508609 DECLARATION OF COVENANTS
BOOK 463 PAGE 0575
RECORDED 05/23/2005 AT 10:25 AM
AUDREY KOLTISKA, SHERIDAN COUNTY CLERK

THIS DECLARATION CONTAINS NO RESTRICTION BASED ON RACE, COLOR, GENDER, RELIGION, OR NATIONAL ORIGIN.

DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS FOR

CLOUD PEAK RANCH

THIS DECLARATION of Protective Covenants, Conditions and Restrictions (this "**Declaration**") is made by System Land, LLC, a Wyoming Limited Liability Company, ("**Declarant**");

RECITALS:

A. Declarant is the owner of Lots 1 through 18 of Cloud Peak Ranch, Second Filing, a subdivision to the City of Sheridan depicted on the Final Plat of the Cloud Peak Ranch, Second Filing (the "**Subdivision Plat**") recorded in the Office of the County Clerk of Sheridan County, Wyoming.

B. Declarant intends to develop other areas of land within the City of Sheridan, Wyoming.

SUBMISSION OF REAL ESTATE

Declarant hereby declares that, in addition to all applicable governmental laws and ordinances, the following terms, covenants, conditions, easements, liens, reservations, restrictions, uses, locations, and obligations are adopted and shall be deemed to run with the Property, as hereafter defined, and shall be a burden and benefit to any person or persons acquiring or owning an interest in the Property and any improvements thereon, their grantees, successors, heirs, personal representatives, administrators, devisees, transferees, or assigns.

ARTICLE I

1. **DEFINITIONS.**

Section A. "**Association**" shall mean and refer to the **SHERIDAN CLOUD PEAK RANCH HOMEOWNERS ASSOCIATION, INC., a Wyoming Non-Profit Corporation**, its successors, and assigns. Members of the Association shall be the Owners of Lots within the Property.

Section B. "**Owner**" shall mean and refer to the record owner, including the Declarant, whether one or more persons or

entities, of the fee simple title of any Lot which is part of the Property, including contract purchasers, but excluding those having such interest merely as security for the performance of an obligation. While nothing herein shall limit the ability of an owner to rent an owner's residence, multi-family dwelling, apartment or other dwelling to residential tenants, such tenants shall not be considered "owners" under the terms of this Declaration.

Section C. **"Property"** or **"Cloud Peak Ranch Subdivision"** shall mean and refer to Lots 1 through 18 of Cloud Peak Ranch, Second Filing and such other lands as may hereafter be added to or brought within this Declaration and/or the jurisdiction of the Association by amendment of this Declaration, annexation, or otherwise.

Section D. **"Common Area"** shall mean and refer to all real property within the Property owned or controlled by the Association for the common use and enjoyment of the Owners, and shall include, without limitation, Lots A and B of Cloud Peak Ranch, Second Filing. **"Common Area"** shall also include the Roads and Easements, as defined herein, except to the extent such Roads and Easements are dedicated to and accepted for maintenance by the City of Sheridan, Wyoming, or other public maintenance entity

Section E. **"Roads and Easements"** shall mean and refer to all roads, streets and easements shown on the recorded plat of the Cloud Peak Ranch Subdivision.

Section F. **"Lot"** shall mean and refer to any plot of land shown on any recorded subdivision plat of the Property, together with any improvements thereon, with the exception of the Common Area.

Section G. **"Architectural Review Committee"** shall mean and refer to the Architectural Review Committee, hereinafter further defined and organized.

Section H. **"Common Expenses"** shall mean and refer to maintenance, insurance, taxes, repair, operations, debt repayment, management and administration expenses, legal and accounting expenses, management fees and other expenses declared by the provisions of this Declaration or by the Bylaws and Articles of Incorporation of the Association to be Common Expenses or assessable against Owners of Lots, and all sums lawfully assessed to maintain, administer, and operate the Common Area by the Association. Common Expenses shall include, without limitation, the cost to irrigate and maintain all landscaping and

other improvements to the Common Area of Cloud Peak Ranch Subdivision.

Section I. "**Declarant**" shall mean and refer to System Land, LLC, a Wyoming limited liability company, and/or its successors and assigns, who, by written instrument executed by the then-current Declarant, and recorded in the Office of the County Clerk of Sheridan County, Wyoming real estate records, agrees to an assignment of all or a portion of the duties and/or rights of Declarant, as described herein.

ARTICLE II

1. **ACCEPTANCE OF COVENANTS**.

Each Owner, as grantee in any deed or conveyance of an ownership interest, is and shall be subject to this Declaration by acceptance of a deed or other instrument conveying title, or the execution of a contract for purchase. Every Owner shall be deemed to have accepted this Declaration and each and all of the covenants and the agreements herein contained, and also the jurisdiction, rights and powers of the Association. By such acceptance, each Owner has and shall continue to, for himself, his heirs, personal representatives, successors and assigns covenant, consent and agree to and with the Association and to and with the grantees and subsequent Owners of each of the Lots within the Community to keep, observe, comply with and perform the covenants and agreements of this Declaration.

Every person who becomes the legal or equitable owner of any Lot in the Property by any means, is by the act of acquiring such title or by the act of contracting to acquire such title, obligated to pay the Association the assessments and charges that the Association shall make in accordance with this Declaration.

The funds received by the Association shall be used exclusively for the purposes of the Association.

ARTICLE III

1. **OWNER'S RIGHTS**.

Section A. **Owners' Easements of Enjoyment**. Every Owner shall have a nonexclusive right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(i) The right of the Association to charge reasonable fees and assessments (including attorney's fees relating to the

collection of the same) with respect to the maintenance, use or misuse of the Common Area or any other portion of the Property, or the non-compliance of any Owner with this Declaration.

(ii) The right of the Association to suspend the voting rights and right to use of the Common Area or portions thereof by an Owner for any period during which any assessment, fee, or lien imposed by the Association against an Owner's Lot remains unpaid.

(iii) The right of the Association to suspend the right to use of the Common Area or portions thereof by an Owner for any period during which the Owner fails to comply with the terms of this Declaration.

(iv) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Association.

Before the Association suspends the voting rights and right to use the Common Area, the Association shall follow the following procedure:

(i) The Association shall give the Owner not less than fifteen (15) days prior written notice of suspension and

(ii) an opportunity to be heard, orally or in writing, not less than five (5) days before the effective date of the suspension by the President of the Association who is authorized to decide whether or not the proposed suspension shall take place.

Any written notice given by mail shall be given by first class, return receipt requested, sent to the last address of the member shown on the Association's records.

Suspension of voting rights or the right to use the Common Area shall not release the Owner from liability for assessments becoming due either before or after the assessment or from liability for future assessments.

Section B. Association Rules and Regulations. The Association shall have the right and power to adopt such rules and regulations as it, in its discretion, shall determine from time to time to regulate and govern the use of, and construction of improvements on, the Common Area and the Cloud Peak Ranch Subdivision. Such rules and regulations may include the imposition of reasonable fees and assessments (including attorney's fees incurred in collection of the same).

Section C. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area to the following persons who reside on the Property: members of his family, his tenants, or contract purchasers.

ARTICLE IV.

1. **ADMINISTRATION.**

Section A. The administration of the Property by the Association shall be governed by this Declaration, the Articles of Incorporation and the Bylaws of the Association.

2. **ASSOCIATION MEMBERSHIP AND VOTING RIGHTS.**

Section A. Membership in the Association will be comprised of Owners of Lots in the Property. Every person acquiring legal or equitable title to any Lot in the Property is automatically a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Membership shall pass by operation of law upon the sale of any Lot, which sale may be by deed or by installment land contract.

Section B. The Association shall have two (2) classes of voting members, as follows:

Class A Members. Class A members shall be all owners of Lots, with the exception of Declarant. Each Lot owned by a Class A Member shall be allocated one (1) vote in the Association. When more than one person or entity owns an interest in a Lot, the owners of that Lot shall designate in writing to the Association the person who shall have the power to vote for that Lot. The designation may be changed from time to time by a written instrument filed with the Association.

Class B Members. The only Class B member shall be the Declarant which shall be allocated ten (10) votes for each Lot owned by it.

Common Areas are not allocated votes.

ARTICLE V

1. **COVENANT FOR COMMON AREA MAINTENANCE RESPONSIBILITIES.**

Section A. Covenant for Maintenance of Common Area. The Association will provide for the maintenance of the Common Area. Declarant shall have, in its sole discretion, control of when

initial installation of landscaping on the Common Area is to be commenced and completed.

Section B. Insurance. The Association shall maintain such insurance coverage, as a Common Expense, as it in its sole discretion shall determine from time to time.

Section C. Delegation. The Association may from time to time enter into such management agreements or arrangements with such persons, firms, or corporations as it shall so elect to perform the duties of the Association and shall pay such compensation for such services as it, in its sole discretion, shall so determine. Such compensation shall be a Common Expense. Subject to the right of the Declarant to appoint the members of the Architectural Review Committee as defined in Article X.2, the Board of Directors of the Association shall appoint on an annual basis, an Architectural Review Committee which will perform the functions hereinafter described. The Board of Directors may appoint other committees to assist the Association in the performance of the Association's duties.

ARTICLE VI

1. **ASSESSMENT FOR COMMON EXPENSES.**

Section A. Personal Obligation of Owners for Assessments. Each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay the assessments imposed by the Association to meet the Common Expenses attributable to the Property. Assessments for the Common Expenses shall be due monthly or at such other intervals as may be set by the Association from time to time. The Association shall prepare and deliver by mail to each member at such intervals as may be set by the Association from time to time, a statement for the Common Expenses.

Section B. Amount of Assessments. Assessments made for the Common Expenses shall be based on the cash requirements deemed to be the aggregate sum the Association shall, from time to time, determine is to be paid by the Owners, to provide for payment of all expenses growing out of or connected with the maintenance or operation of the Common Area, which sum may include, among other things, Common Expenses, expenses for management, taxes and special assessments, casualty and public liability and other insurance premiums, landscaping and care of grounds, common lighting, repairs, and renovations, wages, water charges, legal and accounting fees, management fees, expenses and liabilities incurred by the Association under or by reason of this Declaration, the payment of any deficit remaining from a previous

period, and the creation of a reasonable contingency or other reserve, sinking, or surplus fund, as well as other costs and expenses related to the Common Area.

Section C. Notice of Assessments. The Board of Directors of the Association shall fix the amount of the assessment to be made against each Owner at least thirty (30) days in advance of the assessment period. The due date shall be established by the Board of Directors and set forth in the notice of the assessment.

Section D. Exempt Property. All property dedicated to and accepted by the City of Sheridan or any school district shall be exempt from the assessments created herein. However, no lands or improvements devoted to dwelling use shall be exempt from said assessments.

2. **DESTRUCTION OF COMMON AREAS.** If the Common Area or a portion thereof is destroyed by fire or other casualty, the Board of Directors of the Association may replace or repair the Common Area if the Board of Directors determines that such replacement or repair is in the best interest of the Owners of the Property. The cost of such repair or replacement shall be a Common Expense that may be assessed against each Owner as defined herein.

ARTICLE VII

1. **LIEN FOR NONPAYMENT OF ASSESSMENTS.**

Section A. Effect of Nonpayment of Assessments; Remedies of the Association. Each Owner shall be allocated a fraction of the total Common Expenses, which fraction shall have as its numerator the number of Lots owned by each Owner, and the denominator of which shall be the total number of Lots in the Property subject to assessment. Each Owner shall pay the Owner's proportionate share of the Common Expenses and expenses of administration, maintenance, and repair of the Common Area and any other expenses set forth in this Declaration, or lawfully assessed by the Association. Payment thereof shall be in such amounts and at such times as may be determined by the Association. If any Owner shall fail or refuse to make any such payments of the Common Expenses when due, the amount thereof, including late charges and interest, shall constitute a lien against the Lot of the Owner, together with the Owner's interest in the Common Area, and upon the recording of notice thereof by the Association, such liens shall be constituted upon such Owner's interest in said Lot prior to all other liens and encumbrances, recorded or unrecorded, except only (a) taxes, special assessments, and special taxes theretofore or thereafter levied by any political subdivision or municipal corporation of this state, and other state or federal

taxes which by law a lien on the interest of such Owner prior to pre-existing recorded encumbrances thereon, and (b) all sums unpaid on a first mortgage or first trust deed of record, including all unpaid obligatory sums as may be provided by such encumbrance, and including additional advances made thereon prior to the arising of such lien.

Section B. Evidence of Lien. To evidence such lien for unpaid assessments, the Association shall prepare a written notice setting forth the amount, the name of the Owner of the Lot, and a description of the Lot. Such notice shall be signed on behalf of the Association by an officer of the Association and shall be recorded in the office of the County Clerk of Sheridan County, Wyoming. The Association may enforce the lien against the defaulting Owner's Lot in like manner as mortgages on real property. The lien provided herein shall be in favor of the Association. In any such foreclosure, the Owner shall be liable for and required to pay all the costs and expenses of such proceedings; the costs, expenses, and attorney's fees which preceded the filing of such proceeding; and the costs, expenses and attorney's fees for filing the notice of claim of lien; and all reasonable attorney's fees incurred in connection with such foreclosure and collection of all such unpaid amounts, including late charges and interest. These amounts shall constitute a lien on the Lot of the Owner, together with the Owner's interest in the Common Area, and shall have the same priority, and shall be documented, evidenced, attached, enforced and accompanied by the same benefits as the lien for non-payment of assessments herein described. The Owner shall also be required to pay to the Association all assessments during the period of a foreclosure, and the Association shall be entitled to the appointment of a receiver to collect the same. The Association shall have the power to bid on the Lot at foreclosure sale and to acquire, hold, lease, mortgage, and convey the same. The Association shall send to each first mortgagee a copy of the notice of lien provided for herein. Any encumbrancer holding a lien on a Lot may, but shall not be required to, pay any unpaid Common Expenses payable with respect thereto; and upon such payment, such encumbrancer shall have a lien on such Lot for the amounts paid of the same rank as the lien of his or its encumbrance.

ARTICLE VIII

1. **OWNER'S OBLIGATION FOR PAYMENT OF ASSESSMENTS.**

Section A. Personal Obligation to Pay Assessments. The amount of expenses assessed by the Association against each Owner shall be the personal and individual debt of the Owner at the time the assessment is made. Suit to recover a money judgment

for unpaid Common Expenses shall be maintainable without foreclosing or waiving the lien securing the same. No Owner may exempt himself or itself from liability for his or its contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Area, or by abandonment of the Lot of the Owner.

Section B. Liability of Grantee. The grantee of a Lot shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his or its proportionate share of expenses up to the time of the grant or conveyance without prejudice to the grantee's right to recover from the grantor the amounts paid to the grantee therefore; provided, however, that upon payment of a reasonable fee not to exceed twenty dollars ($20) and upon written request, any such prospective grantee shall be entitled to a statement from the Association setting forth the amount of the unpaid assessments, if any, with respect to the subject Lot, the amount of the current assessment and the period that it covers, and the date the assessment comes due, credit for advance payments or for prepaid items which shall be conclusive upon the Association. Unless a response to the request for a statement of indebtedness shall be sent by the Association to the prospective grantee within twenty (20) days of such request, then such grantee shall not be liable for, nor shall the Lot, if conveyed to the grantee, be subject to a lien for any unpaid assessments against the subject Lot.

ARTICLE IX

1. **LAND USE AND BUILDING TYPE.** Unless permitted by the Architectural Review Committee, in its sole discretion, no Lot shall be used except for residential purposes (including multi-family and apartments). Notwithstanding the foregoing, Owners may use their residences for in-home businesses if (i) consistent with applicable governmental zoning ordinances, (ii) traffic is not unreasonably increased in the Cloud Peak Ranch Subdivision, and (iii) such use is approved in advance by the Architectural Review Committee, in its sole discretion; provided, further, that the Architectural Review Committee can revoke such use in its discretion at any time. Except as provided herein, or except as may otherwise be allowed by the Architectural Review Committee, in its sole discretion, no building shall be erected, altered, placed, or permitted to remain on any Lot other than single-family dwellings and multi-family and apartment dwellings of a height, size and location as approved in the sole discretion of the Architectural Review Committee. Except as provided herein, no building, structure, fence, trellis, or other improvement shall be erected, altered, placed or permitted to remain on any Lot except as approved in the sole discretion of the Architectural Review Committee.

2. **MINIMUM SQUARE FOOTAGE.** Except for multi-family and apartment dwellings approved by the Architectural Review Committee, or except as otherwise permitted by the Architectural Review Committee in its sole discretion, no dwelling shall be erected, altered, or permitted to remain on any Lot unless the finished floor space area thereof, exclusive of basement, open porches, garages, and attached out-buildings, and based on exterior measurements, is in accordance with the following:

Dwelling Style	**Minimum Square Footage**
Ranch	1500 Square Feet
2 Story	1800 Square Feet

The height, size and location of multi-family and apartment dwellings shall be established from time to time by the Architectural Review Committee, in its sole discretion.

3. **BUILDING LOCATION AND SET-BACK REQUIREMENTS.** The location and set-back of each building on any Lot shall be determined in the sole discretion of the Architectural Review Committee, which setback and location restrictions and limitations shall be at least consistent with all applicable governmental zoning ordinances, subdivision regulations and building codes. The Architectural Review Committee may, in its sole discretion,

require and enforce varied and more restrictive set-back and location requirements with respect to the various Lots located in the Cloud Peak Ranch Subdivision. No portion of any improvement or building on a Lot may encroach upon another Lot.

4. **OTHER PROVISIONS RELATING TO THE CONSTRUCTION OF IMPROVEMENTS**.

a. **Garages and Storage Sheds**. Unless otherwise consented to in writing by the Architectural Review Committee in its sole discretion, no detached garages, storage sheds, garden houses, or other buildings shall be constructed on any Lot.

b. **Exterior Dwelling Roofs**. All roofs must be approved by the Architectural Review Committee and, unless otherwise approved by the Architectural Review Committee, in its sole discretion, all exterior dwelling roofs shall be, at a minimum, at least a 25-year warranty composition shingled roof.

c. **Sanitation and Appearance of Lots During Construction**. During the construction of a dwelling on a Lot, the Owner of such Lot is responsible for ensuring that the Owner or Owner's builders (i) provide a portable toilet at the construction site; (ii) provide suitable receptacles for construction waste; (iii) do not deposit excess concrete, building materials and waste on the Common Area, adjacent Lots, ditches, or on the Roads and Easements, and that all such materials are appropriately removed from the Property by at least the time the construction of the dwelling is complete; (iv) pay for and repair any damage to Common Area, Roads and Easements, drainage ways, or any other portion of the Property occurring during the construction of the dwelling.

d. **Architectural Design**. The overall building design and the overall design of any improvements constructed on a Lot, including, but not limited to, size, exterior materials and colors and solar energy systems, shall be subject to the approval of the Architectural Review Committee, in its sole discretion. The Architectural Review Committee may adopt from time to time an Architectural Control Handbook (the "**Architectural Control Handbook**"), setting forth such matters which may include the size, exterior materials, colors, and systems which may be permitted on the Property. The Architectural Control Handbook may be changed at any time without notice, in the sole discretion of the Architectural Review Committee.

e. **Site Planning**. Overall site planning and grading of each Lot shall be subject to the approval of the Architectural Review Committee, in its sole discretion.

5. **PERMITTED USES**. No noxious or offensive activity shall be carried on upon any Lot, or the Common Area, nor may anything be done which may be or may become an unreasonable nuisance or annoyance to the Property or other Owners. No Lot shall be used as a parking or storage area for vehicles or materials of any kind, other than personally owned automobiles of the Owner, and except for a reasonable term while a structure on said Lot is under construction. No Lot or other portion of the Property shall be used by an Owner as a parking or storage area for personally owned automobiles intended for commercial purposes to the extent that such automobiles constitute an unreasonable nuisance or annoyance to the Property or other Owners as to the size or quantity thereof. The Architectural Review Committee may from time to time formulate and adopt guidelines indicating the number and size of personally owned automobiles intended for commercial purposes which may be parked or stored on the Property by an Owner.

No campers, trailers, motorhomes, buses, tractors/trailers, "RV's" (recreational vehicles) or boats shall be stored or parked on the Property in excess of forty-eight (48) consecutive hours during any month, except if stored in an enclosed garage. No motor vehicles of any kind, including cars, trucks, trailers, motorcycles, or the like, may be stored, junked, or otherwise maintained anywhere on any Lot or any other portion of the Cloud Peak Ranch Subdivision in any idle or unworkable condition. No motor vehicle or machine will be overhauled or rebuilt on any portion of the Property, unless entirely enclosed in a garage or other improvement approved by the Architectural Review Committee in its sole discretion. Except as otherwise provided herein, only those vehicles and machines in good running condition which are currently licensed and registered are permitted on any portion of the Property.

6. **MINERAL EXTRACTION**. No mining or extraction of minerals shall be permitted on any Lot, including seismic or other mineral or extraction testing.

7. **WATER AND SANITATION**. Any residence constructed on any Lot shall be connected with any public or community water or sewage disposal system which may be formed or created to serve the Cloud Peak Ranch Subdivision. Privies, outhouses, chemical toilets, and similar facilities are expressly prohibited except for a reasonable period of time during the construction of a residence on a particular Lot.

8. **DRAINAGE**. Each Owner of a lot shall maintain the grading and drainage patterns of the lot as indicated in the subdivision

plans on file with the City of Sheridan, Wyoming. No chemicals or petroleum products shall be allowed to drain into storm drains or street gutters, but this Paragraph will not prevent the application in normal quantities of customary insect, animal, or plant control substances, fertilizers, and plant foods on Lots even if run-off from the Lots could carry these substances into the storm drain system.

9. **REFUSE AND RUBBISH**. All property and premises shall be kept in a clean and sanitary condition at all times. No Lot shall be used or maintained as a dumping ground for rubbish, trash, or garbage, or any other form of solid, semisolid, or liquid waste. Rubbish, garbage, or other waste shall be kept and disposed of in a sanitary container. All containers or other equipment for the storage or disposal of garbage, trash, rubbish, or other refuse shall be kept in a clean, sanitary condition and shall be kept inside the residence or individually housed or screened from view. No trash, litter, or junk shall be permitted to remain exposed upon the premises and visible from public roads or adjoining or nearby premises. Burning of trash will not be permitted at any time in the Cloud Peak Ranch Subdivision, during construction or otherwise.

10. **YARD MAINTENANCE AND LAWN SEEDING**. Each Lot owned by an Owner, other than Declarant, will be completely landscaped with grass or other landscaping accepted in writing by the Architectural Review Committee. Each Owner, other than Declarant, will prepare a landscape plan, complete with a timetable for starting and completion, which plan will be submitted for written approval to the Architectural Review Committee contemporaneously with the submission of the dwelling plans and specifications described below or within thirty (30) days after the dwelling is complete. Unless otherwise approved by the Architectural Review Committee, in its sole discretion, any Lot on which a dwelling is completed between May 1 and September 1 of any year shall complete grass, seeding or sodding erosion and weed control landscaping within thirty (30) days after the completion of the dwelling and the remainder of all landscaping will be completed in accordance with the timetable described in the landscape plan, but not later than six (6) months after the dwelling is inhabited, unless otherwise extended in the sole discretion by the Architectural Review Committee. All dwellings completed in other months shall complete grass, seeding, or sodding erosion and weed control landscaping by the next July 1st and the remainder of all landscaping will be completed in accordance with the timetable described in the landscape plan but not later than six (6) months after the dwelling is inhabited. All Owners of Lots, other than Declarant, shall cut and control all weeds and vegetation growing on all

Lots, whether vacant, occupied, or those with improvements under construction.

11. **APPEARANCE OF LOTS**. Each Lot at all times shall be kept in a clean, sightly, and wholesome condition. No trash, litter, junk, boxes containers, bottles, cans, implements, machinery, lumber, or other building materials shall be permitted to remain exposed upon any Lot so they are visible from any neighboring Lot or streets, except as necessary during the period of construction.

In the event any structure is destroyed, either wholly or partially, by fire or any other casualty, said structure shall be promptly rebuilt or remodeled to conform with this Declaration; or if the structure is not to be rebuilt, all remaining portions of the structure, including the foundation and all debris, shall be promptly removed from the Lot.

12. **SIGNS**. No signs shall be located on any Lots except reasonably-sized signs offering the Lot for sale and except builders' or suppliers' signage during the period of construction, or unless approval for such other sign or signs is obtained in writing by the Architectural Review Committee, said Committee reserving the right to disapprove all such requests for signs except those described above.

13. **ANIMALS**. No animals, livestock, cattle, swine, fowl, poultry, or insects of any kind shall be housed, raised, or left on any Lot either temporarily or permanently except commonly accepted domestic household pets may be kept, provided they are not kept or maintained for any commercial purpose. Animal pens shall be maintained on a regular basis to assure a neat and orderly appearance and a clean and healthy atmosphere.

14. **CLOTHES LINES**. Any clothesline to be installed on a Lot must be retractable and must be approved by the Architectural Review Committee prior to installation.

15. **EXTERIOR ANTENNAE**. No outside radio or television antennae or satellite dishes shall be permitted on any Lot or any part of the Common Area unless approved by the Architectural Review Committee in its sole discretion, or except as otherwise allowed by State or Federal law.

16. **RESUBDIVISION**. The erection of more than one dwelling per Lot or the resubdivision of Lots is prohibited unless consent of the Architectural Review Committee is first obtained in writing. Additionally, no Lot may be resubdivided or have two principal buildings located thereon without approval of the Architectural

Review Committee and the City of Sheridan, or such other governmental entity having jurisdiction over the Property.

17. **FENCES**. The construction of all fencing, screening, awnings, trellises and the like, shall be constructed in a good and workmanlike manner. All fencing, screening, awnings, trellises and the like shall be maintained in good repair and shall be of the size, color, and material as approved by the Architectural Review Committee, in its sole discretion, and as may be further described in the Architectural Control Handbook adopted by the Architectural Review Committee.

ARTICLE X

1. **ARCHITECTURAL REVIEW**. There shall be created a committee called the Cloud Peak Ranch Subdivision Architectural Review Committee ("Architectural Review Committee"). No building shall be erected, placed, or altered on any Lot, nor shall any wall, fence, or other enclosure, deck, patio, porch, solar collector, or other improvement, be located thereon, until construction plans and specifications, including, without limitation, exterior colors for painted and stained surfaces, plot plan and configuration, size and square footage of improvements, have been submitted to and have been approved by the Architectural Review Committee, in its sole discretion, as to quality of workmanship and materials, harmony of design with surrounding structures, exterior colors, location with respect to topography and grade, and compliance with these covenants.

Two (2) complete sets of plans and specifications (including landscaping plans) with complete detail shall be furnished to the Architectural Review Committee. All plans and specifications must be complete, legible, and understandable but need not be professionally drawn or prepared. The Architectural Review Committee reserves the right to reject plans and specifications if they, in their sole discretion, deem them to be incomplete or insufficient. Additionally, the Architectural Review Committee reserves the right to waive or vary from any of the requirements described in this Declaration. The Architectural Review Committee may retain one (1) set as part of its permanent files. The following items must be included in such plans and specifications in addition to other items which the Architectural Review
Committee may require, in its sole discretion from time to time, and shall, without limitation, be subject to approval of the Architectural Review Committee in its sole discretion:

a. Size and square footage of finished space including floor plans;

b. Exterior elevations.

c. Exterior colors and samples of exterior materials. All colors must conform to the requirements of the Architectural Review Committee, as may be described in the Architectural Control Handbook.

d. Such plans must demonstrate that the improvements are in harmony with the design of surrounding structures and these covenants and show variations in the exterior design to avoid monotony of repetition with other surrounding structures;

e. Plot layout with respect to topography, grade and drainage in relation to existing dwellings and drainage.

2. **MEMBERSHIP TO THE COMMITTEE**. The Architectural Review Committee shall consist of not less than one (1) nor more than three (3) persons. The initial number of and members to the Architectural Review Committee shall be determined by the Declarant. If the Architectural Review Committee consists of more than one member, a majority of the Architectural Review Committee may designate a representative to act for it. Neither the members of the Architectural Review Committee nor its designated representatives shall be entitled to any compensation for services performed pursuant to this Declaration. Until Declarant disclaims in writing the right to designate the members of the Architectural Review Committee, or files its articles of dissolution with the Wyoming Secretary of State, whichever occurs first, Declarant shall have the right to determine the number of the Architectural Review Committee and appoint the members (or their successors) of the Architectural Review Committee. When Declarant no longer has the right to designate the members of the Architectural Review Committee, the Board of Directors of the Association shall determine the number of the Architectural Review Committee and shall appoint the members of the Architectural Review Committee on an annual basis from among the Lot Owners. In the event of the death or resignation of any member of the Architectural Review Committee, the Declarant shall have the authority to designate the successor if the Declarant still has the right to appoint members of the Committee on the date of the vacancy. When Declarant no longer has the right to designate a successor, the Board of Directors of the Association shall have the authority to designate a successor.

3. **PROCEDURE**. The Architectural Review Committee shall, however, have the authority to use the services of an architect as consultant and charge a sum not exceeding two hundred fifty dollars ($250.00) for each set of plans and specifications

submitted to it for approval to defray the fees of the consultant. The consultant shall not have the right to vote in passing on the plans and specifications. The Association shall have the right to require an Owner to deposit with the Association a deposit of up to $500.00 when the Owner submits Owner's plans and specification to the Architectural Review Committee. This deposit will be held in an interest bearing account to insure architectural control and construction compliance. When construction on Owner's Lot has been completed and landscaping installed, the deposit will be refunded with interest if, in the sole judgment of the Association the Owner has complied with the approved plans and specifications and requirements of these covenants. If the Association, in its sole judgment, determines that Owner has not complied with the approved plans and specifications, then the Association may, in addition to any other remedy available to the Association, expend the deposit and accrued interest to correct any noncompliance and assess Owner for any costs incurred in excess of the deposit. The Architectural Review Committee's approval or disapproval as required in this Declaration shall be in writing or indicated on the builder's or Owner's set of plans and specifications. In the event the Architectural Review Committee or its designated representative fails to approve or disapprove within thirty (30) days after plans and specifications have been submitted to it, the plans and specifications will be deemed to be approved; and the related covenants described in this Declaration shall be deemed to have been fully complied with; provided, however, that such approval will only be deemed to have occurred with regard to matters sufficiently and specifically described in plans and specifications which are actually received by the Architectural Review Committee.

All buildings and improvements shall be constructed in accordance with the plans and specifications approved by the Architectural Review Committee. Any changes to approved plans and specifications shall require resubmission to, and approval by, the Architectural Review Committee.

4. **ADOPTION OF GUIDELINES**. The Architectural Review Committee may from time to time formulate and adopt handbooks, guidelines and procedures (which may be altered or amended at any time) consistent with this Declaration for the purpose of clarifying or assisting in the exercise of its duties contemplated by this Declaration. Additionally, the Architectural Review Committee may formulate guidelines and rules regarding the adoption of architectural and construction standards and the regulation of use of Lots on the Property, the contents of which guidelines may not necessarily be reflected by this Declaration; provided, however, that to the extent the contents of any guideline is not

contemplated in this Declaration, such guideline must be approved by the Board of Directors of the Association in accordance with the Bylaws of the Association. Copies of the adopted guidelines and procedures may be obtained from the Architectural Review Committee upon request and payment of an amount equal to the cost of copying such guidelines and procedures.

5. **NON-WAIVER**. The approval or disapproval by the Architectural Review Committee of any plans, drawings, or specifications for any work or construction done or proposed, or in connection with any other matter requiring the approval of the Architectural Review Committee under this Declaration, shall not be deemed to constitute a waiver of any right to approve or disapprove any similar plan, drawing or specification or matter whenever subsequently or additionally submitted for approval by any Owner.

6. **ESTOPPEL CERTIFICATE**. Within thirty (30) days after written demand therefor is delivered to the Architectural Review Committee by any Owner, and upon payment to the Association of a reasonable fee from time to time to be fixed by the Architectural Review Committee, the Architectural Review Committee shall provide an Owner with an estoppel certificate executed by any one of its members, certifying with respect to any Lot of said Owner, that as of the date thereof either (a) all improvements and other work made or done upon or within said Lot by the Owner, or otherwise, comply with this Declaration, or (b) such improvements and work do not so comply, in which event the certificate shall also (i) identify the non-complying improvements and work and (ii) set forth with particularity the cause or causes for such non-compliance.

ARTICLE XI

1. **RESERVED DECLARANT RIGHTS AND ADDITIONAL RESERVED RIGHTS**. Declarant reserves the absolute, unilateral right for the maximum time limit allowed by law (or, to the extent no such time limit is fixed by law, for a period of twenty (20) years after the recording of this Declaration) to perform the acts and exercise the rights specified below (the **"Reserved Declarant Rights"**). Declarant's Reserved Declarant Rights include the following:

a. **Completion of Improvements**. The right to complete improvements generally indicated on the Preliminary Subdivision Plat or plats of the Cloud Peak Ranch Subdivision.

b. **Sales Management and Marketing**. The right to maintain sales offices, management offices, signs advertising the Property or portions thereof for sale, and models on the Property. The

Declarant shall have the right to determine the number of models and the size and location of any sales offices, management offices, and models. The Declarant shall also have the right to relocate any sales offices, management offices, and models from time to time at its discretion. After the Declarant ceases to be the owner of a Lot, the Declarant shall have the right to remove any sales offices, management offices, and models from the Property.

c. **Master Association**. The right to make the Property subject to another non-profit Association formed to govern the Property and one or more common interest communities or subdivision.

d. **Merger**. The right to merge, consolidate or annex the Property with another common interest community or subdivision.

e. **Amendment to Declaration**. The right to revise, modify, amend, or add to this Declaration in any way, including, without limitation, in connection with the exercise of the following rights (collectively, the **"Development Rights"**) to do any of the following:

(i) Add real estate to the Property;

(ii) Transfer and convey to any public or quasi-public entity any Common Area property;

(iii) Create Lots and additional Common Area;

(iv) Subdivide Lots or convert Lots into Common Area;

(v) Withdraw all or any portion of the Property from the provisions of this Declaration.

(vi) Declarant shall have the absolute unilateral right, power and authority to modify, revise, amend or change any of the terms or provisions of this Declaration, all as amended or supplemented, if the Veteran's Administration (**"VA"**), the Federal Housing Administration (**"FHA"**), the Federal Home Loan Mortgage Corporation (**"Freddie Mac"**), the Federal National Mortgage Association (**"Fannie Mae"**), the Governmental National Mortgage Association (**"Ginnie Mae"**), or any successor agencies or entities thereto, or any agencies or entities provisions similar programs, shall require such action as a condition precedent to the approval by such agency entity of the Property, or any part thereof, or any Lots thereon, for approved mortgage financing purposes under applicable VA, FHA, Freddie Mac, Fannie Mae, Ginnie Mae, or similar programs.

(vii) Notwithstanding any provision to the contrary in this Declaration, Declarant shall have the absolute unilateral right, power and authority to modify, amend, revise or change any of the terms and/or provisions of this Declaration, all as amended or supplemented, to reflect the different residential character of the tracts of land or lots within the overall Cloud Peak Ranch Subdivision. Declarant may be allowed to develop patio homes and/or multi-family and apartment dwellings on the Property. It is not presently possible to determine the exact mix or location of such units, and so Declarant reserves the unilateral right to amend this Declaration and all of its terms to provide for the location and mix of said units, and among other things, to provide that the owners of patio homes and/or multi-family and apartment dwellings have membership rights and voting rights in the Association, and that such properties have obligations and design and use standards appropriate to their individual ownership and usage characteristics.

f. **Amendment of Plat**. The right to amend the Cloud Peak Ranch Subdivision plat or plats in connection with the exercise of any Development Rights.

g. **Transferability of Rights**. Any of the Declarant's rights may be transferred to any person or entity by an instrument describing the rights transferred and recorded in the Sheridan County, Wyoming records. Such instrument shall be executed by the transferor or Declarant and the transferee.

Declarant may make revisions, modifications, amendments or additions to this Declaration by signing a document reflecting such revisions, modifications, amendments or additions and filing the same with the County Clerk of Sheridan County, Wyoming.

2. **RESERVED DECLARANT RIGHTS CONCERNING ASSOCIATION AND ARCHITECTURAL REVIEW COMMITTEE**. Declarant reserves the right to designate the directors of the Association and to appoint the members of the Architectural Review Committee until Declarant files with the Association a written disclaimer of the right to designate directors or until it files articles of dissolution with the Wyoming Secretary of State, whichever occurs first.

ARTICLE XII

1. **COVENANTS TO RUN WITH THE LAND**. This Declaration and these provisions are to run with the land and shall be binding upon all parties and all persons claiming under them for a period of

twenty (20) years after the recording of this Declaration, at which time this Declaration and said covenants shall be automatically extended for successive periods of ten (10) years, unless by vote of a majority of the then record Owners of the Lots it is agreed to amend this Declaration and said covenants in whole or in part. Provisions for maintenance of Common Area and open space located in the Property shall not be permitted to lapse with the other covenants unless other provisions are made for the continuation of maintenance. This Declaration may be amended by Declarant as provided in Article XI, and when Declarant no longer has the right to amend the Declaration, the Declaration may be amended in whole or in part at any time by a duly written and recorded instrument executed by the then record Owners of a majority of the Lots. Notwithstanding any provision to the contrary in this Declaration, until the expiration of twenty (20) years after the recording of this Declaration, any amendment to this Declaration shall require the consent of Declarant.

NOTWITHSTANDING ANY PROVISION TO THE CONTRARY IN THIS DECLARATION, THE ASSOCIATION CANNOT BE DISSOLVED WITHOUT THE WRITTEN CONSENT OF CITY OF SHERIDAN, WYOMING.

2. **DELINQUENCY**. Any assessment or other amount due from an Owner as provided for in this Declaration, which is not paid when due, shall be delinquent. With respect to each amount not paid within thirty (30) days after its due date, the Association may, at its election, require the Owner to pay a "late charge" in a sum to be determined by the Association, but not to exceed $10 or 10 percent of the amount due, whichever is greater, regardless of the number of individual amounts due. If any such amount or assessment is not paid within thirty (30) days after the delinquency date, the assessment or amount shall bear interest from the date of delinquency at the rate of Eighteen Percent (18%).

3. **ASSOCIATION'S PERFORMANCE OF AN OWNER'S DUTIES**. In the event any Owner fails to comply with the provisions of this Declaration, the Association shall be entitled to take whatever lawful actions are necessary to enforce the provisions hereof including performing such duties on behalf of the Owner including as an example, but not limited to, unapproved storage of recreation vehicles, unapproved fencing, or other construction. If the performance of an Owner's duties by the Association requires the Association or its delegates to enter onto the Lot of an Owner for such purposes which shall include but not be limited to cutting of weeds, erosion control, and trash clean up, such entry shall be deemed to have occurred with the consent of the Owner and shall not constitute a trespass. The Association

shall be entitled to recover all costs, expenses and attorneys' fees incurred by the Association in performing the duties of an Owner. If the Owner fails or refuses to pay the Association for such amounts within 30 days from the date invoiced by the Association, the amounts, including late charges and interest, shall constitute a lien against the Owner's Lot together with the Owner's interest in the Common Area, and shall have the same priority, and shall be documented, evidenced, attached, enforced and accompanied by the same benefits as the lien for non-payment of assessments described in this Declaration.

4. **LEGAL PROCEEDINGS.** If any Owner violates or attempts to violate any of the covenants or provisions described in this Declaration, it shall be lawful for the Association to prosecute any proceedings at law or in equity against the person or persons violating any such covenant, and either to prevent him or them from so doing or to recover damages or other assessments for such violation. Only the Association has the right to bring a proceeding to enforce these covenants or to collect assessments.

If any Owner, or an Owner's family, invitees, licensees, tenants, or subtenants, violates the terms of this Declaration, such Owner shall be liable to the Association for all costs, expenses and reasonable attorneys' fees incurred by the Association in enforcing the terms of this Declaration, regardless of whether suit is filed by the Association. If the Owner fails or refuses to pay the Association for such amounts within 30 days from the date invoiced by the Association, the amounts, including late charges and interest, shall constitute a lien against the Owner's Lot together with the Owner's interest in the Common Area, and shall have the same priority, and shall be documented, evidenced, attached, enforced and accompanied by the same benefits as the lien for non-payment of assessments described in this Declaration.

5. **IMPOSITION OF CHARGES AND FEES.** The Association, through its Board of Directors, may recover reasonable attorney's fees and other legal costs for collection of assessments and other actions to enforce these covenants or the power of the Association, regardless of whether or not suit is initiated.

6. **CUMULATIVE REMEDIES.** The liens for unpaid assessments and unpaid amounts due from Owners and the rights to foreclosure and sale described in this Declaration shall be in addition to and not in substitution for any other rights and remedies which the Association and its assigns may have by law, including a suit to recover a money judgment for such unpaid amounts and assessments.

7. **CONDEMNATION OF COMMON AREA**. If at any time, or from time to time, all or any portion of Common Area, or any interest therein, is taken for any public or quasi-public use, under any statute, by right of eminent domain or by private purchase in lieu of eminent domain, any award in condemnation shall be paid to the Association and deposited into its operating fund. No Owner shall be entitled to participate as a party, or otherwise, in any proceedings relating to such condemnation, such right of participation being herein reserved exclusively to the Association which shall, in its name alone, represent the interests of all Owners.

8. **INVALIDATION**. Invalidation of any one of the covenants or provisions in this Declaration by judgment or court order shall in no wise affect any of the other provisions which shall remain in full force and effect.

9. **LIABILITY OF DECLARANT, ASSOCIATION, AND ARCHITECTURAL REVIEW COMMITTEE**. To the maximum extent permitted by law, the Declarant, the Association, the Architectural Review Committee, and the managers, directors or officers of the Declarant, Association, and Architectural Review Committee, and any other committee or office established hereunder shall not be liable to any Owner or any other person for any error or omission unless the person against whom a claim is asserted has personally acted with intentional bad faith or malice toward the person making the claim. To the maximum extent permitted by law, the Declarant, the Association, and the Architectural Review Committee and the managers, directors and officers of these entities shall not be liable or responsible in any way for any defects in plans or specification submitted nor for any structural or other defects in any work done according to such plans and specifications nor for errors in the on-site location of any construction. The Architectural Review Committee shall not be responsible or liable for reviewing the plans and specifications for engineering or structural soundness or compliance with any applicable governmental regulations.

Dated this 23 day of May, 2005.

By: System Land, LLC,
A Wyoming Limited Liability Company

By: _____

Manager

STATE OF WYOMING)
) **ss.**
COUNTY OF SHERIDAN)

The foregoing instrument was acknowledged before me by Donald B. Roberts, the manager of System Land, LLC this 23rd day of May, 2005. Witness my hand and official seal.

Rhonda J. Burkhart
Notary Public

My commission expires: 12/1/2006

RHONDA J. BURKHART - NOTARY PUBLIC
County of Sheridan
State of Wyoming
My Commission Expires Dec. 1, 2006