

HOLLY PONDS P.U.D.**GENERAL DECLARATION OF COVENANTS
AND RESTRICTIONS**

THIS DECLARATION is made this 19th day of November, 1997 by Holly Ponds LLC, a Wyoming Limited Liability Company, herein called "the Developer."

ARTICLE I**DECLARATION PURPOSES**

Section 1.1 - General Purposes: The Developer is the owner of certain real property located in Sheridan, Wyoming, and desires to create thereon a planned development for future owners of lots and homes to be created upon the real property.

- (a) The Developer desires to preserve upon the property through its planning layout, the natural terrain and the natural character of the area and, further, to provide for the harmonious development of a single-family community, by the imposition of covenants and restrictions, as hereinafter set forth, for the benefit of the real estate and the owners thereof.
- (b) The Developer, by the imposition of covenants and restrictions, and the reservation of certain powers unto itself, intends to provide, for its properties adjacent to the real properties herein described, and for the Properties herein described, a plan for development which will enhance the values and natural amenities of Developer's planned residential community, and to ensure that the present natural beauty and native setting and surroundings will be preserved insofar as possible, consistent with the uses and structures permitted by this Declaration.

Section 1.2 - Declaration: To further the general purposes herein expressed, the Developer, for itself and its successors and assigns, hereby declares that the real property hereinafter described in Article III as "existing properties," and such additions to the existing properties as hereafter may be made pursuant to the provision of Article III hereof, whether or not referred to in any deed of conveyance of such properties, at all times is and shall be held, transferred, sold, conveyed and occupied subject to the covenants and restrictions herein set forth. The provisions of this Declaration are intended to create mutual equitable servitude upon each Lot becoming subject to this Declaration in favor of each and all other such lots; to create privity of contract and estate

between the grantees of such lots, their heirs, successors and assigns; and to operate as covenants running with the land for the benefit of each and all such lots becoming subject to this Declaration and the respective owners of such lots, present and future.

ARTICLE II

DEFINITIONS

Section 2.1 - Definitions: The following words and terms, when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

- (a) "The Properties" shall mean and refer to the Existing Properties, and all additions to the Existing Properties subject to this Declaration.
- (b) "Existing Properties" shall mean and refer to the real estate described in Article III, Section 1, hereof.
- (c) "Lot" shall mean any plot of land described by a number upon any recorded subdivision map of the Properties.
- (d) "Owner" shall mean the record owner (whether one or more persons or entities), of the fee simple title to, or the contract purchaser of any Lot situated upon the Properties, but shall not mean or refer to any holder of debt or mortgage unless and until such holder has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.
- (e) "Dwelling Lot" shall mean any Lot intended for improvement with a dwelling.
- (f) "Dwelling" shall mean any building located on a dwelling Lot and intended for the shelter and housing of a single family.
- (g) "Dwelling Accessory Building" shall mean a subordinate building or a portion of a dwelling, the use of which is incidental to the dwelling and customary in connection with that use.
- (h) "Single Family" shall mean one or more persons, each related to the other by blood, marriage or adoption, or a group of not more than three persons not all so related, together with his or their domestic servants, maintaining a common household in a dwelling.

- (i) "Story" shall mean that portion of a dwelling included between the surface of any floor and the surface of a floor next above, or if there is no floor above, the space between the floor and the ceiling next above.
- (j) "Living Area" shall mean that portion of a dwelling which is enclosed and customarily used for dwelling purposes and having not less than six (6) feet headroom, but shall not include open porches, open terraces, breezeways, attached garages, carports or dwelling accessory buildings. It shall include those areas of the building which are no more than 3½ feet below the exterior grade and considered as living area by the City of Sheridan Engineering Department.
- (k) "Structure" shall mean any building or other improvement erected or constructed, the use of which requires more or less permanent location on or in the ground, or attached to something having a permanent location on or in the ground.
- (l) "Committee" shall mean the Architectural Review Committee.
- (m) "Maintenance" shall mean exercise of reasonable care to keep buildings, roads, landscaping, lighting and other related improvements and fixtures in a condition comparable to their original developed condition, normal wear and tear excepted. Maintenance of landscaping shall further mean the exercise of generally accepted lawn and garden management practices necessary to promote a healthy, weed free environment for optimum plant growth.
- (n) "Mobile Home" is defined as a living unit manufactured with an integral towing device or wheels. If the unit is manufactured with an integral towing device or wheels, it does not lose its status as a mobile home by the removal of the towing device or wheels. The Committee shall make the final determination as to whether or not a structure is a mobile home.

ARTICLE III

EXISTING PROPERTIES AND ADDITIONS THERETO

Section 3.1 - Existing Properties: The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Sheridan, Wyoming, and more particularly described as follows:

Units 1 through 3 of Holly Ponds P.U.D., a subdivision within the NE $\frac{1}{4}$ SW $\frac{1}{4}$ and the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 21, Township 56 North, Range 84 West of the 6th Principal Meridian in the City of Sheridan in Sheridan County, Wyoming, as shown on Plat Numbers 36, 37 and 38 recorded in Drawer H of the records of Sheridan County, Wyoming, and as shown also on Exhibit "A" attached hereto.

Section 3.2 - Other Properties: The Developer reserves the right to bring within the scheme of this Declaration any additional lands which are contiguous or adjacent to or within the immediate vicinity of the lands referred to in Article III, Section 1 and which now are or hereafter may be owned by the Developer and subjected to the scheme of this Declaration.

ARTICLE IV

ARCHITECTURAL REVIEW PROCESS

Section 4.1 - Objectives: Developer's objectives are to carry out the general purposes expressed in this Declaration; to assure that any improvements or changes in the properties will be of good and attractive design and in harmony with the natural setting of the area and will serve to preserve and enhance existing features of natural beauty; and to assure that materials and workmanship of all improvements are of high quality and comparable to other improvements in the area.

Section 4.2 - The Committee:

- (a) To achieve the objectives of these covenants and restrictions, an Architectural Review Committee is hereby created with power to administer and enforce this Declaration with regard to approving or disapproving those matters which are within the jurisdiction of the Committee. The Committee shall be a nonprofit association created under the Wyoming Unincorporated Non-Profit Association Act (W.S. §§ 17-22-101 et. seq.) as the same now exists or may hereafter be amended, for the purpose of enforcing these Covenants, and otherwise acting for the benefit of owners of Lots within the Properties.
- (b) The Committee shall consist of not less than three members, each of whom shall be an Owner. Members of the Committee shall be appointed by the developer until such time as the Developer transfers the authority to appoint members of the Committee to the Owners. The Developer may transfer the authority to appoint the members of the Committee to the Owners at any time, in the sole discretion of the Developer, by providing a written notice of such transfer to the Owners.

- (c) Once the authority to appoint members of the Committee is transferred to the Owners of Lots by the Developer, appointments to the Committee shall be pursuant to elections for Committee members to be held annually, in the month of October. Committee members shall serve until the appointment or election of their successors. The Committee shall consist of Owners of Lots within the Subdivision, and shall be elected by majority vote. In any election, the record owner of each Lot shall have one vote. The three individuals with the most number of votes shall be elected to the Committee. Upon the death or resignation of any Committee member, the remaining members shall have the authority to designate a successor who shall remain on the Committee until the next annual election. Notice of annual meetings of the Committee shall be sent to all Owners of Lots at their last known addresses.

Section 4.3 - Matters Requiring Approval: Prior written approval shall be obtained from the Committee with respect to all matters stated in the Declaration as requiring such approval. Matters requiring approval of the Committee shall be submitted to its Chairman, or as the Committee otherwise designates. In addition thereto, no building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change in or alteration of any Lot or the improvements located thereon be made, nor shall any clearing of trees or change of property grade be made, until the plans and specifications showing the nature, kind, shape, elevations, heights, location and grade, design and proposed location on the Lot have been submitted to and approved in writing by the Committee. Building plans must include a color scheme, a site plan (with building location, grades and landscaping) and a proposed construction schedule, and must show back, side and front elevations, indicating roof design, window size and placement, and exterior style and finish. Dwelling units that are to be prefabricated off-site must have the preliminary or sales plan submitted to the Committee for a preliminary review to determine if the construction and design and the style, windows, roof lines, and details will meet minimum criteria, provided that the preliminary review does not relieve the owner from the obligation to meet the remaining review requirements applicable to all Dwellings.

Section 4.4 - Procedure: Whenever approval is required of the Committee, appropriate building plans and specifications shall be submitted to the Committee. Construction plans shall identify the general contractor and all subcontractors, all of whom shall be licensed by the City of Sheridan. The Committee shall either approve or disapprove such design and location and proposed construction and clearing activities within thirty (30) days after said plans and specifications have been submitted to it; except that, if such plans and specifications are disapproved in any respect, the applicant shall be notified wherein such plans and specifications are deficient. The Committee may withhold approval for any reason deemed by it to be appropriate, including aesthetic reasons, except that approval will not be withheld for capricious or unreasonable reasons. If such plans and specifications are not approved or disapproved within thirty (30) days after submission, approval will not be required and this Article will be deemed fully complied with;

provided that nothing herein shall be deemed to waive the obligation of each Owner to comply with the substantive covenants and restrictions of this Declaration, including without limitation the requirements of Articles IV and V. At the discretion of the Committee, a reasonable filing fee established by the Committee shall accompany the submissions of such plans to defray expenses, except that so long as the Committee is under Developer's control such fee shall not exceed \$100.00. No additional fee shall be required for resubmission of plans revised in accordance with recommendations made upon disapproval. A copy of each approved set of plans and specifications shall be kept on file with the Committee.

Section 4.5 - Minimum Criteria for Architectural Review Approval: No Dwelling shall be permitted to be constructed upon the Properties, nor shall the Committee be required to approve any construction which does not comply with the following minimum requirements:

- (a) No one-story Dwelling shall be constructed having less than 1,200 square feet of living area, provided, however, that dwellings on lots south of Hill Pond Drive shall have not less than 1,300 square feet of living area. No bi-level Dwelling shall be constructed having less than 1,400 square feet of living area above finish grade. No two-story Dwelling shall be constructed having less than 1,600 square feet of living area.
- (b) Any Dwelling constructed must have a 4:12 pitch for roof slope and a front elevation that is aesthetically pleasing and compatible with other Dwellings in the area. The front elevation must include a roof design with various breaks created by eaves and overhangs, consideration of window size and placement, and an appealing exterior style and finish.
- (c) All garages shall be a minimum of a two (2) car attached to the main Dwelling. Variations shall be permitted by the Committee in cases where peculiar architectural considerations require a space separation between the Dwelling and garage. In such cases, the Committee shall have the right to specify the locations of any garage detached from the Dwelling and whether the garage must be attached by a "breezeway structure."
- (d) No two Dwellings shall be constructed upon adjacent properties which appear to be the same in their front or side elevations. Repetitive use of the same building style on lots in close proximity shall be reviewed for individual lot locations by the Committee.
- (e) No Dwelling shall be erected, altered, or placed, which is more than two and one half (2½) stories or thirty feet (30') in height,

whichever is lesser, unless a greater height is approved in writing by Committee.

- (f) Television, radio and other communication antennas or any satellite system (24" maximum diameter) approved by the Committee shall be placed upon the rear of any Dwelling roof. All lines or wires shall be buried in conduit. Any roof exhaust systems shall also be placed upon the rear of any Dwelling roof.
- (g) Only chain link or approved fences shall be permitted upon any Lot. The fences shall not exceed four (4) feet in height and shall not be placed forward of the rear corners of the building. Special consideration may be given for corner lots, where one of the fence lines may be extended to the front building line, but no closer than 25 feet from the Lot corner nearest the adjacent street intersection. No fencing will be allowed within 20 feet of proposed park or conservation areas.
- (h) The elevations of all foundations and the location of all dwellings or Dwelling Accessory Buildings shall be approved by the Committee. No more than six (6) inches of concrete foundation shall be exposed without treatment or covering acceptable to the Committee.
- (i) All pools and spas must be constructed clear of all required setbacks and in accordance with City of Sheridan regulations. All pools must be fenced and all spas skirted with related equipment screened from view.
- (j) Access driveways and other areas for vehicular use on a Lot shall have a base of compacted gravel, crushed stone or other approved base material and paved with asphalt or concrete. Driveways must be completed prior to occupancy unless prior approval is received from the Committee.
- (k) Approval by the Committee may be conditional upon an Owner providing to the Committee plans for the protection and preservation of trees and shrubs that exist upon or are adjacent to an Owner's Lot. The Committee may further establish requirements regarding the protection of trees and shrubs during construction upon any Lot.
- (l) During the course of any construction of any structure or system, the Committee shall have the right, but not the obligation, at all reasonable times to inspect the work to ensure it confirms with the approved plans and with applicable local, county, state and federal regulations. The Committee, or its designated inspectors shall have the right to inspect the building site prior to, during, and at the end of all construction phases.

- (m) The commencement of any construction before approval has been granted by the Committee shall be a violation of this Declaration.

Section 4.6 - Deviations from Covenants and Restrictions: The Committee shall have the power to enter into agreements with the Owner of any Lot, without the consent of the Owner of any other Lot or adjoining or adjacent property, to deviate from the provisions of the covenants restrictions within the jurisdiction of the Committee for reasons of practical difficulty or particular hardship which otherwise would be suffered by such Owner. Any such deviation, which shall be manifested by written agreement, shall not constitute a waiver of any such covenant as to other Lots in the Properties.

Section 4.7 - Waiver and Indemnity: To the extent consistent with applicable law, each Owner waives any claim or cause of action against the Committee or individual members of the Committee relating to any action taken by, or failure to act on the part of the Committee pursuant to this Declaration, except for gross negligence, willful misconduct or illegal acts. Further, each Owner agrees to indemnify, defend and hold harmless the Committee from all claims, liability, causes of action, demands and costs (including reasonable attorney's fees) arising out of or resulting from action or inaction taken pursuant to this Declaration.

ARTICLE V

General Restrictions

Section 5.1 - Land-Use Single Family Residential: Any portion of the Properties designated by the Holly Ponds Planned Unit Development plat on file with the City of Sheridan for "Single Family Residential" use shall be used only as dwelling Lots for single family residences and shall be subject to the restrictions set forth in this Article V or as modified or added to by the provisions of the Supplemental Declaration pertaining thereto. No Structure may be erected or maintained on any such Lot except as shall be approved in writing by the Committee.

Section 5.2 - Quality of Structures: It is the intention and purpose of this Declaration to insure that all Structures shall be of a quality of design, workmanship and materials which are compatible and harmonious with the natural setting of the area and other structures within the development. All Structures shall be constructed in accordance with applicable government building codes and with more restrictive standards that may be required by the Committee.

Section 5.3 - Location of Structures on Lot: The location of each structure, including driveways and culverts, on a Lot shall be subject to approval in writing by the Committee, giving consideration to setback lines, if any, on the recorded plat, provided that each Owner shall be given reasonable opportunity to recommend the suggested construction site. No driveway connecting to Hill Pond Drive will be approved.

Section 5.4 - Nuisances: No noxious or offensive activity shall be carried on, in or upon any premises, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. No outdoor lights which provide excessive illumination of adjacent lots shall be used on a routine basis. No plants or seeds or other things or conditions harboring or breeding infectious plant diseases or noxious insects shall be introduced or maintained upon any part of a Lot. It shall be the responsibility of each Owner to maintain his Lot free from accumulation of debris and from the overgrowth thereof of weeds and noxious vegetation. If an Owner shall fail to maintain the Lot or fail to cut the grass, weeds, or vegetation thereon, the Developer or the Committee, after ten days written notice to Owner, shall be authorized to enter upon the Lot to cut and maintain the lot. If the Developer or Committee, or persons contracted by them, shall perform such work, Owner agrees to pay to the Developer or the Committee the reasonable costs of the work performed, but not less than the sum of Fifty Dollars (\$50.00) for each instance where cutting or maintenance has been provided on Owner's Lot. The Lot shall be charged with a lien to assure payment of such charge upon the recording of a notice of such lien, which lien shall have a priority as of the date of the recording of this Declaration. The Developer or the Committee shall be entitled to designate an agent for the purpose of performing the mowing or cutting, and may further direct payment be made directly to such agent. No burning of refuse shall be permitted outside any Dwelling, except that the burning of leaves which have fallen on the Lot is permitted if allowed by appropriate regulations.

Section 5.5 - Temporary Structures: No trailer, mobile home, recreational vehicle, tent, shack, garage, barn, Dwelling Accessory Building, outbuilding, or other structure, and no temporary building or structure of any kind shall be used for a residence, either temporary or permanent, except as otherwise permitted herein or in any applicable Supplemental Declaration. However, the occasional, temporary use of motor homes or travel trailers for extra space when there are guests or in emergencies shall be permitted; provided the vehicle is parked on a paved surface and shall not be parked for more than ten (10) days in any calendar year. Temporary structures used during the construction of a Structure shall be on the same Lot as the Structure and such temporary structures shall be removed immediately upon completion of construction.

Section 5.6 - Mobile Homes: No mobile homes shall be permitted upon any Lot on the Properties at any time. This restriction shall not prevent the temporary parking and occasional use of a camping trailer or motor home in accordance with the provisions of section 5.5 so long as the unit is parked on a paved surface and is not a permanent residence.

Section 5.7 - Controls Applicable During Construction: Each owner shall be responsible for the conformance with all such rules by the Owner's builder and contractors:

- (a) At all times during the construction period, a trash dumpster shall be located on the site and all construction debris shall be placed in the dumpster.
- (b) The roads shall be kept clean at all times. Any dirt or debris which is deposited on any road or other Lot by any vehicle entering or leaving the Owners' site shall be cleaned and removed immediately.
- (c) Building materials shall be stacked neatly on the site and shall not be stored on adjoining property. Adjoining property shall be restored if damaged.
- (d) Except as otherwise provided herein, no signs of any kind or description shall be displayed on any Lot except for one (1) sign of reasonable size, but not to exceed three square feet, to advertise the property for sale or signs used by the Developer or its assigns to advertise the property during the construction and/or initial sales period.
- (e) All equipment which is used in excavating or construction and which is not rubber-tired shall only be loaded or unloaded within the boundary lines of each respective Lot where excavating or construction is being performed.
- (f) Proper and adequate barricades shall be provided for protection of any open excavation, formed and/or poured foundation walls prior to back-filling and/or completion of first floor, horizontal openings in any floor (such as stair-wells) prior to the completion of proper railings, stairs or other uses.
- (g) Any construction undertaken on any Lot shall be continued with diligence toward the completion thereof and construction of any dwelling shall be completed within one year from commencement of construction, except that such period may be extended for a reasonable time by reason of act of God, labor disputes or other matters beyond the Owner's control. No structure shall be deemed completed until installation of approved landscaping.

Section 5.8 - Lot Appearance: No person shall accumulate or store on his Lot junked, inoperable, unregistered, derelict or abandoned vehicles, or boats, trailers, horse trailers, heavy trucks, equipment or machinery, litter, refuse or other unsightly materials. Garbage shall be placed in receptacles provided therefore, and if located outdoors shall be properly screened.

Section 5.9 - Pet Control: No animals other than unoffensive common domestic household pets such as dogs and cats shall be kept on any Lot. Each Residential Owner shall be required to clean up any feces or defecation produced by such pets and shall be strictly liable for all damage or injury caused by such pets. And all pets shall be required to be kept inside the Residential Owners's dwelling from 10:00 o'clock p.m. until 6:00 o'clock a.m. unless they are walking such pets on a leash, confined to deck area, or restricted on patio areas. At all times, owners shall prevent dogs from creating barking nuisance or other nuisance and must not allow any animal out of the dwelling unless the owner is in the animals' presence outside the dwelling. Vicious animals which threaten people or other pets shall not be permitted. Vicious, threatening or nuisance animals shall be permanently removed from the Properties immediately upon request of the Committee which shall have authority to determine, in its sole discretion, which animals are vicious, threatening, or a nuisance.

Section 5.10 - Easements Reserved with Respect to Lots: Developer reserves for itself, its successors and assigns, easements over, under and through each Lot, and the right to ingress and egress to the extent reasonable necessary to exercise such easement, as follows:

- (a) Utility easements shown on any recorded Plat of the Properties, except that if any plat fails to establish easements for such purposes, then a 5-foot side strip running along side Lot lines, front Lot line and rear Lot line of dwelling Lots is reserved for drainage, the installation and maintenance of utility facilities, and incidental usage related thereto.
- (b) The Owner shall not place any structure on any such easement and shall be responsible for maintaining the easement and any damages caused by user of right to the easement shall be repaired and restored by such user.
- (c) No Owner shall have any claim or cause of action, except as herein provided, against Developer, its successors, assigns, or licensees arising out of exercise or non-exercise of any reserved easement except in cases of willful or wanton misconduct.

Section 5.11 - Motor Vehicles:

- (a) All motorcycles and similar vehicles, (including, but not limited to motorbikes, trailbikes, motorscooters, and all-terrain vehicles), and all recreational vehicles, trucks, pickups, automobiles and wheeled vehicles of any kind used or operated on the roads within the Properties must obey all posted speed limits, comply with all legal licensing requirements (both as to the vehicle and the driver or operator thereof), and must comply with and

obey all laws, rules, and regulations of the State of Wyoming and the County of Sheridan relating to the ownership, licensing, operation and use of such vehicles.

- (b) Motorcycles, all-terrain and similar recreational type vehicles, motorbikes, and trailbikes used in the Properties must be operated in a safe and inoffensive manner, and operated only on roads and paved surfaces. All vehicles of any kind shall be operated at noise levels which are at least as quiet as factory noise levels.
- (c) Only one (1) commercial vehicle (of 10,000 pound gross vehicle weight or less) is allowed to be parked on a Lot. No trailer, recreational vehicle, motorcycle, all-terrain vehicle, snowmobile, boat or other power assisted vehicle shall be stored on any Lot except within the garage erected upon the Lot. Automobiles and non-commercial trucks shall be parked whenever possible within the garage erected on each Lot, or on the driveway for such Lot. Habitual parking on roadways is prohibited.

ARTICLE VI

COMPLIANCE WITH COVENANTS

Section 6.1 - Duration: The covenants and restriction set forth in this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Committee, or the owners of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns. These covenants and restrictions shall be effective for a term of 20 years from the date this Declaration is recorded. The term of these covenants and restrictions shall be automatically extended for successive periods of 10 years unless an instrument signed by the then owners of two-thirds of the Lots within the Properties has been recorded agreeing to void these covenants and restrictions in total.

Section 6.2 - Notices: Any notice sent or required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly given when mailed, postage prepaid, to the last known address of the person who appears as an Owner on the records of the Association at the time of mailing.

Section 6.3 - Enforcement:

- (a) The Committee, or any Owner, shall have the right and authority, but not the obligation, to enforce compliance with the covenants and restrictions contained herein. The Committee shall not be required to take enforcement action at the request of any lot owner.

- (b) Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction. Such action may be either to restrain violation or to recover damages, or against the land, to enforce any lien created by these covenants. Failure by the Committee or any Owner to enforce any covenant or restriction herein contained in no event shall be deemed a waiver of the right to do so thereafter.
- (c) If the Committee elects to take enforcement action upon the violation of any covenant or restriction, or upon the failure to pay any assessment, written notice of such violation or failure shall be directed to the violator, and violator shall have ten (10) days after receipt of said notice to correct the violation or pay the assessment due. If the violation is not corrected or payment is not made within such ten (10) day period, the Committee may enter and take possession of the violator's premises and correct the violation at the violator's expense. In addition to the cost of correcting the violations of these covenants, the violator may be assessed damages at the rate of One Hundred Dollars (\$100.00) per day for each day the violation continues after the ten (10) day notice. At its discretion, the Committee may extend the period for compliance with a covenant if it believes reasonable steps are being taken to correct the violation. In the event suit is required to collect any sums due or to enjoin or correct the violation 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 costs and attorney's fees incurred by the Committee.
- (d) An Owner shall be required to first seek enforcement of the covenants and restrictions by the Committee before commencing an independent enforcement action. If the Committee fails or refuses to act and an Owner elects to take enforcement action against another Owner as a result of the violation of any covenant or restriction, the enforcing Owner shall give the violating Owner ten days advance written notice of such intent. The notice shall identify the particular covenants or restrictions which have been violated as a condition precedent to the right to bring an enforcement action.
- (e) Each Owner against whom an action to enforce this Declaration is taken, whether by the Developer, the Committee or another Owner, and each Owner taking an independent enforcement action against another Owner, shall indemnify, defend, and hold harmless the Developer and the Committee from all claims, liability, causes of action, demands and costs (including reasonable attorney's fees) arising out of or resulting from such enforcement action.

Section 6.4 - Lien: The Committee shall have a lien against each Lot to secure the payment of any assessment provided for herein or the cost of correcting or enjoining any

violation of these covenants, plus interest from the date due and payable at the rate of 12% per annum, plus all costs and expenses of collecting the unpaid amount, including reasonable attorney's fees. Such lien shall have priority as of the date this Declaration is recorded in the office of the Sheridan County Clerk and Ex-Officio Recorder of Deeds. The lien may be foreclosed in the manner provided for the foreclosure of real estate mortgages in the State of Wyoming.

ARTICLE VII

MISCELLANEOUS

Section 7.1 - Water Rights: Water rights appurtenant to the Properties and transferred by the Developer to the Properties shall be held by the Committee for use in common areas and for common ponds and streams. In no event shall water rights be divided among individual Lots.

Section 7.2 - Amendment or Modification: This Declaration may not be revised, amended or supplemented except pursuant to a written, recorded amendment as follows:

- (a) The Developer may, prior to transferring the authority to appoint members of the Committee to the Owners pursuant to section 4.2(b), modify any of the provisions of this Declaration or any Supplemental Declaration for the purposes of clarification, by recorded Supplemental Declaration; provided no such modification shall change the substantive provision of this Declaration or any Supplemental Declaration or materially alter the rights of any Owner established by any such document.
- (b) The Owners may, at any time after the recording of this Declaration, modify any of the provisions of this Declaration or any Supplemental Declaration by recorded Supplemental Declaration, to further the purposes set forth in Section 1.1, upon the vote of the Owners of two-thirds of the Lots within the Properties.

Section 7.3 - Severability: Invalidation of any one of these covenants or restrictions by judgment or court order in no way shall affect any other provision, which shall remain in full force and effect.

HOLLY PONDS LLC

By: Ronald J. Patterson
 Ronald J. Patterson,
 General Manager and Member

By: James S. Willey
 James Willey,
 Member

STATE OF WYOMING)
 : ss.
 COUNTY OF SHERIDAN)

The foregoing instrument was acknowledged before me by Ronald J. Patterson,
 General Manager and Member, and James Willey, Member, Holly Ponds LLC, this
19th day of November, 1997.

WITNESS my hand and notarial seal.

Tom Mentock
 Notary Public

My commission expires: May 18, 2000

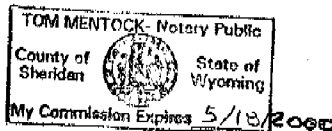
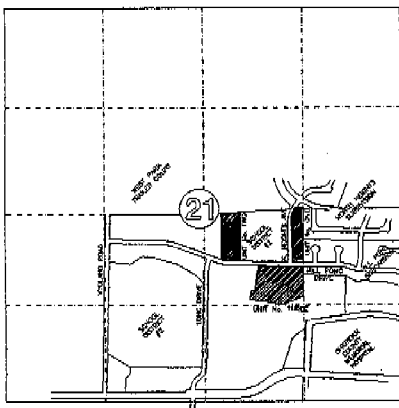


EXHIBIT A

SHOWING
HOLLY PONDS
PLANNED UNIT DEVELOPMENT
UNIT Nos. ONE, TWO, and THREE



SCALE: 1" = 2000'

LOCATION MAP
SECTION 21, T 56 N, R 84 W
OF THE 6th P.M.
CITY OF SHERIDAN, WYOMING

WEST PARK
MOBILE HOME COMMUNITY

HOLLY PONDS
PLANNED UNIT DEVELOPMENT
UNIT No. TWO
FILED: Drawer H, Plat No. 37
Instrument No. 270198

HOLLY PONDS
PLANNED UNIT DEVELOPMENT
UNIT No. ONE
FILED: Drawer H, Plat No. 38
Instrument No. 269419

SCALE: 1" = 200'

SCHOOL TRACT No. 2
SHERIDAN ELEMENTARY SCHOOL

MILL POND DRIVE

HOLLY PONDS
PLANNED UNIT DEVELOPMENT
FUTURE PHASE

HOLLY PONDS
PLANNED UNIT DEVELOPMENT
UNIT No. THREE
FILED: Drawer H, Plat No. 38
Instrument No. 270197



MENTOCK-WILLEY CONSULTANTS

CONSULTING ENGINEERS AND LAND SURVEYORS

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1030 NORTH MAIN ST.
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JOB No. 95-138

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NOVEMBER 19, 1997