

DECLARATION

THIS DECLARATION is made by E. E. EDWARDS and BETTY S. EDWARDS, husband and wife, (Edwards) and CARROLL & ASSOC., INC., a Wyoming corporation, with its principal offices at Sheridan, Wyoming, (Carroll), and ED SITTNER and LOIS SITTNER, husband and wife, (Sittner).

Recitals

1. EDWARDS and CARROLL are the owners of Lot D in Block 2 of Colony South Addition to the City of Sheridan, Sheridan County, Wyoming.

2. EDWARDS AND CARROLL are the owners of Lots 4, 16, 17 and 18 in Block 2, and SITTNER is the owner of Lot 3 in Block 2. Lots 3, 4, 16, 17 and 18 are hereafter called "adjoining lots".

A.

Easement

EDWARDS AND CARROLL hereby declare that Lot D shall be used as a common driveway and a green area for the benefit of the adjoining lots and the owners thereof. The owners of the adjoining lots shall have a non-exclusive, perpetual easement over Lot D for the purposes of ingress to and egress from the adjoining lot.

B.

Association

EDWARDS, CARROLL and SITTNER, hereafter referred to as "Owners" (which term shall also include the successors in interest of Edwards, Carroll and Sittner), hereby form an association, and each owner and his successors in interest, by this Declaration, and all future owners of the adjoining lots by their acceptance of deeds, agree as follows:

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I.

Name

The name of the association of owners shall be Lot D Association.

II.

Purpose

The purpose of this association is to provide for regular management, maintenance and improvement of Lot D in Block 2 of Colony South Addition to the City of Sheridan.

III.

Voting, Majority of Owners, Quorum, Proxies

Section 1: Voting. Voting shall be on the basis of votes assigned to the owners of each adjoining lot. The owner or owners of each adjoining lot shall collectively have one vote. One vote is assigned to each lot. If a lot is sold by the terms of an Agreement for Warranty Deed which is recorded in the office of the County Clerk of Sheridan County, the buyers shall be considered the owners for the purpose of this paragraph.

Section 2: Majority of Owners. As used in this Declaration, the term "majority of owners" shall mean those owners holding fifty-one (51%) percent of the votes.

Section 3: Quorum. Except as otherwise provided, the presence in person or by proxy of a majority of owners, as defined in the preceding paragraph of this article, shall constitute a quorum.

Section 4: Proxies. Votes may be cast in person or by proxy. Proxies must be in writing, signed and filed with the Secretary before the appointed time of each meeting.

IV.

Administration

Section 1: Association Responsibilities. The Owners of the adjoining lots will constitute the association, which

will have the responsibility of managing, maintaining and improving Lot D, approving an annual budget, and establishing and collecting assessments. Except as otherwise provided, decisions and resolutions of the association shall require approval by a majority of owners.

Section 2: Place of Meetings. Meetings of association shall be held at the Courtroom, Sheridan County Courthouse, Sheridan, Wyoming, or such other suitable place convenient to the owners as may be designated by the Board of Directors.

Section 3: Annual Meetings. The first annual meeting of association shall be held on December 1, 1977. Thereafter, annual meetings shall be held on the first Monday of December of each succeeding year. At such meetings, there shall be selected by appointment a Board of Directors in accordance with the requirements of Section 1 of Article V of these Declarations. The owners may also transact such other business of association as may properly come before them.

Section 4: Special Meetings. It shall be the duty of the president to call a special meeting of the owners as directed by resolution of the Board of Directors or on a petition signed by a majority of the owners and having been presented to the Secretary. No business shall be transacted at a special meeting except as stated in the notice unless by a consent of four-fifths (4/5) of the owners present, either in person or by proxy.

Section 5: Notice of Meetings. It shall be the duty of the secretary to mail the notice of each annual or special meeting, stating the purpose thereof as well as the time and place of the meeting, to each owner, at least five (5), but not more than twenty (20), days prior to such meeting.

The mailing of notice in the manner provided in this section shall be considered notice served.

Section 6: Adjourned Meetings. If any meeting of owners cannot be organized because a quorum is not attended, the owners who are present either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 7: Order of Business. The order of business at all association meetings shall be as follows:

- (a) Roll call
- (b) Proof of notice of meeting or waiver of notices.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of committees.
- (f) Appointment of directors.
- (g) Unfinished business.
- (h) New business.

V.

Board of Directors

Section 1: Number and Qualification. Each adjoining lot shall be represented by a director, who shall be appointed by the owner or owners of each lot. The association's affairs shall be governed by a Board of Directors composed of those appointees.

Section 2: Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of association's affairs and may do all such acts and things as are not by law or by these declarations directed to be exercised and done by the owners, including but not limited to, the power to contract for labor and materials, recommend assessments at annual or special meetings, collect assessments, bring suit and file notices of lien for unpaid assessments.

Section 3: Election and Term of Office. Each director's term of office shall be one year.

Section 4: Vacancies. Vacancies in the Board of Directors caused by any reason shall be filled by a new appointment by the owners of the lot represented by the director. If the owners of that lot fail to appoint a successor within ten (10) days after the directorship becomes vacant, then the vacancy shall be filled by a vote of the majority of the remaining directors even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is appointed at the association's next annual meeting.

Section 5: Organization Meeting. The first meeting of the Board of Directors shall be held within ten (10) days of their appointment at such place as shall be fixed by the directors at the meeting in which such directors were appointed, and no notice shall be necessary to the newly appointed directors in order legally to constitute such meeting, provided a majority of the whole board shall be present.

Section 6: Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least two such meetings shall be held during each year. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, or by telephone at least three (3) days prior to the day named for such meeting.

Section 7: Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days notice to each director, given personally, by mail, or by telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) directors.

Section 8: Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all of the directors are present at any meeting of the board, no notice shall be required and any business may be transacted at such meeting.

Section 9: Board of Directors Quorum. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the quorum shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the members present may adjourn the meeting from time to time. At any such meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

VI.

Officers

Section 1: Designation. The principal officers of the association shall be a president, a vice president, and a secretary-treasurer, all of whom shall be elected by the Board of Directors.

Section 2: Election of Officers. The officers of the association shall be elected annually by the Board of Directors at the organization meeting of each new board and shall hold office at the pleasure of the board.

Section 3: Removal of Officers. On an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

Section 4: President. The president shall be the chief executive officer of the association. He shall preside at all meetings of the association and of the Board of Directors. He shall have all of the general powers and duties that are usually vested in the office of president of the association, including but not limited to the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of association's affairs.

Section 5: Vice President. The vice president shall take the place of the president and perform his duties whenever the president shall be absent or unable to act. If neither the president nor the vice president is able to act, the Board of Directors shall appoint some other member of the board to do so on an interim basis. The vice president shall also perform such other duties as shall, from time to time, be imposed on him by the Board of Directors.

Section 6: Secretary-Treasurer. The secretary-treasurer shall keep the minutes of all meetings of the Board of Directors, and minutes of all meetings of association; he shall have charge of such books and papers as the Board of Directors may direct; he shall, in general, perform all of the duties incident to the office of secretary and he shall have the responsibility for association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of, association in such depositories as may from time to time be designated by the Board of Directors.

VII.

Obligations of the Owners

Section 1: Assessments. All owners are obligated to pay assessments imposed by the association to meet all costs of the management, maintenance and improvement of Lot D and other necessary expenses of the association. Each of the adjoining lots shall be assessed one-fifth (1/5) of the total assessments.

Section 2: Establishment of Assessments. The assessment shall be recommended by the owners to the Board of Directors at the annual or special meeting of the owners. The Board of Directors shall then determine the amount of such assessment at a Director's meeting.

Section 3: Notice. The secretary-treasurer shall then notify the owners of the adjoining lots personally, by mail, or by telephone of the amount of the assessment and the terms of payment. The assessment must be paid on the due date specified in the notice. If it is not paid when due, the unpaid assessment shall accrue interest at the rate of ten (10%) percent per annum until paid.

Section 4: Lien for Assessments. Each owner agrees and his or her heir and assignee and future owners by acceptance of a deed agree that the association shall have a lien upon the owner's adjoining lot for unpaid assessments and interest on unpaid assessments at the rate of ten (10%) percent per annum. The lien may be established and created if the association files a notice of lien in the office of the County Clerk for Sheridan County, Wyoming, setting forth the amount claimed, the name and address of the owner and a description of the adjoining lot.

Section 5: Enforcement. If an owner fails to pay the assessment when due and a suit is filed to collect the assessment, the defaulting owner shall be liable for all costs of collection, including a reasonable attorney's fee.

VIII.

Amendments

Section 1: These declarations may be amended by the association in a duly constituted meeting for such purpose, and no amendment shall take effect unless approved by the owners of four out of the five adjoining lots.

IX.

Duration

Section 1: These declarations and covenants run with the land and shall be binding upon all owners and all persons claiming under them and upon the above described lots for a period of ten (10) years from the date of this Declaration, and these declarations and covenants shall be automatically extended for periods of ten (10) years unless an instrument, signed by the owners of at least four out of the five above described lots, is recorded in the office of the County Clerk of Sheridan County, agreeing to repeal these declarations and covenants.

DATED this 15 day of March, 1977.

E. E. EDWARDS

By: Richard M. Davis, Jr.
Richard M. Davis, Jr., attorney
in fact

BETTY S. EDWARDS

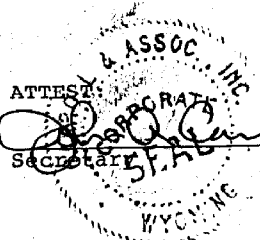
By: Richard M. Davis, Jr.
Richard M. Davis, Jr., attorney
in fact

CARROLL & ASSOC., INC.

By: Larry Sacchi
President

ATTEST:

Ed Sittner
Secretary



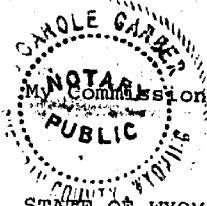
Ed Sittner
Ed Sittner

Lois Sittner
Lois Sittner

STATE OF WYOMING)
) ss.
COUNTY OF SHERIDAN)

The foregoing instrument was acknowledged before me
by RICHARD M. DAVIS, JR., attorney in fact for E. E. EDWARDS
and BETTY S. EDWARDS, this 15 day of March, 1977.

WITNESS my hand and official seal.



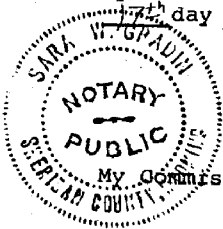
Coralee Harber
Notary Public

My Commission expires: July 12, 1979

STATE OF WYOMING)
) ss.
COUNTY OF SHERIDAN)

The foregoing instrument was acknowledged before me
by LARRY BACCARI, President of CARROLL & ASSOC., INC. this
17 day of February, 1977.

WITNESS my hand and official seal.



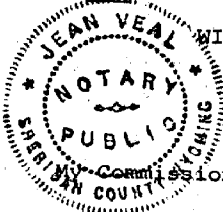
Sara W. Gradin
Notary Public

My Commission expires: March 6, 1978

STATE OF WYOMING)
) ss.
COUNTY OF SHERIDAN)

The foregoing instrument was acknowledged before me
by ED SITTNER and LOIS SITTNER this 17th day of February,
1977.

WITNESS my hand and official seal.



Jean Veal
Notary Public

My Commission expires: Oct. 31, 1978