellite dishes, and electronic equipment shall be permitted only to the extent authorized by regulations adopted by the Association from time to time, it being understood that the Association shall have the power to entirely prohibit the installation or continuation thereof.

h) **Additional Rules and Regulations.** The Residential Units and the use thereof shall be subject to such additional rules and regulations as the Association shall adopt from time to time pursuant to Section 5.a. hereof.

5. **Townhome Association.**

a) **Purpose and Powers.** The Pines Townhomes Association (the "Association") shall be a non-profit association created under the Wyoming Unincorporated Non-profit Association Act (W.S. §§ 17-22-101 et seq.) or a non-profit corporation created under the Wyoming Non-profit Corporation Act (W.S. §§ 17-19-101 et seq.), as the same now exists or may hereafter be amended, for the purpose of enforcing these Protective Covenants, holding title to common areas within The Pines Townhomes, assessing owners of Residential Units for the cost of, and providing for the maintenance of The Pines Townhomes, the Residential Units, and all common areas associated therewith, including but not limited to exterior repairs, maintenance, painting, re-roofing, lawn and garden maintenance and care, snow removal, paving, repair and maintenance of exterior power, telephone, domestic water, irrigation and sewer lines, and all other functions provided for in this Declaration of Protective Covenants to be performed by the Association, and the Association shall have and possess all such powers as shall be necessary or appropriate for the accomplishment thereof, including the power to adopt additional regulations for the use, appearance, maintenance and repair of Residential Units and common areas, which regulations may be more restrictive than these Covenants.

b) **Formation.** In order to carry out the intent and purpose of these Protective Covenants, The Pines Townhomes Association will be formed at such time as shall be deemed appropriate by the Declarant, but not later than the time at which 50% of the Residential Units have been sold. Until such time as the Association is formed, Declarant shall have all of the powers and duties of the Association provided for herein.

c) **Membership and Voting.** The owner or owners of each Residential Unit shall be a member of the Association and shall be entitled to vote upon all matters brought before the Association. Except as otherwise specified herein, all action of the Association shall be by majority vote, with each Residential Unit entitled to one vote. In the event that two or more of the Residential Units are owned by one person or entity, such person or entity shall have the number of votes equal to the number of Residential Units owned by it.

d) **Officers and Directors.** The Association shall have such officers and directors as shall be appropriate from time to time, who shall be elected by the owners of the Residential Units and who shall manage and conduct the affairs of the Association under the direction of the owners of the Residential Units.

e) **Common Areas.** The Association shall hold title to common areas within The Pines Townhomes, and shall pay real estate taxes assessed against the common areas.

f) **Provisions Mandatory.** The provisions of Section 5 of this Declaration of Protective Covenants shall be mandatory. No owner of any interest in any Residential Unit shall have any right or power to disclaim, terminate or withdraw from his or its membership in the Association or any of his or its obligations as a member thereof, and no purported disclaimer, termination or withdrawal shall be of any force or effect.

6. **Assessments.**

a) **Amount.** The Association shall obtain such funds as it shall require from time to time by assessment upon the owners of all of the Residential Units. The amount of such assessments shall be determined at least annually at a meeting of the members of the Association. Except as otherwise provided herein, all assessments shall be levied equally upon the owners of each Residential Unit and shall be paid monthly, or such other periodic interval as the Association shall decide. The amounts assessed may include provision for such reserves for future expenditures or as contingencies as the Association shall deem appropriate.

b) **Borrowing.** To the extent necessary to provide for expenditures for which funds shall not have been obtained by assessments, the Association shall have the power to borrow monies from such sources and upon such terms and conditions as it may determine. The Association shall be empowered to obtain such borrowing with the affirmative vote of the owners of not less than two-thirds of the Residential Units.

c) **Contracts.** The Association shall perform its functions and carry out its duties whenever possible by entering into contracts or agreements with persons and business entities regularly engaged in the performance of similar functions. Such contracts and agreements shall be upon terms determined by the Association from time to time. The Association may engage the services of any agent to manage The Pines Townhomes to the extent deemed advisable by the Association, and the Association may retain the services of an accountant and attorney.

7. **Enforcement of Covenants.**

a) **Power of Enforcement.** The Pines Townhomes Association shall have the sole and exclusive right and authority to determine compliance with, interpret and enforce the covenants contained herein, and to allocate and assess costs for the improvement, maintenance and repair of The Pines Townhomes, the Residential Units, and the common areas associated therewith.

b) **Violation of Covenants.** Upon the violation of any covenant, or upon the failure to pay any assessment authorized by the Association, written notice of such violation or failure shall be directed to the violator, who shall have ten (10) days after receipt of the notice to correct the violation or pay the assessment due. If the violation is not corrected or payment is not made within such ten-day period, the Association may enter the violator's premises, with or without process of law, and correct the violation at the violator's expense. In addition to the cost of correcting the violation of covenants, at the Association's sole discretion the violator may be assessed damages at a rate not exceeding \$50 per day for each day the violation continues after the ten (10) day notice.

c) **Extension.** The Association may extend the period for compliance with a covenant violation if reasonable steps are being taken to correct the violation. However, any such extension shall be at the sole discretion of the Association.

d) **Costs and Attorneys' Fees.** In the event suit is required to collect any sums due or to enjoin the violation of any of the covenants contained herein, the violator, in addition to any of the other penalties provided herein or which may be assessed by a court, shall be liable for all attorneys' fees and costs incurred by the Association or any individual owner of a Residential Unit acting on the Association's behalf.

8. **Lien.** The Pines Townhomes Association shall have a lien against each Residential Unit to secure the payment of any assessment provided for herein or the cost of correcting any violation of these covenants, plus interest from the date due and payable at the rate of 18% per annum, plus all costs and expenses of collecting the unpaid amount, including reasonable attorneys' fees. Such lien shall have priority as of the date these covenants are recorded in the office of the Sheridan County Clerk. The lien provided for herein may be foreclosed in the manner provided for the foreclosure of real estate mortgages in the State of Wyoming.

9. **Casualty and Insurance.**

a) **Insurance Required.** The owner of each Residential Unit shall maintain in force at all times casualty insurance covering the Residential Unit owned by him, with coverage limits no less than 100% of the full insurable value thereof, with loss payable on the basis of the cost of replacement without deduction for depreciation. All insurance maintained by the owner of any Residential Unit shall be issued by companies reasonably acceptable to the Association, and shall name The Pines Townhomes Association as an additional insured. Copies of insurance policies or appropriate certificates of insurance shall be furnished to the Association and new certificates

evidencing the renewal of each expiring policy shall be furnished to the Association at least ten days prior to the expiration date of the expiring insurance.

b) **Renewal of Insurance.** Whenever the Association is not satisfied that insurance is in force, or if about to expire will not be renewed prior to expiration, the Association shall have the right (but shall not be required) to obtain such insurance or lesser coverage at it may deem advisable, and the cost thereof shall be assessed against the owner of the applicable Residential Unit. The Association has the right to obtain a blanket policy or policies of insurance upon all the Residential Units. In the event the Association elects to obtain such insurance coverage, the owners of each Residential Unit so covered shall accept and pay a proportionate share of the costs of such insurance, whether by regular assessment or otherwise, in lieu of providing and paying for the individual policies of insurance provided for above.

c) **Casualty.** In the event all or any portion of the Residential Units shall be damaged or destroyed by fire or other casualty, the owners of the properties so damaged shall cause it to be repaired, restored and rebuilt, as soon as reasonably possible, to the condition in which the property was immediately prior to such casualty.

d) **Supervision by Association.** All repair, restoration or rebuilding shall be carried out under the supervision and direction of the Association in order to assure the timely and workmanlike completion of such work. The owners of each Residential Unit which has been damaged or destroyed shall fully cooperate with, and abide by, all instructions and directions of the Association. In any case in which the owner a Residential Unit shall fail to carry out the repair, restoration or rebuilding required by this Section, and in any case where more than one contiguous Residential Unit is involved, the Association shall carry out and see to the repair, restoration or rebuilding required herein.

e) **Personal Property.** Notwithstanding anything contained herein, the Association shall not be responsible for the repair, restoration or replacement of any personal property of the owners of Residential Units, or others, which is not a fixture attached to the real property.

10. **Amendment of Covenants.** This Declaration of Protective Covenants may be amended or altered at any time upon the affirmative vote of the owner or owners of at least 75% of the Residential Units in The Pines Townhomes.

11. **Duration of Covenants.** These Covenants shall run with the land and shall be binding upon all parties and all persons owning such land and Residential Units in The Pines Townhomes for a period of twenty-five (25) years from the date hereof. Thereafter, the Covenants shall automatically be extended for successive periods of ten (10) years, unless an instrument signed by the owner or owners of at least 75% of the Residential Units, by which such owner or owners agree to repeal or amend these Covenants, has been recorded in the records of the Sheridan County, Wyoming Clerk.



12. **Binding Effect.** These Protective Covenants shall be binding upon and inure to the benefit of each owner of Residential Units within The Pines Townhomes and the heirs, personal representatives, successors and assigns of each of them.

IN WITNESS WHEREOF, this Declaration of Protective Covenants is executed as of the year and date first above written.

GALLOWAY CONSTRUCTION, INC.  
A Wyoming Corporation

By: *Lou Galloway, Pres.*  
Lou Galloway, President

SUGARLAND ESTATES,  
A Wyoming General Partnership

By: *Homer Scott, Jr.*  
Homer Scott, Jr., General Partner

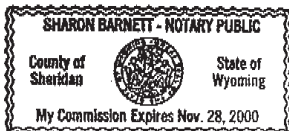
SUGAR LAND DEVELOPMENT COMPANY,  
A Wyoming General Partnership

By: *Homer Scott, Jr.*  
Homer Scott, Jr., General Partner

STATE OF WYOMING            )  
  ) ss.  
COUNTY OF SHERIDAN        )

The above and foregoing Declaration of Protective Covenants was subscribed, sworn to and acknowledged before me this 6<sup>th</sup> day of December, 1999, by Lou Galloway as President of Galloway Construction, Inc.

WITNESS my hand and official seal.



*Sharon Barnett*  
Notary Public

My Commission expires: 11-28-2000

STATE OF WYOMING       )  
                                   ) ss.  
 COUNTY OF SHERIDAN    )

The above and foregoing Declaration of Protective Covenants was subscribed, sworn to and acknowledged before me this 6th day of December, 1999, by **Homer Scott, Jr.** as **General Partner of Sugarland Estates, a Wyoming general partnership.**

WITNESS my hand and official seal.

  
 Notary Public

My Commission expires: June 11, 2003

STATE OF WYOMING       )  
                                   ) ss.  
 COUNTY OF SHERIDAN    )

The above and foregoing Declaration of Protective Covenants was subscribed, sworn to and acknowledged before me this 6th day of December, 1999, by **Homer Scott, Jr.** as **General Partner of Sugar Land Development Company, a Wyoming general partnership.**

WITNESS my hand and official seal.

  
 Notary Public

My Commission expires: June 11, 2003