

537601 DECLARATION OF COVENANTS
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AUDREY KOLTISKA, SHERIDAN COUNTY CLERK

**DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS
FOR
THE POWDER HORN COTTAGES AT THE HUB**

LANDS BOUND

THE UNDERSIGNED DECLARANT, Powder Horn Ranch – 2, L.L.C., heretofore having recorded in the office of the Clerk and Recorder of Sheridan County, State of Wyoming, that certain [Amended] Plat for The Powder Horn Cottages At The Hub, which is filed in Drawer "P" of Plats, being denoted therein as Plat No. 77; and, said Declarant being now the sole and exclusive owner of the following described lands, which are defined and described in that said Plat as herein below stated, to wit:

A Tract of land located in the SW ¼ SE ¼ of Section 33, Township 55 North, Range 84 West, and in the NW ¼ NE ¼ of Section 4 , Township 54 North, Range 84 West, of the Sixth Principal Meridian, Sheridan County, Wyoming; being more particularly described as follows:

Beginning at a point located S 89° 44' 28" W, 506.40 feet from the East 1/16 Corner of said Sections 33 and 4; thence, S 08° 28' 54" E, 50 feet; thence, along a curve to the right with a length of 69.98 feet, a radius of 877.25 feet, a delta angle of 04° 34' 15" a chord bearing of S 83° 48' 13" W, and a chord length of 69.96 feet; thence, along a curve to the right with a length of 26.51 feet, a radius of 605.00 feet, a delta angle of 02° 30' 37", a chord bearing of S 87° 20' 39" W, and a chord length of 26.51 feet; thence, S 00° 58' 04" W, 153.63 feet; thence, along a curve to the right with a length of 256.26 feet, a radius of 785 feet, a

delta angle of $18^{\circ} 42' 15''$, a chord bearing of $S 10^{\circ} 19' 11'' W$, and a chord length of 255.13 feet; thence, $S 19^{\circ} 40' 18'' W$, 184.00 feet; thence, along a curve to the right with a length of 139.42 feet, a radius of 225.00 feet, a delta angle of $35^{\circ} 30' 10''$, a chord bearing of $S 37^{\circ} 25' 24'' W$, and a chord length of 137.20 feet; thence along the easterly right-of-way line of Club House Drive along a curve to the left with a length of 228.15 feet, a radius of 1030.00 feet, a delta angle of $12^{\circ} 41' 29''$, a chord bearing of $N 27^{\circ} 44' 20'' W$, and a chord length of 227.69 feet; thence, along said easterly right-of-way $N 34^{\circ} 05' 05'' W$, 559.88 feet; thence, leaving said easterly right-of-way, $N 59^{\circ} 45' 39'' E$, 38.39 feet; thence, along a curve to the right with a length of 132.38 feet, a radius of 780.00 feet, a delta angle of $09^{\circ} 43' 28''$, a chord bearing of $N 64^{\circ} 37' 23'' E$, and a chord length of 132.22 feet; thence, along a curve to the right with a length of 307.17 feet, a radius of 495.00 feet, a delta angle of $35^{\circ} 33' 17''$, a chord bearing of $N 87^{\circ} 15' 46'' E$, and a chord length of 302.27 feet; thence, along a curve to the left with a length of 183.57 feet, a radius of 555.00 feet, a delta angle of $18^{\circ} 57' 04''$, a chord bearing of $S 84^{\circ} 26' 08'' E$, and a chord length of 182.74 feet; thence, along a curve to the left with a length of 65.99 feet, a radius of 827.25 feet, a delta angle of $04^{\circ} 34' 15''$, a chord bearing of $N 83^{\circ} 48' 13'' E$, and a chord length of 65.98 feet, to the point of beginning.

[Said Tract containing 6.41 acres, more or less.]

Said Tract thereby and now being subdivided into Lot Numbers 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, and 27; and including also the Common Area described as "Outlot A", as shown on the said Subdivision Plat; and, the Dedicated Area for access, as shown on the said Subdivision Plat.

DECLARATION

BY THESE PRESENTS, THE DECLARANT, POWDER HORN RANCH – 2, L.L.C., acting by and through its undersigned Manager, **DECLARES** that the lands, which immediately herein above are described, **are bound** by and to the covenants, conditions, and restrictions that the **Declarant** herein below declares and states, which said covenants, conditions, and restrictions **touch, concern, and inure to the benefit of** the said lands; and, that these covenants, conditions, and restrictions **run with the land** perpetually hereafter; such that, the lands, which immediately herein above are described, now are held, and hereafter shall be transferred, sold, conveyed, and occupied **subject to** the covenants, conditions, and restrictions which the **Declarant** declares and states herein below in this document.

COVENANTS, CONDITIONS AND RESTRICTIONS

Article 1 Terms Defined

[1.01] **General Definitions.** Except as specially defined herein below, or unless a particular definition, interpretation, or legal construction or application hereafter is required by operation of law, the words of this document are defined and shall be applied according to their plain and simple meaning.

[1.02] **Special Terms Defined.** The terms which are listed below in this subsection are specially defined for this document, and they shall be applied in the context of this document according to the definitions which herein below are stated.

[A] **Association.** The term “**Association**” [whether capitalized or emphasized by bold print or not] is defined to mean the **Powder Horn Cottages At The Hub Homeowners Association, Inc.** [a Wyoming non-profit corporation, identified in the office of the Wyoming Secretary of State as **CID: 2005-00500593**].

[B] **Board.** The term “**Board**” [whether capitalized or emphasized by bold print or not] is defined to mean the Board of Directors of the aforesaid **Powder Horn Cottages At The Hub Homeowners Association, Inc.**

[C] **Common Area.** The term “**Common Area**” [whether capitalized or emphasized by bold print or not], with reference to the above described and final amended Plat for The Powder Horn Cottages At The Hub, is defined to mean and to include the following:

[1] **Space Between Lots.** The area which is shown and described upon the said final amended Plat as the lands that comprise “**Outlot A**”.

[a] **Improvements.** The landscaped areas between Lots, driveways, and walkways or paths made as improvements upon or to “**Outlot A**” are included in the “**Common Area**” of the Subdivision.

[2] **Space Which Pertains To Vehicle Access.** The areas, which are within the perimeter of the said “**Outlot A**”, that are denoted as “**Cayuse Court**”, “**Cattle Court**”, “**Stetson Court**”, and, “**Concho Court**”.

[D] **Cottages At The Hub Covenants.** The term “**Cottages At The Hub Covenants**” [whether capitalized or emphasized by bold print or not] is defined to mean the **DECLARATION OF COVENANTS CONDITIONS AND RESTRICTIONS FOR THE POWDER HORN COTTAGES AT THE HUB**, which this document declares and states.

[E] **Declarant.** The term “**Declarant**” [whether capitalized or emphasized by bold print or not] is defined to mean **Powder Horn Ranch – 2, L.L.C.**, which is a Wyoming Limited Liability Company, of which the Manager (at the time this document is made and dated) is Homer Scott, Jr., and the mailing address of which is 23 Country Club Lane, Sheridan, Wyoming 82801.

[F] **Declaration.** The term “**Declaration**” [whether capitalized or emphasized by bold print or not] is defined to mean the covenants, conditions, and restrictions which are declared and stated in, and which constitute, this document; and, also to mean the document, itself, taken as a whole.

[G] **Dedicated Area.** The term "**Dedicated Area**" [whether capitalized or emphasized by bold print or not], with reference to the above described and final amended Plat for The Powder Horn Cottages At The Hub, is defined to mean and to include the following:

[1] The areas, which are within, but at the edges, the perimeter of the platted subdivision, that are shown, described, and denoted on the said final amended Plat as a segment of "**Country Club Lane**" and as "**Swilcan Burn Lane**".

[H] **Design Review Committee.** The term "**Design Review Committee**" [whether capitalized or emphasized by bold print or not] is defined to mean the **Design Review Committee**, for which provision is made under, and which is appointed and conducts its business pursuant to the authority of, **Article IX** of the **Powder Horn Covenants**.

[I] **Developer.** The term "**Developer**" [whether capitalized or emphasized by bold print or not] is defined to mean **Powder Horn Ranch – 2, L.L.C.**, which is a Wyoming Limited Liability Company, of which the Manager (at the time this document is made and dated) is Homer Scott, Jr., and the mailing address of which is 23 Country Club Lane, Sheridan, Wyoming 82801.

[J] **Lot.** The term "**Lot**" [whether capitalized or emphasized by bold print or not] is defined to mean any one of the platted **Lot Numbers 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, and 27**, which are contained within **The Powder Horn Cottages At The Hub**, as shown on the final amended Plat of the Subdivision.

[1] **Adjoining Lot.** The term "**Adjoining Lot**" [whether capitalized or emphasized by bold print or not] is defined to mean any Lot, as shown on the Subdivision Plat, which is located and situated in such a way that it borders any portion of the same part of Common Area in "**Outlot A**" which immediately borders another Lot, without the interposition of any separating Lot; such that, more than one Adjoining Lot may exist with reference to a particular Lot, but each Lot has at least one other Adjoining Lot.

[K] **Member.** The term “**Member**” [whether capitalized or emphasized by bold print or not], for purposes of this document, has the same meaning for “**Member**” as stated in **Subsection 3.2.9 of the BYLAWS OF POWDER HORN COTTAGES AT THE HUB HOMEOWNERS ASSOCIATION, INC.**, as and if amended, renumbered, or otherwise modified, which is incorporated herein by this express reference, and as shown from time-to-time on the Membership Registry which the Association maintains under **Subsection 3.2.10 of the said BYLAWS**, as and if amended, renumbered, or otherwise modified, which is incorporated herein by this express reference; *provided, however*, that any person or entity who or which holds only a security interest [e.g., the security interest of a mortgagee under a mortgage granted to enable the financing of the purchase of a Lot] shall not be deemed to be a Member for purposes of this document.

[L] **Owner.** The term “**Owner**” [whether capitalized or emphasized by bold print or not], for purposes of this document, has the same meaning as stated for “**Owner**” in **Subsection 3.2.11 of the BYLAWS OF POWDER HORN COTTAGES AT THE HUB HOMEOWNERS ASSOCIATION, INC.**, as and if amended, renumbered, or otherwise modified, which is incorporated herein by this express reference; *provided, however*, that any person or entity who or which holds only a security interest [e.g., the security interest of a mortgagee under a mortgage granted to enable the financing of the purchase of a Lot] shall not be deemed to be a Owner for purposes of this document. [See Also. “Residential Owner”, as herein below defined.]

[M] **Powder Horn Covenants.** The term “**Powder Horn Covenants**” [whether capitalized or emphasized by bold print or not] is defined to mean the **Declaration Of Covenants, Conditions, And Restrictions For The Powder Horn**, which initially were recorded in the office of the Clerk and Recorder of Sheridan County, State of Wyoming, on September 27, 1995, in **Book 375 of Deeds**, commencing at **Page 563**, as those said **Powder Horn Covenants** may have been, and may be, amended or supplemented from time-to-time after September 27, 1995, to the extent made a matter of public record by filing with the office of the Clerk and Recorder of Sheridan County, State of Wyoming.

[N] **Powder Horn Residential Development Standards.** The term “**Powder Horn Residential Development Standards**” [whether

capitalized or emphasized by bold print or not] is defined to mean the **Powder Horn Residential Development Standards**, which initially were recorded in the office of the Clerk and Recorder of Sheridan County, State of Wyoming, on July 6, 2000, in **Book 416 of Deeds**, commencing at **Page 166**, as those said **Powder Horn Residential Development Standards** may have been, and may be, amended or supplemented from time-to-time after July 7, 2000, to the extent made a matter of public record by filing with the office of the Clerk and Recorder of Sheridan County, State of Wyoming.

[O] **Residential Owner.** The term "**Residential Owner**" [whether capitalized or emphasized by bold print or not] is defined to mean an "**Owner**", other than the Declarant, who purchases a Residential Unit for the purpose of residing in said Residential Unit, intermittently or upon a full-time basis.

[P] **Residential Unit.** The term "**Residential Unit**", which may be shortened in places in this document to "**Residence**", or to "**Unit**", for purposes of convenient reference [whether capitalized or emphasized by bold print or not] is defined to mean each residential structure, and the garage structure that is associated with each residential structure, which the Declarant builds, or causes to be built, within the Subdivision.

[Q] **Subdivision.** The term "**Subdivision**" [whether capitalized or emphasized by bold print or not] is defined to mean **The Powder Horn Cottages At The Hub**, which is a subdivision of lands that are situated in Sheridan County, State of Wyoming, which herein above are described, and which are shown on that certain [Amended] **Plat for The Powder Horn Cottages At The Hub**, which is filed in the office of the Clerk and Recorder of Sheridan County, State of Wyoming, in **Drawer ____ of Plats**, being denoted therein as **Plat No. ____**. [See Also. Subject Property, as herein below defined.]

[1] **Shortened Or Abbreviated Name For Convenience.** For purposes of convenient reference in conducting the business of the Subdivision, the Association may select, and may change from time-to-time, a shortened familiar name, or abbreviation, to refer to the Subdivision; *provided, however*, that any such shortened familiar name, or abbreviation, must relate clearly to **The Powder Horn Cottages At The Hub**.

[R] **Subject Property.** The term “**Subject Property**” [whether capitalized or emphasized by bold print or not] is defined to mean the lands which are described herein above within the portion of this document which is subtitled as “**LANDS BOUND**”, said lands being both as therein described, and – after the platting process – also consisting of the platted **Lot Numbers 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, and 27**; and the **Common Area**, as here above defined, which is shown on the Subdivision Plat; and, the **Dedicated Area**, as herein above defined, which is shown on the Subdivision Plat; and, improvements to and appurtenances belonging unto the above described lands.

Article 2

Property Subject To These Covenants, Conditions And Restrictions

[2.01] **Property Which Presently Is Platted.** The covenants, conditions, and restrictions, which are stated in this document, pertain to, touch and concern inure to the benefit of, and run with the land that constitutes the **Subject Property**, which the Declarant herein above defines in this document.

[2.02] **Additional Property.** For the purposes of assuring land use that is consistent with the Powder Horn Ranch Planned Unit Development and the Powder Horn Ranch II Planned Unit Development in Sheridan County, Wyoming; and, of assuring design and architecture that will complement the overall pattern or design and architecture in the several components of those said Planned Unit Developments; and, of assuring the application of cost-effective land management practices to the accomplishment of the objectives of those said Planned Unit Developments – the Declarant hereafter may allow, or may cause, other lands which are contiguous to the Subdivision to become a part of the Subject Property to which these conditions, covenants, and restrictions apply, and which they govern; provided, however, that any such addition of such lands shall be subject to the prior approval of the Association, through its confirming simple majority vote, in accord with the voting procedures that are stated under **Subsection 4.4** of the **BYLAWS OF POWDER HORN COTTAGES AT THE HUB HOMEOWNERS ASSOCIATION, INC.**, as and if amended, renumbered, or otherwise modified, which is incorporated herein by this express reference.

Article 3**Provisions Which Pertain Especially To Residential Units**

[3.01] **Inclusion.** The covenants, conditions, and restrictions, which the Declarant declares and states in this document, and as and if this document hereafter is amended, supplemented, or otherwise modified, apply to and shall govern the ownership and use of each and every Lot and each and every Residential Unit within the Subdivision.

[3.02] **Restrictions Against Post-Construction Alterations.** No alteration to, change in, addition to, or deletion from any Residential Unit, or associated garage structure, within the Subdivision shall be made at any time after the completion of the construction of such Residential Unit, and associated garage structure, and the initial sale of such Residential Unit to a Residential Owner, if such alteration to, change in, addition to, or deletion from such Residential Unit, or associated garage structure, would be visible from the exterior of the Residential Unit; or, would impair the strength of any wall or structural component of the Residential Unit; or, would tend to increase the potential for the transmission of sound from the Residential Unit to a Residential Unit upon an Adjoining Lot [whether or not that other Residential Unit already has been constructed]; or, would affect adversely the use or enjoyment of a Residential Unit upon an Adjoining Lot [whether or not that other Residential Unit already has been constructed]; *except, and unless*, such alteration to, change in, addition to, or deletion from such Residential Unit, or associated garage structure, is approved in advance and in writing by the Design Review Committee and by the Board.

[3.03] **Restrictions Against Covering, Roofing, Or Color Changes.** No change in the exterior covering, roofing material, or color of any Residential Unit shall be made at any time after the completion of the construction of such Residential Unit, and associated garage structure, and the initial sale of such Residential Unit to a Residential Owner; *provided, however*, that the Board, with the prior written approval of the Design Review Committee, may authorize, undertake, and complete – in stages, or otherwise – a general change in the exterior covering, roofing material, or color of Residential Units within the Subdivision, in order to enhance the utility of occupancy or the aesthetic qualities of the Residential Units in the Subdivision.

[3.04] Restrictions Against Commercial Use. No Residential Owner shall occupy or use the Residential Unit, or associated garage structure, which that Residential Owner owns, for the purpose of conducting any on-premises trade or business, or for any other on-premises commercial purpose.

[A] Restrictions Against And Conditions For Limited Signage. No Residential Owner shall erect, place, or otherwise in any way display any sign upon or about the premises of a Residential Unit in the Subdivision; *excepting, only and exclusively, the following:*

[1] Identification Purposes. The Residential Owner of a Residential Unit may place one [1] sign upon the premises which identifies the street address of the Residential Unit, and the Residential Owner of the Residential Unit.

[2] Property Sale Purposes. In the event that a Residential Owner hereafter seeks to sell the Residential Unit which that Residential Owner owns in the Subdivision, then that Residential Owner may cause or allow one [1] professional sign temporarily to be placed upon the premises to advertise the availability of that Residential Unit for resale and purchase; *provided, however,* that any such temporary sign shall not be more than five [5] square feet in size; and, the design and display of such temporary sign also shall comply with the signage provisions of the Powder Horn Covenants.

[3.05] Restrictions Pertaining To Animals, And Conditional Exceptions For Domestic Pets. Except as expressly stated below in this Subsection [3.05], the Residential Owners shall **not** allow, bring, breed, keep, or maintain any domesticated animal of any kind in any Residential Unit, or associated garage structure, within the Subdivision; and, the Residential Owners shall **not** feed, provide feed for, or allow the feeding of any deer, elk, ducks, geese, or other wild animals or birds within the Subdivision.

[A] Domestic Pets. As an exception, a Residential Owner may allow, bring, keep, and maintain a domestic pet – such as a dog, cat, caged song-bird, or aquarium-contained fish – in the Residential Unit which that Residential Owner owns in the Subdivision; *provided, however,* that the Residential Owner satisfies the following conditions:

[1] **Pet Registration.** A Residential Owner who keeps a domestic pet within a Residential Unit shall register that domestic pet with the Board, upon written registration records which are to be provided and maintained by the Board; and, the Residential Owner also shall provide written evidence of required immunizations for the Board in the domestic pet registration process.

[2] **Leashes.** A Residential Owner shall keep a domestic dog or cat upon a leash within the Subdivision, and within the perimeter of the Powder Horn Ranch Planned Unit Development and the Powder Horn Ranch II Planned Unit Development, at all times when the animal is not within the Residential Unit of the Residential Owner; and, each Residential Owner shall attend to, or provide for the alternative human attendance of, each such dog or cat at all such times.

[3] **Nuisance Prevention.** A Residential Owner shall take all necessary actions and make all necessary provisions to assure that no domestic pet which said Residential Owner allows, brings, keeps, or maintains within the Residential Unit of that Residential Owner, or anywhere else within the Subdivision, and within the perimeter of the Powder Horn Ranch Planned Unit Development and the Powder Horn Ranch II Planned Unit Development, shall be, or become, a nuisance, including, but not thereby being limited to, a nuisance associated with noise, defecation, or any other animal behavior.

[4] **Sanitation.** It is the sole responsibility of a Residential Owner, and the Residential Owner promptly shall clean-up, and shall dispose of in a sanitary way, any and all feces that any domestic pet of said Residential Owner produces within the Subdivision, and within the perimeter of the Powder Horn Ranch Planned Unit Development and the Powder Horn Ranch II Planned Unit Development.

[5] **Personal Injury Of Property Damage.** It is the sole responsibility of a Residential Owner, and the Residential Owner promptly shall make provision for, and shall bear the entire cost of, the medical treatment of any and all personal injury, and the repair of any and all property damage, that any domestic pet of the Residential Owner inflicts, or causes.

[6] **Special Regulations.** If the Board shall determine, in its discretion, and in furtherance of requirements of public need, safety, and convenience, that special regulations are required, in addition to the relevant provisions of these covenants, conditions, and restrictions, in order to regulate the manner in which Residential Owners keep and maintain their domestic pets within the Subdivision, each Residential Owner shall be bound by, and shall comply with, the provisions of any such regulations, and amendments to them.

[3.06] **No Clutter.** A Residential Owner shall not clutter, or allow their guests to clutter, the exterior premises of the Residential Unit, and associated garage structure, which the Residential Owner owns in the Subdivision. Examples of such clutter include, but are not necessarily limited to, the following.

[A] **Laundry.** Bedding, clothing, shall not be hung to air, or to dry, in any place outside a Residential Unit which is visible from any perimeter roadway, or internal walkway, of the Subdivision.

[B] **Recreational Items.** Except when they are in actual use, bicycles, infant perambulators, other recreational vehicles, toys, and similar items shall not be kept, or left, on any porch or patio, in any driveway or walkway, or in any part of the Common Area or the Dedicated Area of the Subdivision.

[C] **Vehicles.** Automobiles and other vehicles shall be parked only in those places in the Subdivision which are designated for such parking, and only during such periods of time which are allowed for such parking – as determined by the Board, and subject to the modification of the Board from time-to-time; and, shall not be left outside overnight within the Subdivision under any circumstances.

[D] **Recreational Vehicles, Boats, And Trailers.** If stored within the Subdivision, recreational vehicles of all kinds, boats, trailers, and similar items shall be kept in storage only within a garage structure in the Subdivision; and, shall not be left outside overnight within the Subdivision under any circumstances.

[3.07] **Communication Antennae.** Within the Subdivision, the Board has, and may exercise, sole discretionary authority to determine whether any

exterior communication antenna of any kind may be installed and maintained upon the exterior premises of any Residential Unit within the Subdivision, or within any part of the Common Area; and, that discretionary authority also shall extend to the determination of the kind and specifications of any such exterior communication antenna; and, that discretionary authority also shall extend to enable the Board to reconsider, modify, or continue with any decision that the Board makes with regard to communication antennae within the Subdivision. A Residential Owner shall **not** allow, or cause, any television dish or other television antenna, or radio antenna, or other wireless communications enabling antenna to be placed upon the exterior of the Residential Unit, and associated garage structure, which the Residential Owner owns, or upon any portion of the Common Area or the Dedicated Area of the Subdivision – unless and until, the prior written approval of such antenna placement is requested from the Board by the Residential Owner, and is granted by the Board.

[3.08] **Access To Inspect, Maintain, Repair, And Improve.** Each Residential Owner grants the Board – which said Board may act through its officers, employees, contractors, or other agents, or through public officials with legal authority to exercise in the circumstances then existing – a permit-to-enter, or a right-of-access upon and across, the Lot which the Residential Owner owns; and, a right-of-access to the exterior of the Residential Unit, and associated garage structure, which the Residential Owner owns; and, a right-of-entry into the interior premises of the Residential Unit, and associated garage structure, which the Residential Owner owns – all of the aforesaid access permits or rights to be exercised only for purposes of safety or of public necessity, in order to inspect the Lot and the exterior and interior of the Residential Unit, and associated garage structure, to determine whether maintenance, repair, component replacement, or improvements are required, which are the responsibility of the Association; and, in order to make or do such maintenance, repair, component replacement, or improvements; provided, however, except in the case of fire, flood, other natural calamities, or other emergency circumstances, the Board – or the individual or entity through which the Board acts hereunder – provides the Residential Owner with **reasonable advance notification** of the need and intent to obtain, have, and use such access for the purposes which herein above are described; and, provided further, however, in the case of fire, flood, other natural calamities, or other emergency circumstances, the Board – or the individual or entity through which the Board acts hereunder – provides the Residential Owner with an explanation of the need for such

access, and of any action that had to be taken, promptly following the occasion of access.

[3.09] Quiet Enjoyment. Each Residential Owner covenants not to occupy or to use the Residential Unit, and associated garage structure, which that Residential Owner owns, and not to engage in any conduct or activity within the Subdivision which would interfere with the quiet enjoyment by each other Residential Owner of the Residential Unit, and associated garage structure, which each other Residential Owner owns; or, which would interfere with the quiet enjoyment by each other Residential Owner of the Common Area and the Dedicated Area of the Subdivision.

[A] Non-Exclusive Examples. As examples, but not with the intention thereby of expressing limitation, each Residential Owner acknowledges and agrees that the failure to abide by these covenants, conditions, and restrictions; or, the making or allowance of unreasonable amounts of noise or of exterior lighting; or, the allowance, creation, or maintenance of a nuisance; or, the breaking of any civil or criminal law – within the Subdivision – would interfere with the quiet enjoyment of other Residential Owners and would constitute a breach of the covenant that is stated above under **Subsection 3.09** of this document.

[3.10] Non-Exoneration In Case Of Breach By Guest Or Tenant. The fact that a breach of any provision of these covenants, conditions, and restrictions has been made by the guest or tenant of a Residential Owner shall **not** exonerate that Residential Owner from any responsibility and obligation which these covenants, conditions, and restrictions impose upon the Residential Owner; and, each Residential Owner is and shall remain personally responsible and liable, both jointly and severally, for the keeping of these covenants, conditions, and restrictions by each guest or tenant that the Residential Owner allows to use or occupy the Residential Unit which the Residential Owner owns.

[3.11] Other Rules And Regulations. Each Residential Owner covenants affirmatively, and agrees, to accept and to be bound by other rules and regulations, which the Board may establish, and also may modify, from time-to-time under the authority of **Article 6** of this document.

Article 4
Provisions Which Pertain Especially To Common Area

[4.01] **Inclusion.** The covenants, conditions, and restrictions, which the Declarant declares and states in this document, and as and if this document hereafter is amended, supplemented, or otherwise modified, apply to and shall govern the common ownership and use of the Common Area within the Subdivision.

[4.02] **Use And Benefit.** The Association, under the direction and control of the Board, shall maintain the Common Area within the Subdivision for the common use and benefit of the Declarant, while an Owner, and of the Residential Owners and the guests or tenants of the Residential Owners. That said common use of and benefit from the Common Area of the Subdivision by the Declarant, while an Owner, and by the Residential Owners shall include, but not thereby necessarily be limited to, access to, ingress upon, passage across, and egress from the landscaped areas between Lots, driveways, and walkways or paths made as improvements upon or to "Outlot A", and the areas, which are within the perimeter of the said "Outlot A", that are denoted as "Cayuse Court", "Cattle Court", "Stetson Court", and, "Concho Court". The Common Area of the Subdivision is **not** dedicated, or to be maintained, for use and benefit of the public generally.

[4.03] **Access To And Between Residential Units.** The Association, under the direction and control of the Board, shall maintain the vehicular access routes which are shown on the final amended Plat of the Subdivision; and, also such driveways, walkways, or paths as are required to provide safe and convenient access to and between the Residential Units of the Subdivision; and, also such other modes of ingress and egress with reference to the Subdivision as may be required by law, or applicable zoning or land use regulations.

[4.04] **Conveniences.** The Association, under the direction and control of the Board, shall maintain, repair, or replace, and – with the prior approval of the Design Review Committee – may improve upon or make additions to, the landscaping, fencing, street or pathway lighting, and utility accommodation structures which the Declarant constructs or places within the Subdivision.

[4.05] No Commercial Or Business Use. Excepting only the temporary placement of a sign which complies with the signage restrictions of this document (See. **Subsection [3.04][A][2]**) that may advertise to the public that a Residential Unit is for sale, no commercial or business use of any kind shall be allowed upon or made of the Common Area of the Subdivision.

[4.06] Vehicle Operation, Parking, And Storage. The Declarant, while an Owner, and each Residential Owner shall operate, keep, temporarily park, and store any and every vehicle which comes into the Subdivision only in the places within the Common Area or the Dedicated Area of the Subdivision which are provided and set aside for those purposes – including, for each Residential Owner, the garage structure associated with the Residential Unit of that Residential Owner; and, all vehicular access and operation within the Subdivision shall be subject to the rules and regulations which the Association, under the direction and control of the Board, shall adopt for the Subdivision – which shall not be inconsistent with applicable provisions of law or traffic rules which pertain generally to the Powder Horn Ranch Planned Unit Development and the Powder Horn Ranch II Planned Unit Development in Sheridan County, State of Wyoming.

[4.07] Easements For Access And For Maintenance. The Declarant, as the Developer of the Subdivision, and as the initial Owner of all lands within the Subdivision, all the Lots which comprise the Subdivision, the Common Area of the Subdivision, and the Dedicated Area of the Subdivision, hereby declares as a charge upon said lands, and herewith grants or reserves the easements which herein below are described.

[A] Access Easement Granted Unto Each Residential Owner. Said Declarant, by these presents grants unto each Residential Owner an easement or right-of-access for the purpose of ingress to and egress from the Residential Unit which the Residential Owner owns by the Residential Owner and any guest or tenant of the Residential Owner, upon and across the driveways, and walkways or paths made as improvements upon or to “**Outlot A**”, and the areas, which are within the perimeter of the said “**Outlot A**”, and which are denoted as “**Cayuse Court**”. “**Cantle Court**”, “**Stetson Court**”, and, “**Concho Court**”, as shown on the final amended Plat of the Subdivision, which are associated specifically with that Residential Unit. The Declarant declares that this said easement or right-of-access is, and shall be, an appurtenance, which attaches to the ownership of

the Lot within the Subdivision to which it pertains, which shall pass as an appurtenance by conveyance from one Residential Owner unto a successive Residential Owner, by that general reference, without requiring specific reference to this provision of these covenants, conditions, and restrictions of the Subdivision.

[B] **Easement To Maintain Reserved Unto Declarant.** Said Declarant, by these presents reserves unto the Declarant, **Powder Horn Ranch – 2, L.L.C.**, and its assigns and successors in interest, including in said assigns and successors in interest, without limitation, the Association [when the Subdivision is complete and the Declarant has sold the Last Residential Unit], an easement or right-of-access over, upon, across, and under the Common Area of the Subdivision and the Dedicated Area of the Subdivision, as shown on the final amended Plat of the Subdivision, for the purpose of constructing, maintaining, repairing, replacing, or improving the electrical, telephone, television, or other modes of telecommunication, water, sewer or wastewater removal, storm water drainage, trash collection, landscaping, access, and lighting facilities of the subdivision.

[4.08] **Driveway Association With Residential Units.** To the extent that a driveway within the Subdivision connects a particular Residential Unit with a roadway that provides access to the Subdivision, even though such connecting driveway is located and constructed upon a part of the Common Area of the Subdivision, that driveway is intended for the use and benefit of the Residential Owner of the Residential Unit with which the driveway is associated, and any guest or tenant of that Residential Owner in that Residential Unit.

[4.09] **Rules And Regulations.** The Association, under the direction and control of its Board, has the authority, under **Article 6** of these covenants, conditions, and restrictions, to adopt, amend, and enforce rules and regulations which govern the use to be made of the Common Area and of the Dedicated Area of the Subdivision. These rules and regulations may include, but are not limited to, parking regulations, parking restrictions, parking prohibitions, and speed limits on roadways; and, the safe shared usage of walkways or paths; and, the kind and extent of access and use to be allowed in landscaped spaces within the Common Area of the Subdivision.

Article 5
Association Membership And Voting

[5.01] **Reference To Outside Source.** The Powder Horn Cottages At The Hub Homeowners Association, Inc., which in these covenants, conditions, and restrictions, is referred to as the “**Association**” [whether capitalized or emphasized by bold print or not], is organized under the law of the State of Wyoming as a non-profit, mutual benefit corporation, which is qualified as a Residential Real Estate Management Association under **Section 528** of the **Internal Revenue Code**. Under the **Articles Of Incorporation** of the Association, **Article [V]** states:

“**[V] Members.** This non-profit corporation will have members, who shall be owners of residential lots within that certain **Powder Horn Cottages At The Hub** subdivision of the County of Sheridan, State of Wyoming; and, the other qualifications, characteristics, and functions of or as to which said members shall be stated in and governed by the **Bylaws** of this non-profit corporation.”

Reference, therefore, is made to those provisions of the **Bylaws** of the **Powder Horn Cottages At The Hub Homeowners Association, Inc.**, which pertain to and govern membership and voting in and under the Association; and those relevant provisions of those **Bylaws** are incorporated in these covenants, conditions, and restrictions, at this point, by this express reference. **[Note.** The said **Bylaws** of the Association are available for inspection during normal business hours at the office of the Association, at 23 Country Club Lane, Sheridan, Wyoming 82801.]

Article 6
Association Board Of Directors

[6.01] **Reference To Outside Source.** In the **Bylaws** of the Association, **Subsection 4.1.1** states:

“4.1.1 – Discharge Of Members Responsibility Through Election Of And Delegation To A Board Of Directors. Pursuant to the enabling authority of W.S. § 17-19-801[b] & 17-19-804[a], as is or as hereafter amended, and after the formal organization of this non-profit corporation, the Members of this non-profit corporation hereunder and hereby discharge their general operational and management responsibilities, which are stated in **Section 4.1** of these **Bylaws**, by electing, and re-electing from time-to-time, a Board of Directors of and for this non-profit corporation; and, by delegating to that Board of Directors all such operational and management responsibilities.”

Reference, therefore, is made to those provisions of the **Bylaws** of the **Powder Horn Cottages At The Hub Homeowners Association, Inc.**, which pertain to, empower, and govern the Board of Directors of the Association; and those relevant provisions of those **Bylaws** are incorporated in these covenants, conditions, and restrictions, at this point, by this express reference. [Note. The said **Bylaws** of the Association are available for inspection during normal business hours at the office of the Association, at 23 Country Club Lane, Sheridan, Wyoming 82801.]

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[6.02] **Rules And Regulations.** The Board has the duty, authority, and power to make rules and regulations regarding the Subdivision under these covenants, conditions, and restrictions, pursuant to **Subsections 5.7.2 and 5.8.3** of the **Bylaws** of the Association, which is incorporated herein, at this point, by this express reference.

[6.03] **Administration And Enforcement Of Covenants, Conditions, And Restrictions.** The Board has the duty, authority, and power to administer and to enforce these covenants, conditions, and restrictions, pursuant to **Subsection 5.7.1** of the **Bylaws** of the Association, which is incorporated herein, at this point, by this express reference.

[6.04] **Limitation Of Personal Liability And Indemnification.** The Declarant, the Members of the Board, and the Members of the Association shall **not** be personally responsible or be held personally liable for the debts,

or for any other contractual obligations, or for the torts of the Association; and, the Association shall defend, indemnify, and hold entirely harmless, personally, the Declarant, the Members of the Board, and the Members of the Association from and against any and every claim, cause of action, or other liability, direct or contingent, which may arise in connection with the debts, or any other contractual obligations, or the torts of the Association.

[6.05] Capital Reserve Funds. The Board, in its sole discretion, may establish, assess the Members of the Association or otherwise provide for the funding of, invest and reinvest, expend, and otherwise administer reserve funds for anticipated future capital expenditures that the Association may be required to make for the betterment of the Subdivision. Those special capital reserves, if established and maintained by the Board, shall be accounted-for by the Board within and under segregated trust accounts, which are separately titled with reference to their intended future application and use, and which are not commingled with the regular operating funds and accounts of the Association.

Article VII

Covenants Regarding Assessments

[7.01] Covenant To Pay Assessments. Through the legal effect and application of this Subsection [7.01] of these covenants, conditions, and restrictions, in connection with, and by and through the act of purchasing any Lot within the Subdivision, and regardless of whether the instrument of conveyance for that purchase expressly so states, or does not so state, the Residential Owner who purchases any such Lot **hereby covenants, and thereby undertakes and promises**, to pay unto the Association (or the designated officer, employee, or agent of the Association for purposes of assessment collection and processing) the full amount of each and every assessment which the Board imposes upon and against the Lots which comprise the Subdivision, on behalf of the Association and the Members of the Association, under the authority of these covenants, conditions, and restrictions, and pursuant to **Subsection 5.8.4** of the **Bylaws** of the Association, or as the same may be re-numbered, amended, or otherwise modified from time-to time, including, but not thereby being limited to, the kinds of assessments which herein below are defined and described.

[A] **Regular Assessments.** On at least an annual basis, the Board shall determine and impose "**Regular Assessments**" [whether capitalized or emphasized by bold print or not], which are those that the Board finds to be required for the purposes of paying property taxes and any other taxes which the Association owes; and, of paying for property [casualty] insurance and liability insurance; and, of paying any operating indebtedness of the Association; and, of paying the expenses that are incurred for the maintenance and repair of Association property; and, of paying all other general operating expenses of the Association, including but not being limited to any pro-rated sharing of expense among the homeowners within the Powder Horn Ranch Planned Unit Development and the Powder Horn Ranch II Planned Unit Development, for the maintenance of dedicated roadways, walking paths, water, waste-water treatment, sewage and storm-water disposal, and other similar common utilities.

[1] **The Alternative Of Homeowners Fees.** For purposes of expediency and convenience, and either in lieu of or in addition to Regular Assessments, in its sole discretion, the Board may provide for the payment of a portion, or all, of the items which are associated with the above-described purposes for which Regular Assessments may be imposed, by imposing upon, and collecting from, each Owner [i.e., the Declarant as Owner] and Residential Owner of any Lot within the Subdivision recurring assessment charges which may be referred to as Homeowners Fees, or which may be identified by any other appropriate name; *provided, however*, that any such Homeowners Fees are to be uniformly assessed, upon a per-Lot basis, and are **not** to be calculated upon the basis of the square footage measure of each Lot which is assessed. For purposes of imposition, collection, and enforcement, such Homeowners Fees are, and shall be, characterized as Regular Assessments under these covenants, conditions, and restrictions.

[B] **Special Group Assessments.** From time-to-time, as future circumstances require it to be done, the Board may impose "**Special Group Assessments**" [whether capitalized or emphasized by bold print or not], which are those that the Board finds to be required for the purposes of paying for the acquisition or expansion of Association property; and, for the future major refurbishment, reconstruction, replacement, or further improvement of Association property and improvements to Association property – including, but not being limited to, the Common Area or the

Dedicated Area of the Subdivision; and, for other projects that are associated with the capital structure of the Association.

[1] Sub-Classification Of Special Group Assessments.

For purposes of accounting convenience, and in order to facilitate long term financial planning by the Board on behalf of the Association and its Members, the Board may establish sub-classes of Special Group Assessments, which may be identified for specific purposes or uses.

[2] Capital Reserve Funds. Any Capital Reserve Funds, which the Board may establish and maintain under the authority of **Subsection [6.05]** of these covenants, conditions, and restrictions, may be imposed and assessed as a part of the Special Group Assessments.

[C] Special Individual Assessments. If special circumstances require it, the Board may impose “**Special Individual Assessments**” [whether capitalized or emphasized by bold print or not], which are those that the Board finds necessary to levy upon and against a Lot, or more than one Lot, but not necessarily all of the Lots, within the Subdivision; and, which are for the purpose of collecting special funds that are needed to address special circumstances that pertain only to the Lot, or Lots, which are included in any such Special Individual Assessment. The Board shall impose and assess any such Special Individual Assessments only against and upon an affected Lot, or affected Lots; and, only the Residential Owner of each respective Lot which the Board designates as being within a particular Special Individual Assessment, at the time it is imposed, shall be responsible and liable for the payment of any such Special Individual Assessment. [Example. If a Residential Owner, through a grossly negligence act, were to damage the exterior of the Residential Unit which that Residential Owner owns, then the Board reasonably might determine that the cost of repair or replacement of the damaged component of that Residential Unit could be imposed appropriately, as a Special Individual Assessment, against the Residential Owner of the negligently damaged Residential Unit.]

[C] Punitive Assessments. As and if necessary, in its sole discretion, the Board may impose a “**Punitive Assessment**”, in the nature of a fine, against the Lot of a Residential Owner whom the Board determines to have breached these covenants, conditions, and restrictions; and, that Residential Owner shall be responsible and liable for the payment of any such Punitive Assessment.

[7.02] **Assessment Notices.** The Board shall provide each Owner [i.e., the Declarant as Owner] and each Residential Owner with written notice of each assessment that the Board imposes upon and against a Lot which the Owner or Residential Owner owns in the Subdivision. Each such assessment notice shall include, at least, the following information:

- ~the name and street address of the Owner or Residential Owner;
- ~the Subdivision Lot Number being assessed;
- ~the date of the assessment notice;
- ~the classification of each assessment component;
- ~the amount of each assessment component;
- ~the total amount being assessed;
- ~the date upon which full payment of the assessment is due;
- ~such other information as the Board may determine.

The Board shall cause assessment notices to be sent to each Residential Owner by ordinary mail, to be sent to the most current mailing address of the Residential Owner that is shown in the membership registry of the Association.

[7.03] **Assessments Create Liens Upon Subdivision Lots.** Each and every assessment, as herein above defined and described, which the Board determines and imposes under these covenants, conditions, and restrictions, shall create a lien upon and against each Lot that is assessed within the Subdivision. In addition to the amount of the assessment, itself, each such lien also shall include an amount, and shall secure the payment of an amount, which consists of the expenses which the Board incurs to accomplish the enforcement of the lien, including but not being limited to foreclosure costs and reasonable attorney fees and expenses, *plus* interest from the date of assessment until the date of eventual satisfaction at the rate of interest which is allowed upon judgments under the law of the State of Wyoming [i.e., Ten Percent (10%) *per annum*]; *plus* any and all late payment charges, returned check charges, or other similar assessment administrative charges which the Board may add to a delinquent assessment under rules and regulations that the Board may establish.

[A] **Collection And Enforcement.** If a Residential Owner does not pay an assessment against a Lot that the Residential Owner owns in the Subdivision on or before the date which the Board sets for payment and

states within the assessment notice, then the Board shall cause notice of intent to file a lien to be prepared and sent to the delinquent Residential Owner, **by certified mail**, at the most current mailing address of the Residential Owner that is shown in the membership registry of the Association. Thereafter, if the Residential Owner does not make full payment of the delinquent assessment within the period of time which the Board states in the notice of intent to file a lien, the Board shall cause a Notice of Lien, or a Lien Statement, to be filed in the office of the Clerk and Recorder of Sheridan County, State of Wyoming; and, the Board, in its discretion, may initiate a legal action personally against the Residential Owner in order to collect the delinquent assessment; and the Board, in its discretion, may foreclose the lien created by the delinquent assessment in any manner which is allowed by the law of the State of Wyoming for the foreclosure of mortgage-related liens, including, without limitation, foreclosure by **public advertisement and sale** under a **power of sale**, which each Residential Owner hereby expressly grants under these covenants, conditions, and restrictions unto the Association, to be exercised by and through the Board.

[B] Express Consent To Enforcement Rights And Powers. By and through the acceptance of the delivery of the warranty deed, or other instrument of conveyance, to a Lot in the Subdivision, each Residential Owner hereby acknowledges and confirms that the Association, acting by and through its Board, has the right and power to commence legal actions against the Residential Owner, personally, for collection of the debt created by delinquent assessments, expenses, interest, and other charges as herein above defined and described; and, has the right and power to create, file of public record, and enforce through foreclosure, as herein above defined and described, any and every lien for delinquent assessments, expenses, interest, and other charges as herein above defined and described. Each Residential Owner hereby covenants, and thereby agrees, that no reduction or mitigation of financial responsibility and liability for the payment of assessments shall be attempted, or recognized or accomplished, through the non-use of the Common Area or the Dedicated Area of the Subdivision by such Residential Owner.

[7.04] Assessment Purposes. Each Residential Owner and the Association hereby covenant, and thereby agree, that assessments under these covenants, conditions, and restrictions, may be applied and used by the Association, acting through the Board, to the following kinds of purposes:

- ~maintenance, repair, and component replacement of the exterior components of the Residential Units in the Subdivision, and their associated garage structures - including, without limitation, painting, staining, re-pointing, and roofing;
- ~maintenance, repair, and component replacement of the Common Area of the Subdivision – including, without limitation, landscaping, lighting, paving, pathways, and other improvements;
- ~payment of property taxes associated with the Common Area of the Subdivision;
- ~payment of the insurance expenses associated with the Common Area and the Dedicated Area of the Subdivision;
- ~payment of electrical and other utility expenses owed by the Association for utilities provided to the Common Area of the Subdivision, or improvements to the Common Area of the Subdivision;
- ~payment of expenses associated with the security and public safety of the Subdivision;
- ~payment of the expenses associated with the ownership, or rental of equipment required to maintain the Common Area or Dedicated Area of the Subdivision;
- ~payment of necessary expenses associated with the conduct of the business matters of the Association by the Board;
- ~payment of expenses associated with compliance by the Subdivision, or by the Association, with planning, zoning, land use regulation, subdivision, platting or re-platting, developmental regulation, or other similar requirements of Sheridan County government, or of other sources of governmental authority which have jurisdiction over the Subdivision;
- ~promoting the safety, health, recreational needs, and welfare of the Owners and residents of the Subdivision
- ~other purposes, similar to those stated above, which directly affect the Subdivision, and which the Board, in its discretion, determines to be well advised.

[7.05] Calculation Of Regular Assessments And Special Group Assessments, And Their Apportionment. On behalf of the Association and its Members, and **not later than sixty [60] days prior to the**

commencement of each operating year of the Association for Subdivision purposes, the Board, in its discretion, shall deliberate upon, determine, and approve an **annual budget** for the expenses of the Association, including, if circumstances require it from time-to-time, the consideration of additions to the capital structure of the Association or to provide for the purchase, construction, replacement, or re-construction of capital improvements to the Common Area or the Dedicated Area within the Subdivision. From the **approved annual budget**, shall determine a **Total Annual Assessment** for each assessment classification that applies, prospectively, to the particular year. The Board then shall apportion unto and impose upon each Lot within the Subdivision a proportionate share of the **Total Annual Assessment** for each applicable assessment classification, which may be referred to as the **Apportioned Share** of each applicable assessment classification, which shall be calculated as the product of multiplying the **Total Annual Assessment** for each applicable assessment classification by an apportionment-fraction, which said apportionment-fraction for each respective Lot in the Subdivision shall have a denominator that is equal to the sum of the perimeter square-footage of all of the Lots within the Subdivision, and shall have a numerator that is equal to the perimeter square footage of each said respective Lot in the Subdivision; provided, however, that the apportionment-fraction also may be stated as the decimal equivalent of the above described fraction for convenience in calculation. **[Example.** If the sum of the perimeter square footage of all the Lots within the Subdivision equals 98,445.60 square feet; and, if a particular Lot has a perimeter square footage of 3,750 square feet (i.e., 50' X 75' = 3,750 square feet), then the decimal equivalent form of the apportionment-fraction for that Lot would be calculated as follows: $(3,750 \text{ square feet} / 98,445.6 \text{ square feet}) = 0.03809$. The decimal equivalent of the apportionment-fraction then would be multiplied times the Total Annual Assessment in order to calculate the Apportioned Share that would imposed upon and assessed against the Lot which consists of 3,750 square feet.]

[A] Communication Of Annual Budget And Projected Assessments. On behalf of the Association and its Members, and **not later than thirty [30] days prior to the commencement of each operating year of the Association for Subdivision purposes**, the Board shall mail to each Owner [i.e., Declarant as Owner] and each Residential Owner a summary of the **approved annual budget** for the up-coming operating year of the Subdivision, and of the assessment that the Board projects for each Lot which the Owner of Residential Owner owns in the Subdivision. If an

Owner or Residential Owner objects to the projected assessment for the upcoming operating year, the objecting Owner or Residential Owner must file any such objection in written form with the Board, within ten [10] days following the mailing of the aforesaid budget summary and projected assessment; and, a failure to file such a written objection with the Board within that time limitation shall constitute a waiver of all objections to the assessment.

[1] Consideration Of And Decision Upon Objections. On behalf of the Association and its Members, the Board, in its sole and absolute discretion, promptly shall consider and decide upon any objections to projected assessments which may be filed in writing by an Owner or Residential Owner. The decision of the Board about any such objection shall be final and binding upon the Association and all affected persons; and, the Board shall communicate its decision in writing to the person who filed the objection.

[B] The Alternative Of Homeowners Fees. If the Board, in its discretion, uses the alternative of Homeowners Fees in lieu of, or as an additional part of, Regular Assessments, then any such Homeowners Fees are to be uniformly assessed, upon a per-Lot basis, and are **not** to be calculated upon the basis of the square footage measure of each Lot which is assessed. For purposes of imposition, collection, and enforcement, such Homeowners Fees are, and shall be, characterized as Regular Assessments under these covenants, conditions, and restrictions.

[7.06] Limitations Upon Annual Increases In Assessments. Each Residential Owner hereby covenants, and thereby agrees, that the Board, on behalf of the Association and its Members, shall have the following discretionary latitude in deciding upon any increases in assessments from year-to-year. If facts and circumstances support the need for an increase in assessments from one operating year of the Subdivision to the next succeeding operating year, then the Board, on behalf of the Association and its Members, and in the discretion of the Board, has the plenary authority to approve an increase in assessments for the coming year up to, but **not** greater than, **twenty percent [20%]** more than the assessments for the prior year.

[A] Procedure For Larger Increases. If the Board, in preparatory or preliminary analyses that it makes to prepare for the annual budgeting

process, determines that an increase in assessments greater than **twenty percent [20%]** may be needed for the next operating year of the Subdivision, then the Board shall arrange for a special meeting of the Members of the Association to present relevant information and to ask for advance consent from Association to impose an increase in assessments that will be greater than **twenty percent [20%]**. At that special meeting, the Association shall decide by simple majority vote, according to the voting procedures which are stated in the **Bylaws** of the Association, whether to consent in advance to the increase in assessments that the Board proposes. The decision of a simple majority, thus determined, shall be final and binding upon all Owners and Residential Owners of Lots within the Subdivision.

[B] **Timing Of Payments.** The Board, in its discretion, upon the recommendation or request of the Association, or upon its own initiative, may establish, but is not required to do so, and may amend or modify, rules or regulations which may accommodate the payment of assessments by the Owner (i.e., Declarant as Owner) or Residential Owners of the Lots within the Subdivision in installments; and, which may provide an incentive for early and full payment of assessments by allowing reasonable discounts.

[7.07] **Rights Of Sheridan County.** Unless otherwise approved by **seventy-five percent [75%]** of the outstanding votes within each voting class, the Association shall not, by act or omission, seek to abandon its obligations as established by this Declaration. However, in the event that:

[A] The Association dissolves and the Common Area shall not be either (i) dedicated to and accepted by an appropriate public agency, authority, or utility to be devoted to purposes as nearly as practicable the same as those to which such Common Area was required to be devoted by the Association; or, (ii) conveyed to another organization or entity which assumes all obligations imposed hereunder upon the Association to maintain said Common Area; or,

[B] The Association, its successors or assigns, shall fail or refuse to adequately maintain the appearance and condition of the Common Area, which it is obligated to maintain hereunder;

then, in either such event, the County of Sheridan shall have the right, but not the obligation, to assume the duty of performing all such maintenance

obligations of the Association at any time after such dissolution, upon giving written notice to the Owners, or at any time after the expiration of twenty-one [21] days after receipt by the Association, its successors or assigns, of written notice specifying in detail the nature and extent of the failure to maintain without such failure being remedied. Upon assuming such maintenance obligations, Sheridan County may collect, when the same become due, all assessments levied by the Association pursuant to the provisions hereof for the purposes of repairing, replacing, maintaining, or caring for the Common Area; and, if necessary, enforce the payment of delinquent assessments in the manner set forth herein. In the alternative, upon assuming such maintenance obligations, Sheridan County may levy an assessment upon each Lot on a pro-rata basis for the cost of such maintenance, notwithstanding any other provisions contained in this Declaration, which assessment shall constitute a lien upon the Lot against which each assessment is made. During any period that Sheridan County assumes the obligation to maintain and care for the Common Area, the Association shall have no obligation or authority with respect to such maintenance. The right and authority of Sheridan County to maintain the Common Area shall cease and terminate when the Association, its successors or assigns, shall present to Sheridan County reasonable evidence of its willingness and ability to resume maintenance of the Common Area. In the event Sheridan County assumes the duty of performing the maintenance obligations of the Association as provided herein, then Sheridan County, its agents, representatives, and employees, shall have right of access, ingress and egress to and over the Common Area for the purposes of maintaining, improving, and preserving the same, and in no event, and under no circumstances, shall Sheridan County be liable to the Association or any Owner or their respective heirs, devisees, personal representatives, successors, or assigns for negligent acts or construction [excluding, however, malfeasance and gross negligence] relating in any manner to maintaining, improving, and preserving the Common Area.

Article 8

Casualty Losses, Liability, And Insurance Matters

[8.01] Rebuilding After A Casualty Loss. In the event that a Residential Unit within the Subdivision, or its associated garage structure, is damaged or destroyed by fire, or by some other form of casualty, the Owner [i.e., Declarant as Owner] or the Residential Owner hereby covenants, and

thereby agrees, at the sole expense of the Owner or Residential Owner, to repair, restore, or rebuild that Residential Unit, as soon as reasonably and practicably may be done, to return that Residential Unit to the condition in which it was immediately prior to the event of casualty which caused its damage or destruction; provided, however, that the Association, acting by and through the Board, is granted the power, under these covenants, conditions, and restrictions, to authorize and direct a different course of action, if circumstances of financial hardship are shown.

[A] Power Of The Board To Direct And Control Rebuilding.

Each Residential Owner hereby covenants, and thereby agrees, that any and all work to be done under the authority of this **Article 8** in order to repair, restore, or rebuild a Residential Unit after its damage or destruction by casualty shall be performed expeditiously and in a workmanlike manner under the supervision and direction of the Board, or the designated officers, employees, contractors, or agents of the Board. Each Residential Owner hereby covenants, and thereby agrees, to cooperate fully with, and to abide by, all instructions and directions of the Board in these particulars, as made on behalf of the Association and its Members.

[B] Board Approval Of Architects And Contractors. Each Residential Owner hereby covenants, and thereby agrees, that the Board shall have the authority and power to approve, or disapprove, of any architect, contractor, subcontractor, or supplier of materials which may be proposed for any and all work to be done under the authority of this **Article 8** in order to repair, restore, or rebuild a Residential Unit after its damage or destruction by casualty.

[8.02] Special Individual Assessment Or Punitive Assessment To Repair, Restore, Or Rebuild. In the event that an Owner [i.e., Declarant as Owner] or a Residential Owner refuses, or otherwise fails, either to repair, restore, or rebuild a Residential Unit after its damage or destruction by casualty, or to pay for such repairs, restoration, or rebuilding, then the Association, acting through the Board, may undertake and cause the work to be performed and make provision to pay for such work from funds of the Association; provided, however, that the Board also shall assess the expenses which are associated with that work against the Lot upon which the work is done, either in the form of a **Special Individual Assessment** or a **Punitive Assessment**, or both, as defined herein above in these covenants, conditions, and restrictions. Each Owner [i.e., Declarant as Owner] and

Residential Owner hereby covenants, and thereby agrees, that the Association, acting by and through the Board, shall have the right and power under these covenants, conditions, and restrictions, to foreclose the lien that is created by the imposition of such assessments under this **Subsection 8.02**, if the Residential Owner does not pay such assessments.

[8.03] Property Insurance Obligations Of Resident Owners. Each Resident Owner, with respect to each Lot, and improvements, and its associated garage structure which the Resident Owner owns in the Subdivision, hereby covenants, and thereby agrees, to obtain and maintain in force and effect at all times **property [casualty] insurance** that insures the Residential Unit, and its associated garage structure, to provide protection that is afforded, at least, by the kind of insurance that now is described as fire, extended coverage, vandalism and malicious mischief, and other casualty, to **one hundred percent [100%]** of the full insurable value of the subject property, with loss payable on the basis of the cost of replacement without deduction for depreciation. A guaranteed replacement cost endorsement shall be obtained and maintained by each Resident Owner on each such insurance contract. In addition, each Resident Owner, with respect to each Lot, and improvements, which the Resident Owner owns in the Subdivision, hereby covenants, and thereby agrees, to obtain and maintain in force and effect at all times which will protect the Resident Owner, and the Association, from loss, damage, expense, or liability to their persons, which may result, directly or indirectly, from any act or omission of such Resident Owner, or any family member, employee, agent, representative, or guest of such Resident Owner with respect to the subject property and its use. Each Resident Owner hereby covenants, and thereby agrees, to provide the Board with evidence of such insurance, and renewals; and, such insurance must be issued by insurance companies which are licensed and in good standing in the State of Wyoming, and otherwise are acceptable to the Board.

[8.04] Liability Insurance Obligations Of Resident Owners. Each Resident Owner, with respect to each Lot, and improvements and associated garage structure, which the Resident Owner owns in the Subdivision, hereby covenants, and thereby agrees, to obtain and maintain in force and effect at all times **liability insurance**, which shall name the Association as an additional insured party under the coverage of the insurance contract. The Board shall establish, and may amend, the limits of liability coverage that is required under these covenants, conditions, and restrictions. Each Resident

Owner hereby covenants, and thereby agrees, to provide the Board with evidence of such insurance, and renewals; and, such insurance must be issued by insurance companies which are licensed and in good standing in the State of Wyoming, and otherwise are acceptable to the Board.

[8.05] Waiver Of Subrogation Rights. Each Residential Owner, for such Residential Owner and the heirs, devisees, Personal Representatives, assigns, and all other successors in interest, **waives all rights of subrogation** with respect to the Association and the Board, and the Directors and Officers thereof individually; and, neither the Association, nor the Board, nor any Director or Officer thereof individually, has or shall have any responsibility or liability to any Residential Owner for damage or loss, either to the Residential Unit of such Residential Owner, with its associated garage structure, or to any personal property, both tangible and intangible, of such Residential Owner.

[8.06] Prerogative Of Association To Insure, And Recovery Of Costs. If it shall appear to the Association, acting by and through Board, that a Residential Owner is not satisfying some or all insurance coverage requirements under **Article 8** of these covenants, conditions, restrictions, the Board, acting on behalf of the Association and its Members, may procure, but is not required to procure, additional, alternative, or substitute insurance coverage, and may advance funds of the Association to pay for such insurance coverage. In any such case, each Residential Owner hereby covenants, and thereby agrees and promises, to pay and reimburse the Association for amount advanced, immediately upon written demand for such payment by the Board. If, following such demand, the Residential Owner does not pay the amount that is due, then the Board may impose upon the Lot of the Residential Owner with regard to which the insurance was procured a **Special Individual Assessment** or a **Punitive Assessment** or both, as defined herein above in these covenants, conditions, and restrictions, for the amount thus due and payable unto the Association. Each Residential Owner hereby covenants, and thereby agrees, that the Association, acting by and through the Board, shall have the right and power under these covenants, conditions, and restrictions, to foreclose the lien that is created by the imposition of such assessments under this **Subsection 8.02**, if the Residential Owner does not pay such assessments.

[8.07] Mortgage Insurance Participation. Only to the extent that it expressly may be required under the terms and conditions of a recorded and

unsatisfied mortgage upon and against any Residential Unit, and its associated garage structure, the proceeds of any insurance claim which may become payable because of damage to or loss of such a mortgaged Residential Unit, or its associated garage structure, may be paid to the mortgagee to the extent of the secured and unpaid financial interest of the mortgagee in the Residential Unit, and its associated garage structure; provided, however, that such mortgagee shall **not** attempt or seek to apply, and shall **not** apply, such insurance proceeds to the payment of interest under or to the reduction of the principal amount due under such mortgage – excepting only, that the mortgagee may so apply any excess of such insurance proceeds that may remain **after** payment in full of the costs of repair, restoration, or rebuilding of the Residential Unit, or its associated garage structure, if the damaged Residential Unit, or its associated garage structure, are to be repaired, restored, or rebuilt under these covenants, conditions, and restrictions.

[8.08] Insurance Pertaining To Association Property. On behalf of the Association and its Members, the Board, in its sole discretion, may obtain and maintain such property [casualty] insurance and liability insurance contracts as the Board deems to be well-advised to protect the financial interests of the Association and its Members from loss or liability with respect to the Common Area and the Dedicated Area of the Subdivision, and with the Association as the named-insured. Each Owner [i.e., Declarant as Owner] and each Residential Owner hereby covenants, and thereby agrees, that the cost of such insurance of the Association shall be a part of the reasonable operating expense of the Association which may be assessed against the Lots of the Subdivision and must be paid as part of such assessments by the each Owner and each Residential Owner.

Article 9

Placement Of Walls

[9.01] Common Walls Or Party Walls – Encroachments. If any Residential Unit shall have a common wall, or party wall, with the Residential Unit on an Adjoining Lot, then the covenants, conditions, and restrictions which are stated in this **Subsection 9.01** shall apply and govern. It is intended that any such common wall, or party wall, of such Residential Units shall be erected upon the Lot Line which divides the Adjoining Lots; and, that each non-party exterior wall of each such Residential Unit shall be

erected entirely within the Lot upon which that Residential Unit is located and placed; such that, there is no intended encroachment upon any Common Area in such construction. It is recognized, however, that minor errors can occur in the placement of walls during the course of construction; and, it also is recognized that portions of patios, balconies, overhanging eaves, or exterior lighting fixtures of Residential Units may encroach upon an Adjoining Lot or upon Common Area. Under these covenants, conditions, and restrictions, and with reference to this Subdivision, if any common wall, or party wall, or patio, balcony, overhanging eave structure, or exterior lighting fixture as finally constructed or installed encroaches upon an Adjoining Lot or upon Common Area, then each Owner [i.e., Declarant as Owner] and Residential Owner hereby covenants, and thereby agrees, that a valid easement hereby is granted, and thereupon shall arise, for the maintenance and use of such encroachment, and for so long as such encroachment remains standing. Furthermore, and without limitation of the easement grant in the preceding sentence, the legal description of and affected Lot and associated Residential Unit, with its associated garage structure, and of any affected Common Area may be amended; and, each Owner [i.e., Declarant as Owner] and Residential Owner of each affected Lot thereupon, without further consideration being required or exchanged, shall sign, acknowledge, and deliver all such documents of conveyance as may be required to correctly describe and place the affected perimeter lines of each affected Lot; or, alternatively, each Owner [i.e., Declarant as Owner] and Residential Owner of each affected Lot thereupon, without further consideration being required or exchanged, shall sign, acknowledge, and deliver such grants of easement and other documents as may be required to correctly describe the permitted encroachment.

Article 10 **Other Easements Reserved**

[10.01] Utility Easements. In addition or as supplements to easements otherwise herein above declared and stated in these covenants, conditions, and restrictions, the Declarant, its assigns and successors in interest, expressly reserves easements, to provide for the installation, maintenance, repair, and removal of all utility and drainage structures, devices, and facilities that are required to service the Subdivision, over, under, and across the Common Area of the Subdivision, the Dedicated Area of the Subdivision, and each Lot platted within the Subdivision on its final

amended Plat. Full access, ingress, and egress shall be allowed over the easement areas at all times to the Declarant; and, to the Declarant's employees, agents, or contractors – and to any authorized utility company and its employees, agents, or contractors – in order to provide for and accommodate the installation, operation, maintenance, repair, or removal of any and all such utility structures, devices, and facilities, and in order to enable the entrant to remove any obstruction of such easement area which otherwise would interfere with the installation, operation, maintenance, or repair of any such utility structure, device, or facility.

[10.02] Association Maintenance Easements. In addition or as supplements to easements otherwise herein above declared and stated in these covenants, conditions, and restrictions, the Declarant, its assigns and successor in interest, and each Residential Owner grant the Association, and delegates of the Association, easements with full access, ingress, and egress, over and across the Dedicated Area of the Subdivision, the Common Area of the Subdivision, and the platted Lots within the Subdivision on its final amended Plat, for the purpose of maintaining, repairing, or reconstructing the Dedicated Area of the Subdivision, the Common Area of the Subdivision, or the exteriors of the Residential Units within the Subdivision.

[10.03] Police Power Access. The County of Sheridan, acting through its fire department, ambulance service, sheriff's department, engineering department, and all other governmental agencies which have proper jurisdiction over any part of the Subdivision, are granted access rights, to include ingress, and egress over and across the Dedicated Area of the Subdivision, the Common Area of the Subdivision, and each Lot within the Subdivision on its final amended Plan, for the purpose of enabling authorized personnel and vehicles to provide fire protection, emergency services, police protection, flood control services, public health services, and other governmental services which tend to protect or promote the safety, health, and general welfare of the residents of the Subdivision.

Article 11

General And Miscellaneous Provisions

[11.01] Confirmation Of Understanding, Approval, And Acceptance. By and through the acceptance of delivery and the recording of the warranty deed, or other instrument of conveyance which transfers the

legal title of a Lot within the Subdivision unto its purchaser, each Residential Owner, as a purchaser of a Lot within this Subdivision, expressly hereby acknowledges and confirms that said Residential Owner has read and does understand, approve, accept these covenants, conditions, and restrictions.

[11.02] Appointment Of Declarant As Attorney-In-Fact For Certain Purposes. Each Residential Owner hereby grants a power-of-attorney unto, and makes, constitutes, and appoints the Declarant, **Powder Horn Ranch – 2, L.L.C.**, as the agent and attorney-in-fact, coupled with an interest, of and for the appointing Residential Owner, and in the place and stead of the appointing Residential Owner, and for the use and benefit of the appointing Residential Owner, to do the following things, until this grant of this power-of-attorney terminates in accord with the termination clause which herein below is stated.:

[A] Subdivision And Development Powers. To exercise, do, or perform any and every act, right, power, duty, or obligation whatsoever in connection with, arising out of, or relating to any matter whatsoever that involves this Declaration and the development of the Subdivision and the initial construction of the Residential Unit that is purchased by the Residential Owner.

[B] Documentation Powers. To sign, execute, acknowledge, deliver, and cause to be recorded any and all instruments, documents, or other writings, which may modify, amend, change, enlarge, contract, or abandon the matters which are declared and stated within this Declaration, or any part of this Declaration, as the Declarant may deem to be necessary, expedient, or proper under the circumstances and conditions that hereafter may arise.

[C] Platting Powers. To sign, execute, acknowledge, deliver, and cause to be recorded any and all instruments, documents, or other writings, which may modify, amend, change, enlarge, contract, or abandon the Subdivision Plat, or amended Subdivision Plat, or any part thereof, with any easements and rights-of-way to be therein contained, as the Declarant may deem to be necessary, expedient, or proper under the circumstances and conditions that hereafter may arise.

[D] Timing Of Termination. The grant of authority and the powers of the agent and attorney-in-fact, which herein above are granted, shall commence and be in full force and effect upon the recording of this Declaration in the office of the Clerk and Recorder of Sheridan County, State of Wyoming; and, shall be and remain in full force and effect thereafter until the first to occur of the following two events actually happens:

[1] That point in time when the Declarant no longer owns any Lot within the Subdivision.

[2] The **fifteenth anniversary** following the date upon which this Declaration is recorded in the office of the Clerk and Recorder of Sheridan County, State of Wyoming.

[11.03] Duration. These covenants, conditions, and restrictions shall bind and run with the land that is described herein above as being subject to this Declaration; and, the said covenants, conditions, and restrictions shall inure to the benefit of and be enforceable by the Association, or by an Owner, or by a Residential Owner of any Lot within the Subdivision, or by their respective heirs, devisees, legal representatives, assigns, and successors in interest. These covenants, conditions, and restrictions shall be binding and run perpetually, subject, however, to the right and power of the Members of the Association to terminate them. The termination of these covenants, conditions, and restrictions shall require the consent of at least **seventy-five percent [75%]** of the votes of all voting classes of the Owners [i.e., Declarant as Owner] and the Residential Owners, then of record, of Lots within the Subdivision, as determined in accord with the voting rules which are stated in the **Bylaws** of the Association as then in effect; provided, however, that no such termination of these covenants, conditions, and restrictions shall be valid legally unless written notice of the proposed termination is mailed to each Residential Owner, of record, of a Lot within the Subdivision at least **ninety [90] days** before any vote is taken on the issue of termination; and, unless the public notice of termination of these covenants, conditions, and restrictions is made and filed of public record at least **thirty [30] days in advance** of the effective date which therein is stated for such termination.

[11.04] Amendment Or Restatement. These covenants, conditions, and restrictions may be amended or restated, in part or in the whole, with the

consent of at least **seventy-five percent [75%]** of the votes of all voting classes of the Owners [i.e., Declarant as Owner] and the Residential Owners, then of record, of Lots within the Subdivision, as determined in accord with the voting rules which are stated in the **Bylaws** of the Association as then in effect; *provided, however*, that any such amendment or restatement of these covenants, conditions, and restrictions also **must and shall bind, touch and concern, inure to the benefit of and run perpetually with the lands of the Subdivision.**

[11.05] Enforcement. The Declarant, as Owner, each Residential Owner, and the Association acting by and through its Board have the responsibility and authority hereunder and shall enforce these covenants, conditions, and restrictions against any person or entity which attempts to breach or violate, or any person or entity which breaches or violates, any such covenant, condition, or restriction that is declared and stated in this document. As circumstances may require in the future, the enforcement of these covenants, conditions, and restrictions may be undertaken by good faith communication and negotiation, by mediation or arbitration – outside the jurisdiction of any Court; or, by legal action in Court to seek a restraining order, a temporary or permanent injunction, compensatory damages, exemplary damages; or, a by combination of any of the aforesaid methods and remedies; and, the Declarant, as Owner, and each Residential Owner, and the Association hereby covenant, and thereby agree, that any private agreement which is made in the settlement of a dispute, any accord, any mediation agreement or arbitration award, or any Court order or judgment in such enforcement efforts, proceedings, and legal actions shall include the payment of enforcement expenses by the person or entity which attempts to breach or violate, or which breaches or violates these covenants, conditions, and restrictions – including, but not thereby being limited to, reasonable attorney fees and expenses incurred by the person or entity which is enforcing these covenants, conditions, and restrictions.

[A] Fines And Punitive Assessments. The Declarant as Owner, each Residential Owner, and the Association hereby covenant, and thereby agree, that the Association acting by and through its Board hereby is granted the authority and power to establish rules and regulations for the enforcement of these covenants, conditions, and restrictions, which may include, without limitation, provisions for fines to be associated with the breach of these covenants, conditions, and restrictions; *provided, however*, that no fine for a particular violation shall be greater than Five

Hundred Dollars [\$500.00] per occurrence; and, provided further, however, that, with regard to violations which may persist for a number of days, the Board, in its discretion, may define each additional day of violation to constitute a separate occurrence of that violation. Each Residential Owner hereby covenants, and thereby agrees, that the Association, acting by and through its Board, has the authority also, under these covenants, conditions, and restrictions, to impose and assess any fine which a Residential Owner does not pay promptly into a **Punitive Assessment** upon and against any and every Lot in the Subdivision which the delinquent Residential Owner owns; and, to enforce the collection of that **Punitive Assessment** as herein above declared and stated in these covenants, conditions, and restrictions.

[B] **No Waiver Results From Inaction.** The Declarant as Owner, each Residential Owner, and the Association hereby covenant, and thereby agree, that inaction, or a failure to enforce these covenants, conditions, and restrictions, by or on the part of the Declarant as Owner, the Residential Owners, or the Association – whether by reason of a lack of information, adverse result in an arbitration award or Court order or judgment, or for any other reason whatsoever, and regardless of duration (except for any applicable statute of limitations) or frequency of occurrence – is **not**, and shall **not** be deemed to be a **waiver** of any claim or cause of action for the enforcement of these covenants, conditions, and restrictions; and, does **not** and shall **not** be deemed to result in any **equitable laches** with respect to any claim or cause of action for the enforcement of these covenants, conditions, and restrictions.

[11.06] **Severability.** The Declarant as Owner, each Residential Owner, and the Association hereby covenant, and thereby agree, that the provisions of this document are severable; and, if any part, or parts, of these covenants, conditions, and restrictions are determined to be invalid or unenforceable by the final order of a Court of competent jurisdiction, and following unsuccessful appeal or the expiration of time to appeal, that such partial invalidity or unenforceability shall not affect adversely the validity and enforceability of all other covenants, conditions, and restrictions which are declared and stated in this document, which shall remain in full force and effect.

[11.07] **Headings.** The Declarant declares and states that the headings to articles, sections, and subsections of these covenants, conditions, and

restrictions are for purposes of convenient reference; and, that those headings are not intended by the Declarant to have any substantive effect upon the legal interpretation, construction, or application of these covenants, conditions, and restrictions.

[11.08] Mailing Of Notices. Each Residential Owner hereby covenants, and thereby agrees, to provide the Association, through its Board, with the current mailing address of that Residential Owner; and, the Board shall maintain a current registry of Residential Owners and their mailing addresses. Any and all notices which are required, or which otherwise may be occasioned by, these covenants, conditions, and restrictions, shall be sent by mail to the most current address shown in the aforesaid registry of Residential Owners. The mailing address of the Declarant, the Association, and the Board is: 23 Country Club Lane, Sheridan, Wyoming; and, any notice or other communication that is sent to the Declarant, the Association, or the Board in connection with these covenants, conditions, and restrictions must be mailed, or otherwise be personally delivered, to that address.

[11.09] Non-Reliance. Any projection or proposal which is made by the Declarant in these covenants, conditions, and restrictions, regarding the development of any additional parcels of property for residential purposes, or the expansion of Common Area, or the expansion of Dedicated Area – both in terms of geographic extension or expansion and in terms of the nature or kinds of use or amenities to be associated with the Subdivision – are intended by the Declarant to be only preliminary and non-binding observations, expressions, and potential plans; and, each Residential Owner and the Association hereby covenant, and thereby agree, that each and every such projection or proposal by the Declarant herein above, if any, are **not**, and shall **not** be, legally interpreted, construed or applied as solicitations, inducements, material representations, promises, or contractual commitments of the Declarant; and, that each Residential Owner is **not** entitled to rely upon, and has **not** relied upon, any such projection or proposal by the Declarant herein above, if any.

[11.10] Dispute Resolution. The Declarant as Owner, and each Residential Owner, hereby covenant, and thereby agree that any and all disagreements or matters-in-dispute between the Declarant as Owner, or any Residential Owner, or between Residential Owners, with reference to the legal interpretation, construction, or application of these covenants, conditions, and restrictions shall be submitted to, and determined and

decided upon finally by the Board; and, that the final decision of the Board shall be binding upon all affected persons; except and unless, any such final decision of the Board is without any basis in fact or otherwise is contrary to law.

[11.11] **Priority Or Authority.** The Declarant as Owner, and each Residential Owner, acknowledge that the Subdivision is associated with the Powder Horn Ranch Planned Unit Development and the Powder Horn Ranch II Planned Unit Development in Sheridan County, State of Wyoming; and that, as such, the Subdivision also is subject to the Declaration Of Covenants, Conditions, And Restrictions For The Powder Horn [i.e., **Powder Horn Covenants**], as amended and supplemented, and also is subject to the Residential Development Standards of the Powder Horn Ranch, L.L.C., and the Powder Horn Ranch – 2, L.L.C., as amended and supplemented, which are filed of public record with the Clerk and Recorder of Sheridan County, State of Wyoming. In the event of any material difference between the covenants, conditions, and restrictions which are declared and stated in this document with special reference and application to **The Powder Horn Cottages At The Hub** Subdivision, to which they expressly pertain, and those other aforesaid and more general **Powder Horn Covenants** and **Powder Horn Residential Development Standards**, the Declarant as Owner, each Residential Owner, and the Association hereby covenant, and thereby agree, that the provisions of the covenants, conditions, and restrictions which are declared and stated in this document shall have superior priority of authority over the said **Powder Horn Covenants** and **Powder Horn Residential Development Standards** in matters which pertain to the lands and land use within the perimeter of **The Powder Horn Cottages At The Hub** Subdivision, as herein above described, and particularly with regard to instances in which the covenants, conditions, and restrictions that are declared and stated in this document are more stringent than the provisions of those other more general documents.

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SIGNING AND ACKNOWLEDGMENT

IN WITNESS WHEREOF, THE DECLARANT SIGNS BELOW this
18th day of April, 2006.

Powder Horn Ranch – 2, L.L.C. – The Declarant
[A Wyoming Limited Liability Company]

By: _____

Homer Scott, Jr.
Homer Scott, Jr. – Manager

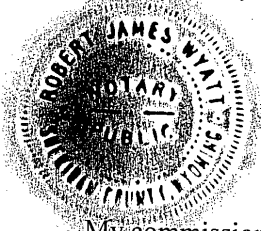
ACKNOWLEDGMENT

STATE OF WYOMING)

County Of Sheridan)

ss.

The foregoing document, entitled as **DECLARATION OF COVENANTS
 CONDITIONS AND RESTRICTIONS FOR THE POWDER HORN
 COTTAGES AT THE HUB**, was signed and acknowledged before me on
 the 18th day of April, 2006, by **Homer Scott, Jr.**, who is
 the **Manager of Powder Horn Ranch – 2, L.L.C.**, and who personally is
 known to me; as witnesseth my hand and official seal.



Robert James Wyatt
 Notary Public

My commission expires: March 19, 2007