

DECLARATION OF COVENANTS AND CONDITIONS FOR TOWN HOUSES

RECITALS

1. Northern Wyoming Construction, a Wyoming Corporation, is the owner in fee of the following described land situate in Sheridan County, Wyoming:

Lots 11 and 12, Block 5, Third Vale Avoca Place, an Addition to the Town, now City of Sheridan, Sheridan County, Wyoming.

2. Northern Wyoming Construction, a Wyoming Corporation, has constructed Town Houses on these lots in such a manner as to enable it to sell and convey each Town House and the land upon which it is located to separate owners.

3. In order to enable each owner to fully enjoy the property acquired by him, it is necessary to grant certain easements to the owners of each Town House and to impose and establish certain terms, conditions and covenants which shall run with the land and be binding upon all owners of the Town Houses and their successors in interest.

4. The covenants herein established are authorized by Wyoming Statute 34-20-101, Wyoming Condominium Ownership Act.

Northern Wyoming Construction, a Wyoming Corporation, therefore, hereby establishes and imposes the following easements, terms, covenants and conditions on Lots 11 and 12, Block 5, Third Vale Avoca Place, an Addition to the Town, now City of Sheridan Sheridan County, Wyoming, for the benefit of each lot and each owner of the lot and Town House situate thereon.

These covenants shall be binding on each lot and each owner of the lot and the Town House situate thereon, and their successors in interest, regardless of how that interest is acquired.

MORTGAGES

Nothing contained herein shall jeopardize a first mortgagor's right to take title to any of the subject property pursuant to the remedies provided in such mortgage, including acceptance of a deed in lieu of foreclosure in the event of default by a mortgagor or a sale or lease of the subject property.

Any first Mortgagee who obtains title to the subject property pursuant to the remedies provided in the mortgage or foreclosure will not be liable for that portion of subject property's unpaid dues or charges, which accrued prior to the acquisition of title by a mortgagee. Except as provided by statute in case of condemnation or substantial loss to the subject property and/or common elements of the subject property, unless at least two-thirds of the first mortgagees (based upon one vote for each mortgage owned), or owners (other than the builder) of the individual property units have given their prior written approval, the homeowners association shall not be entitled to:

- (a) by act or omission, seek to abandon or terminate the project;
- (b) change the pro rate interest or obligations of any individual unit for the purpose of (i) levying assessments or charges or allocating distribution of hazard insurance proceeds or condemnation awards, or (ii) determining the pro rate share of ownership of each unit in the common elements;
- (c) partition or divide the subject property;
- (d) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the common elements. (the granting of easements for public utilities or other public purposes consistent with the intended use of the common elements by the project shall not be deemed a transfer within the meaning of this clause);
- (e) use of hazard insurance proceeds for losses to any of the subject property for other than the repair, replacement or reconstruction of the property.

Any proposal or plan pursuant to which the subject property is to be done in phases or add-ons must comply with the following limitations:

- (a) unit owner's undivided interest in the common elements must be stated in the declaration; and the conditions whereby any change in percentage undivided interest in common elements may take place are fully described in the declaration of covenants and conditions of the townhouse together with a description of the real property, which will become subject to the project if such alternative percentage interest becomes effective; and;
- (b) no change in the percentage interests in the common elements may be affected pursuant to such phasing or add-on plan more than seven years after the declaration of the covenants becomes effective.

All taxes, assessments and charges, which may become liens prior to the first mortgage under local law shall relate only to the individual unit and not the entire project.

No provision of the covenants gives an individual owner or any other party, priority over any rights of the first mortgagee of the development pursuant to the mortgage in the case of a distribution to such individual owner of insurance proceeds or condemnation awards for losses to a taking of any of the common elements of the project.

The project is to be located on fee title land.

#### PARTY WALLS

The Town Houses located on these lots are situated so that there is a common wall between the contiguous Town Houses. Each common wall is declared to be a party wall. Each of the owners shall have a non-exclusive easement on that part of the footing, foundation and common wall standing on the lot of the other for lateral support and for housing beams, flues, pipes, wires, ducts, vents, cables, and other utility pipes and conduits (all hereafter called common elements) as are now located within the party wall.

In the event the party wall is damaged or destroyed or the necessity arises for repair or replacement of any of the common elements therein enclosed which service each of the contiguous owners, from any cause other than the negligence of either of the owners, the party wall or common elements thereon enclosed shall be repaired, replaced or rebuilt at the joint equal expense of the owners. If such repair, replacement or rebuilding is required because of the sole negligence of one of the owners, the costs thereof shall be at his sole expense.

Neither of the owners shall alter or change the party wall, interior decorations excepted, or any of the common elements located therein without the permission of the other owner; provided, however, that if both lots and Town Houses are owned by the same party, then owner shall have the right to remove the party wall and make such alternation or changes therein as the party desires.

#### FENCES

All fences erected on the lot line between the two lots shall be maintained at the joint, equal expenses of the owners of both lots.

ROOFS, GUTTERS, AND DOWNSPOUTS

With respect to each Town House, each owner of a lot upon which a Town House is erected shall bear the expense of any repairs or replacement of the roof which covers or is a part of his Town House, even if it extends over the other owner's lot line.

With respect to each Town House, each owner is granted an easement in the gutters and downspouts attached to the Town House of the owner of a Town House for the purpose of collecting and discharging the water accumulating in the gutters attached to the Town Houses. Each owner shall keep in repair the gutters and downspouts attached to his Town House.

Each owner is granted an easement over that part of the contiguous lot which is overhung by any part of the roof of the owner's Town House.

REPAIRS

Each owner shall make all necessary repairs and replacements of the building and improvements on his lot at his own expense except as otherwise herein provided.

The outside walls of each Town House shall be maintained in conformity with their present existence unless both parties agree to a change.

WATER, GAS AND SEWER LINES

Each owner is granted an easement to maintain, repair and replace water, gas and sewer lines located on the lot of the other owner which serve his lot. Expense of maintenance, repair and replacement of the main water, gas and sewer lines which serve both lots shall be borne equally by the owners of the lots.

GENERAL

All easements and covenants created by this instrument shall be perpetual and shall run with the land.

Each party accepting a deed to any lot or Town House from the undersigned owner or its successor in interest shall accept the deed with the understanding and agreement that such party and his successors in interest shall be bound by all of the terms and conditions of this instrument.

ARBITRATION

In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and decisions resolving such dispute, shall be by a majority vote of all the arbitrators, and shall be binding on all parties.

DATED this 24<sup>th</sup> day of July, 1981.

NORTHERN WYOMING CONSTRUCTION,  
A Wyoming Corporation

BY [Signature]  
President

[Signature]  
Secretary

STATE OF WYOMING     )  
                              ) §  
COUNTY OF SHERIDAN    )

On this 24th day of July, 1981, before me personally appeared Roger B. Crokin and Kent W. Richmond, to me known to be the President and Secretary of the corporation that is described herein, and that they executed the foregoing instrument and acknowledged to me that such corporation executed the same as its free act and deed.

[Signature]  
Notary Public

My Commission Expires: 3-20-84