

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, EIGHT MILE SUBDIVISION, PROPERTYOWNERS ASSOCIATION, INC.

895884

THIS DECLARATION, made on the date hereinafter set forth by Ronald T. A. Derksen, hereinafter referred to as "DECLARANT".

WITNESSETH:

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WHEREAS, DECLARANT is the owner of certain property in Campbell County, State of Wyoming, which is more particularly described upon the plat map as the same that is filed for record with the County Clerk and Recorder of Campbell County in connection with the Subdivision designated by Campbell County as "EIGHT MILE SUBDIVISION" situated in Campbell County, Wyoming, as the same described in Exhibit "A" attached.

AND WHEREAS, in order to establish a general plan for the improvements and development of the Properties DECLARANT desires restrictions, upon and subject to which all of the Properties shall be held, improved and conveyed.

AND WHEREAS, DECLARANT will convey the said properties, subject to certain protective covenants, conditions, restrictions, liens and charges as hereinafter set forth;

NOW THEREFORE, DECLARANT hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any or any part thereof, their heirs, successors and assigns, shall inure to the benefit of each Owner thereof, and which are intended not to be merely personal.

ARTICLE I DEFINITIONS

Section 1. "Association" shall mean and refer to EIGHT MILE SUBDIVISION PROPERTYOWNERS ASSOCIATION, INC., a non-profit Wyoming Corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as many hereafter be brought within jurisdiction of the Association.

Section 4. "Association Property" shall mean all real property owned by the Association for the purpose of operating the community water system. The Association Property to be owned by the Association shall be conveyed by the DECLARANT, in one or more parcels, and shall be described and recorded in the records of the office of the County Clerk of Campbell County, Wyoming. The Association shall also own the well (s) storage tank (s), pump (s), distribution lines, fire hydrants and other associated equipment.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the streets therein.

Section 6. "Declarant" shall mean and refer to Ronald T. A. Derksen, his successors and assigns if such successors and assigns should acquire more than one undeveloped Lot from the DECLARANT for the purpose of development.

Section 7. "Members" shall mean and refer to every person or entity who holds membership in the Association. Membership shall be limited to owners of improved lots.

Section 8. The term "Covenants" as used herein, shall mean and refer collectively to the covenants, conditions, restrictions, reservations, easements, liens and charges imposed by or expressed in this DECLARATION.

Section 9. The term "Board of Directors" or "Board" used herein, shall mean and refer to the duly elected Board of Directors of the Association.

ARTICLE II NATURE AND PURPOSE OF COVENANTS

The covenants, condition, and restrictions set forth in the DECLARATION constitute a general scheme for the development, protection and maintenance of the Properties to enhance the value, desirability and attractiveness of the lots for the benefit of all Owners and lots therein. These covenants, restrictions, and conditions are imposed upon DECLARANT and upon the Owners of all lots. Said covenants, conditions and restrictions are for the benefit of all lots, and shall bind the Owners of all such lots. Such covenants, conditions and restrictions shall be a burden upon and a benefit to not only the original Owner of each lot but also his successors and assigns. All such covenants, conditions and restrictions are intended as and are hereby declared to be covenants running with the land or equitable servitudes upon the land, as the case may be.

ARTICLE III PROPERTY RIGHTS

Section 1: OWNER'S EASEMENTS OF ENJOYMENT: Every member shall have a right an easement of enjoyment and use in and to the water system within said properties, which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

(a) the right of the Association to assess and charge a reasonable maintenance, operation and usage fee for the water system until such time as Campbell County assumes responsibility for the maintenance of the system located in the subdivision, and to impose such charge and assessment as a lien against any property for which such charge of lien has not been paid in accordance with these DECLARATIONS, By-laws and Articles of Incorporation;

(b) the right of the Association to suspend the right to use said facilities by an owner for any period during which any assessment against his lot remains unpaid, however this right shall be promptly restored upon payment;

(c) the right of the Association to dedicate or transfer all or any part of the Association Property to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of members agreeing to such dedication or transfer has been recorded;

(d) the right of the Association, in accordance with its Articles and By-laws, to borrow money for the purpose of improving or operating systems and facilities and in aid thereof to mortgage said facilities and the rights of such mortgages in such properties shall be subordinate to the rights of the homeowners hereunder;

(e) the right of the Association, through its Board of Directors to adopt and publish rules and regulations and usage fees with respect to said utility facilities.

Section 2. DELEGATION OF USE: Any owner may delegate, in accordance with the By-laws, his right of enjoyment and use in and to said utilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE IV MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of an improved lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment. Membership shall not be subject to the approval of the Board of Directors and expulsion of members shall not be permitted. Every lot owner shall have the potential to become a member and shall automatically be a member upon improvement of his lot.

Section 2. The Association shall have one class of voting membership, which shall be limited to owners of improved lots, and shall be entitled to one vote for each Lot owner. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. When two or more persons are stockholders in a corporation holding an interest in any Lot, one, and only one, shall be a member for voting purposes.

ARTICLE V COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS: The DECLARANT, for each lot owned within the properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual (to be paid monthly as necessary for operation reasons, assessments or charges) and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The assessments, together with interest, costs and reasonable attorney's fees shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment together with interest, cost, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. PURPOSE OF ASSESSMENTS: The assessments levied by the Association shall be used exclusively for the maintenance, preservation and operation of the water system, including wells, pumps, etc.

Section 3. MAXIMUM ANNUAL ASSESSMENT: Until January 1 of the year immediately following conveyance of the first lot to an Owner, the annual assessment shall be Three Hundred Dollars (\$300) per lot, payable at Twenty-Five Dollars (\$25.00) per month.

(a) The monthly assessment of Twenty-Five (\$25.00) shall provide for the usage of 10,000 gallons of water per month per lot. This shall be the minimum monthly charge. Any water used over the 10,000 gallons per month shall be billed to the lot owner at the rate of Five Dollars (\$5.00) per Thousand (1,000) gallons.

(b) Each lot owner shall be responsible for installing a properly sized water meter and the lot owner shall be responsible for reading this meter monthly and reporting the reading to the Association monthly with the assessment payment.

(c) The Board of Directors at their discretion may raise or lower this basis monthly assessment to cover the actual operating costs of the water system. Written notice must be provided to each lot owner at least 30 days in advance of any revision to the assessment rate.

Section 4. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS: In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement, of a capital improvement upon the said utilities, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of all members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5: NOTICE & QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTION 3 AND 4: Written notice of any meeting called for the purpose of taking any action authorized under Section 3 and 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one-half ($\frac{1}{2}$) of the required quorum at the meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6: RATE OF ASSESSMENT: Both annual, monthly and special assessments must be fixed at uniform rate for all Lots.

Section 7: DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS DUE DATES: The annual assessments provided for herein shall commence as to each Lot on the first day of the month following the conveyance of such Lot by DECLARANT. The Board of Directors shall fix the amount of the assessment against each Lot at least thirty (30) days in advance of each assessment period. Written notice of the assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors, and, unless otherwise provided, the Association or its assigns shall collect each month from the owner of each Lot one-twelfth ($\frac{1}{12}$) of the annual assessment for such Lot. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessment on specified Lot have been paid. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 8: EFFECT OF NONPAYMENT OF ASSESSMENT - REMEDIES OF THE ASSOCIATION:

(a) **Delinquency:** Any assessment provided for in this Declaration shall be delinquent if not paid within 30 days from date due. With respect to each assessment not paid within thirty (30) days after its due date, the Association may, at its election, require the Owner to pay interest at the rate of ten percent (10%) per annum on such assessment. The Association may suspend service of the facilities after delinquency provided that upon payment of all sums due prompt restoration of services shall be made.

(b) **Creation of Lien:** The amount of all delinquent regular and special assessment plus interest thereon and any expense reasonably incurred in collecting and/or enforcing such assessments, including reasonable attorney fees, shall be and become a lien upon the lot so assessed, which shall attach to the lot as of the time the Association causes to be recorded in the office of the County Clerk of Campbell County, Wyoming, a Notice of Assessment Lien, which shall state:

1. The amount of the delinquent assessment and such related charges as may be authorized by this Declaration;
2. The name of the Owner of record or reputed Owner of the lot;

3. A description of the lot against which the lien has been assessed.

The Notice shall be signed by two officers of the Association. The assessment lien shall also be deemed to secure all of the foregoing items which shall become due and/or incurred relative to the lot after the recordation of the Notice of Assessment Lien until the completion of the enforcement of the lien or the payment of the full amount secured by the lien, or other satisfaction to be made in connection therewith. No proceeding or action shall be instituted to foreclose the lien until notice of intention to proceed to foreclose the lien has been delivered by the Association to the Owner of the lot affected by the lien at least thirty (30) days prior to the commencement of any such action or proceeding. The assessment lien may be enforced by judicial foreclosure; provided, however, that said method of enforcement shall not be exclusive but shall be in addition to any other rights or remedies which the Owner or the Association may have by law or otherwise. The Association shall also have the right to bid at any such foreclosure sale and to hold, lease, mortgage and convey such lot upon its purchase. Upon payment of the full amount secured by an assessment lien, including all authorized charges in accordance with the foregoing, or upon any other satisfaction duly made in connection therewith, the Association shall cause to be recorded a notice setting forth the fact of such payment and/or satisfaction and of the release of the assessment lien. Any assessment lien as to any lot shall at all times be subject and subordinate to any first mortgage or deed of trust on the lots which is created in good faith and for value and which is recorded prior to the date of recordation of the assessment lien. Any second mortgages shall be subordinate to the assessment lien. In the event any assessment lien is destroyed by reason of the foreclosure of any prior mortgage or deed of trust on a lot, the interest in the lot of the purchaser at the foreclosure sale may be subjected to a lien to secure assessments levied on the lot in the same manner as provided above in this Article.

(c) **Curing of Default:** Upon the timely curing of any default for which a notice of claims or lien was filed by the Association, the officers of the Association are hereby authorized to file or record, as the case may be, an appropriate release of such notice, upon payment of the defaulting Owner, the payment of such other costs, interest or fees as shall have been incurred.

(d) **Cumulative Remedies:** The assessment lien and the rights to judicial foreclosure thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid assessments, as above provided.

(e) Mortgage Protection clause: No breach of the covenants, conditions or restrictions herein contained, nor any lien created hereby, shall defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but all of said covenants, conditions and restrictions shall be binding upon and effective against the Owner whose title is derived through foreclosure of trustee's sale, or otherwise.

Section 9: SUBORDINATION OF THE LIEN TO MORTGAGES: The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien. The sale or transfer of any lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall release such lot from liability for any assessments thereafter, becoming due or from the lien thereof.

Section 10: INSURANCE ASSESSMENTS: The Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain insurance for the buildings and improvements subject to the jurisdiction of the Association, excepting of course individually owned residences and other structures, against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement cost of any repair or construction work in the event of damage or destruction from any hazard, and shall also obtain a board from public liability policy covering all Association Property if any, and all damage or injury caused by the negligence of the Association or any of its agents. Said insurance may include coverage against vandalism. Premiums for all such insurance shall be common expenses.

In the event of damage or destruction by fire or other casualty to any property covered by insurance written in the name of the Association, The Board of Directors shall, with concurrence of the mortgagee if any, upon receipt of the insurance proceeds, contract to rebuild or repair such damaged or destroyed portions of the property to as good condition as formerly. All such insurance proceeds shall be deposited in a bank or other financial institution, the accounts of which bank or institution are insured by a Federal governmental agency, with the provision agreed to by said bank or institution that such funds may be withdrawn only by signature of at least one-third (1/3) of the members of the Board of Directors, or by an agent duly authorized by the Board of Directors. The Board of Directors shall advertise for sealed bids with any licensed contractor, and then negotiated with any contractor who shall be required to provide a full performance and payment bond for the repair, reconstruction or rebuilding of such destroyed building, buildings or other improvements. In the event the insurance proceeds are insufficient to apply all the costs of repairing and/or rebuilding the same condition as formerly, the Board of Directors shall levy a special assessment against all owners in such proportions as the Board of Directors deem fair and equitable in the light of the damage sustained to make up any deficiency. In the event such insurance proceeds exceed the cost of repair and construction, such excess shall be retained by the Association.

ARTICLE VI

The Board of Directors shall be responsible for the arrangements for the actual operation and maintenance of the water system.

ARTICLE VII CAMPBELL COUNTY COMMISSIONERS

Pursuant to the Subdivision Regulation of Campbell County, Wyoming, in the event the Association shall fail to maintain the system in a reasonable order and condition in accordance with the original plan submitted with the final subdivision plat, the Board of County Commissioners may serve written notice upon such organization or upon residents involve, setting forth the manner in which the Association has failed to maintain the facility in a reasonable condition, and said notice shall include a demand that such deficiencies of maintenance be corrected within thirty (30) days thereof, which shall be held within fourteen (14) days of the notice. At such hearing the County may modify the terms of its original notice as to the deficiencies, and may give an extension of time within which they shall be corrected. If the deficiencies set forth in the original notice or in the modifications thereof are not corrected within said thirty (30) days or any extension thereof, the County, in order to preserve the taxable values of the property contained within the subdivision, and to present the facilities from becoming a public nuisance and public liability, may undertake to maintain the same for a period of one (1) year. Before the expiration of said year, the County, upon its initiative or upon the written request of the Association therefore responsible for the maintenance of the facility, call a public hearing upon notice to such Association and to the residents involved, to be held by the Board of County Commissioners, at which hearing such Association and/or the residents shall show cause why such maintenance by the County shall not, at the election of the county, continue for a succeeding year. If the Board of County Commissioners shall determine that such Association is ready and able to maintain said common facility in a reasonable condition, the county shall cease to maintain said facility at the end of said year.

The cost of such maintenance by the County shall be paid by the owners of the properties within the subdivision that have a right to enjoyment of use of the facility involved and any unpaid assessments shall become a tax lien in the office of the County Clerk upon the property of affected by such lien within the subdivision, and shall certify such unpaid assessments to the County Treasurer for collection, enforcement and remittance of general property taxes in the manner provided by law.

The Association may not be dissolved without the prior permission of the Board of County Commissioners.

Section 1. ENFORCEMENT: The Association or any owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereinafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. SEVERABILITY: Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. AMMENDMENT: The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorder, after which time they shall be automatically extended for successive periods shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first year by an instrument signed by not less than two-thirds of the eligible voters and FHA or VA approval, and thereafter by an instrument signed by not less than two-thirds (2/3) of the eligible voters. Any amendment must be recorded in the Office of the Campbell County Clerk.

Section 4. FHA/VA APPROVAL: As long as there are FHA or VA insured loans on this property, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, or amendment of this Declaration of Covenants, Conditions and Restrictions.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 13 day of May 1981.

Ronald T. A Derksen

Ronald T. A. Derksen
Ronald T. A. Derksen, Developer

STATE OF WYOMING)
)
COUNTY OF CAMPBELL)

The foregoing instrument was acknowledged before me this 13 day of May 1981.

by Ronald T. A. Derksen
NORMA DERKSEN, Notary Public
County of State of
Campbell Wyoming
My Commission Expires June 30, 1983

Norma Derksen
Notary Public

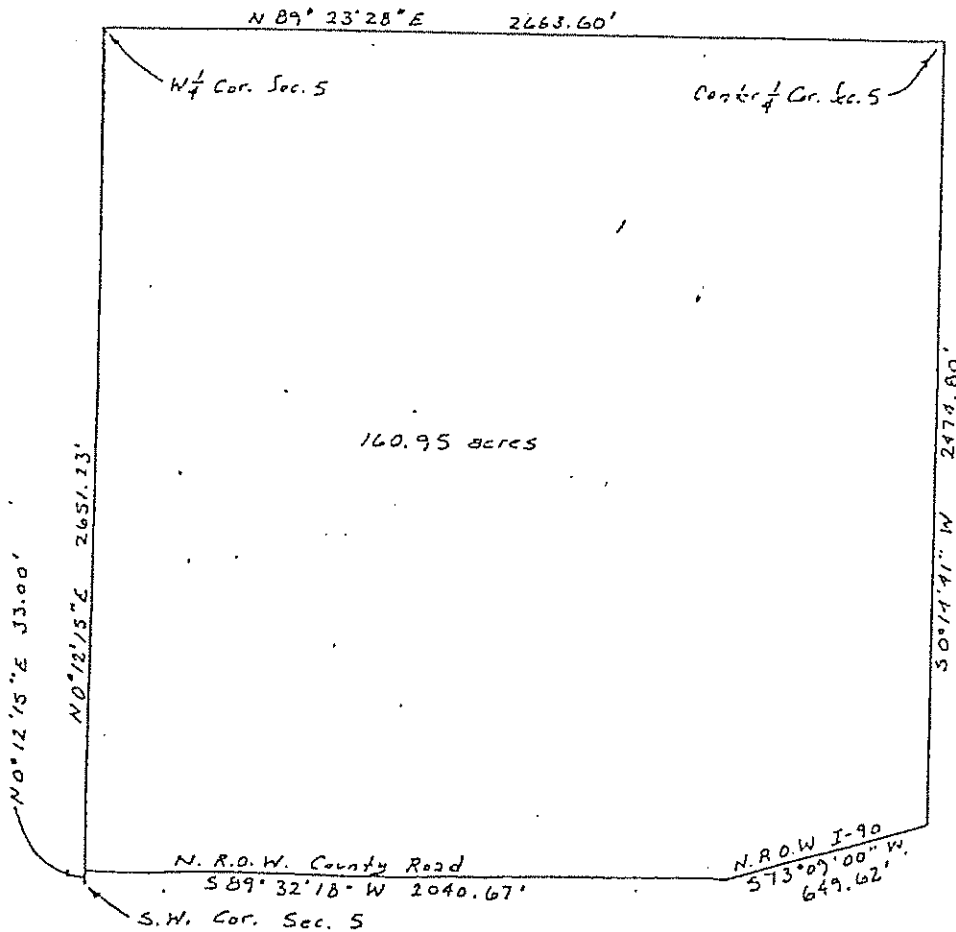
My Commission Expires: June 30, 1983

EXHIBIT "A" Book 555 of Photos, Page 81
 LEGAL DESCRIPTION

A tract of land in the Southwest quarter of Section 5, Township 49 North, Range 73 West of the Sixth Principal Meridian, Campbell County, Wyoming being more particularly described as follows:

Commencing at the Southwest corner of Section 5, T49N, R73W, 6th P.M.; thence N 0°12'15" E along the line common to Sections 5 and 6 a distance of 33.00 feet to the TRUE POINT OF BEGINNING; thence N 0°12'15" E along the line common to Sections 5 and 6 a distance of 2651.23 feet to the west quarter corner of Section 5; thence N 89°23'28" E along the east-west centerline of Section 5 a distance of 2663.60 feet to the center quarter corner of Section 5; thence S 0°14'41" W along the north-south centerline of Section 5 a distance of 2474.80 feet to the point of intersection with the north right-of-way of Interstate Highway 90; thence S 73°09'00" W along said right-of-way line a distance of 649.62 feet to the point of intersection with the north right-of-way of the County Road; thence S 89°32'18" W along said County Road right-of-way a distance of 2040.67 feet to the point of beginning.

Said tract containing 160.95 acres more or less.



ARTICLE I

NAME AND LOCATION. The name of the corporation is EIGHT MILE SUBDIVISION PROPERTY OWNERS ASSOCIATION, INC., HEREINAFTER REFERRED TO AS THE "Association". The principal office of the corporation shall be located at 2300 Country Club Rd., Gillette, Wyoming, but the meeting of members and directors may be held at such places within the State of Wyoming, County of Campbell, as may be designed by the Board of Directors.

ARTICLE II DEFINITIONS

Section 1. "Association" shall mean and refer to EIGHT MILE SUBDIVISION PROPERTY OWNERS ASSOCIATION, INC., a non-profit Wyoming Corporation, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Association Property" shall mean all real property owned by the Association for the purpose of operating the community water supply system.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the streets.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to Ronald T. A. Derksen, his successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions applicable to the Properties recorded in the Office of the County Clerk and Recorder of Campbell County.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration. Membership is limited to owners of improved lots and is not subject to the approval of the Board of Directors. Expulsion of members shall be permitted.

ARTICLE III

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 8:00 pm. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special Meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 30 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary and shall be valid no more than eleven months. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

ARTICLE IV BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of nine (9) directors, who need not be members of the Association.

Section 2. Term of Office. The Board of Directors as stated in the Articles of Incorporation shall serve until seventy-five percent (75%) of all the lots within the total Eight Mile Subdivision have been improved or December 31, 1982 at which time the members shall elect three directors for a term of one year, three directors for a term of two years and three directors for a term of three years; and at each annual meeting thereafter the members shall elect three directors for a term of three years.

Section 3. Removal. After December 31, 1982 any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association, the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action taken without a meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nomination Committee. Nominations may also be made from the floor at the annual meeting. The Nomination Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Association Property and water facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the right to use of the water system facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association.
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (d) declare the office of member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;
- (e) and employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth ($\frac{1}{4}$) of the members who are entitled to vote;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to:
 - 1) fix the amount of the assessment against each Lot at least Thirty (30) days in advance of each assessment revision.
 - 2) send written notice of each assessment to every Owner subject thereto at least (30) days in advance of each assessment revision; and
 - 3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.
- (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) cause the Association Property to be maintained.

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of who shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President (a) the president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President (b) The vice-president shall act in the place and instead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary (c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer (d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX COMMITTEES

The Association shall appoint a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X BOOKS AND RECORDS

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association monthly and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 10 percent (10%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, cost, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waiver or otherwise escape liability for the assessments provided for herein by nonuse of the water system or abandonment of his lot.

ARTICLE XII CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words:

ARTICLE XIII

AMENDMENTS Book 555 of Photos, Page 85

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a two-thirds (2/3) majority of eligible members except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there are F H A or V A insured loans on this property.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIV MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first year shall begin the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of the EIGHT MILE SUBDIVISION PROPERTY OWNER'S ASSOCIATION, INC., have hereunto set our hands this 13 day of May, 1981.

Boards of Directors signatures and names: Ronald T. A. Derksen, Norma J. Derksen

CERTIFICATION

I, the undersigned do hereby certify:

THAT I am the duly elected and acting secretary of the EIGHT MILE SUBDIVISION PROPERTY OWNER'S ASSOCIATION, INC., a Wyoming Corporation, and,

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 13 day of May, 1981.

Norma J. Derksen, Secretary

ARTICLES OF INCORPORATION OF EIGHT MILE SUBDIVISION PROPERTY OWNER'S ASSOCIATION

In compliance with the requirements of 17-6-101, ex sequitor, the undersigned, all of whom are residents of the EIGHT MILE SUBDIVISION and all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I

The name of the corporation is Eight Mile Subdivision Property Owner's Association Inc., hereafter called the "Association".

ARTICLE II

The registered agent's name is Ronald T. A. Derksen and his address is 2300 Country Club Rd., Gillette, Wyoming, 82716. The principal office of the Association is located at 2300 Country Club Rd., Gillette, Wyoming, 82716.

ARTICLE III PURPOSE AND POWERS OF THE ASSOCIATION

This association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide only for maintenance, preservation and operation of the central water supply system

within that certain tract of property described as: the southwest quarter of Section 5, T49N, R73E, 6th P.M., Campbell County, Wyoming and to promote the health, safety and welfare of the residents within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the property and recorded or to be recorded in the Office of the County Clerk and Recorder of Campbell County and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

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 Payment by any lawful means, all charges or
- (b) fix, levy, collect and enforce assessments pursuant to the terms of the Declaration; to pay all expenses in Connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;
- (c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;
- (d) borrow money, and with the assent of two-thirds (2/3) of all members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- (e) dedicate, sell or transfer all or any part of the Association Property any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of all members, agreeing to such dedication, sale or transfer, and such action has been approved by F H A if there are any F H A insured loans within this subdivision;
- (f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of all member, and such action has been approved by F H A if there are any F H A insured loans within this subdivision;
- (g) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Wyoming by Law may now or hereafter have or exercise.

ARTICLE IV

Every person or entity who is a record owner of a fee or undivided fee interest in any improved Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association and shall not be subject to the approval of the Board of Directors. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Owners of lots shall have the potential to become members of this Association and will automatically become members upon improvement of the lot. Membership shall be appurtenant to and may not be separated from ownership of any improved lot which is subject to assessment by the Association.

ARTICLE V VOTING RIGHTS

The Association shall have one class of voting membership, which shall be limited to owners of improved lots, and shall be entitled to one vote for each improved lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any lot. Proxy voting shall be permitted but shall be revocable and shall not be valid beyond eleven months nor shall they be binding upon the purchaser of the property from the grantor of the Proxy.

ARTICLE VI BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of nine (9) Directors, who need not be members of the Association. The number of directors may be changed by amendment of the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

<i>Norman J. Dickson</i>	<i>2302 Canyon Club Rd</i>
<i>Ronald T. A. Dickson</i>	<i>2300 Canyon Club Rd</i>

These Directors shall hold these positions until seventy-five percent (75%) of all the lots within the total Eight Mile Subdivision have been improved or December 31, 1982 at which time the members shall elect three directors for a term of one year, three directors for a term of two years and three directors for a term of three years; and at each annual meeting thereafter the member shall elect three directors for a term of three years.

ARTICLE VII DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of all members and the prior approval of the Campbell County Board of Commissioners and the F H A. Upon dissolution of the Association, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed, and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE VIII DURATION

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The corporation shall exist perpetually.

ARTICLE IX AMENDMENTS

Amendments of these Articles shall require the assent of two-thirds of the eligible voters and the approval of the F H A during the first year of operation, and thereafter the approval of two-thirds (2/3) of the eligible voters. Any amendment must be signed and recorded in the office of the Campbell County Clerk.

ARTICLE X FHA/VA APPROVAL

As long as there is F H A or V A insured loans within this subdivision, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of the Association Property, dedication of the Association Property, dissolution and amendment of these Articles.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Wyoming, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 13 day of May, 1981.

Ronald T. A. Derksen
Ronald T. A. Derksen

STATE OF WYOMING)
COUNTY OF CAMPBELL) SS

The foregoing instrument was acknowledged before me this 13 day of May, 1981, by Ronald T. A. Derksen.

NORMA DERKSEN, Notary Public
County of Campbell State of Wyoming
My commission expires Dec 24 1983

Norma Derksen
Notary Public

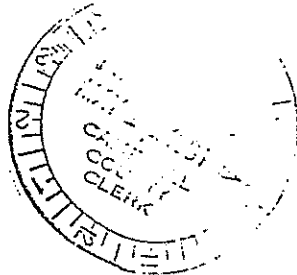
STATE OF WYOMING)
Campbell County) ss.

Filed for record this 14th day of May A. D., 1981 at 9:02 o'clock AM. and recorded in Book 555 of Photos on page 76 Fees \$ 26.00

Virvan E. Addison
County Clerk and Ex-Officio Register of Deeds

RECORDED
ABSTRACTED
INDEXED
CHECKED

By Norma Derksen
Deputy



THIS DECLARATION, made on the date hereinafter set forth by Ronald T. A. Derksen, hereinafter referred to as "DECLARANT".

405885
WILMINGTON:

WHEREAS, DECLARANT is the owner of certain property in Campbell County, State of Wyoming, which is more particularly described upon the plat map as the same that is filed for record with the County Clerk and Recorder of Campbell County in connection with the Subdivision designated by Campbell County as "EIGHT MILE SUBDIVISION" situated in Campbell County, Wyoming, as the same described in Exhibit "A" attached.

AND WHEREAS, in order to establish a general plan for the improvements and development of the Properties DECLARANT desires restrictions, upon and subject to which all of the Properties shall be held, improved and conveyed.

AND WHEREAS, DECLARANT will convey the said Properties, subject to certain protective covenants, conditions, restrictions, liens and charges as hereinafter set forth;

NOW THEREFORE, DECLARANT hereby declares that all of the Properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any or any part thereof, their heirs, successors and assigns, shall inure to the benefit of each Owner thereof, and which are intended not to be merely personal.

ARTICLE I DEFINITIONS

Section 1. "Association" shall mean and refer to EIGHT MILE SUBDIVISION HOMEOWNERS ASSOCIATION, INC., a non-profit Wyoming Corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as many hereafter be brought within jurisdiction of the Association.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the streets therein.

Section 5. "Declarant" shall mean and refer to Ronald T. A. Derksen, his successors and assigns if such successors and assigns should acquire more than one undeveloped Lot from the DECLARANT for the purpose of development.

Section 6. "Members" shall mean and refer to every person or entity who holds membership in the Association.

Section 7. "Class A Lots" shall mean and refer to any lot upon which a residence or single family unit has been completed and has been conveyed to an owner other than the DECLARANT, or has been occupied.

Section 8. "Class B Lots" shall mean and refer to any lot that has not been conveyed from DECLARANT of development.

Section 9. The term "Covenants" as used herein, shall mean and refer collectively to the covenants, conditions, restrictions, reservations, easements, liens and charges imposed by or expressed in this DECLARATION.

Section 10. The term "Board of Directors" or "Board" used herein, shall mean and refer to the duly elected Board of Directors of the Association.

ARTICLE II NATURE AND PURPOSE OF COVENANTS

The covenants, condition, and restrictions set forth in the DECLARATION constitute a general scheme for the development, protection and maintenance of the Properties to enhance the value, desirability and attractiveness of the lots for the benefit of all Owners and lots therein. These covenants, restrictions, and conditions are imposed upon DECLARANT and upon the Owners of all lots. Said covenants, conditions and restrictions are for the benefit of all lots, and shall bind the Owners of all such lots. Such covenants, conditions and restrictions shall be a burden upon and a benefit to not only the original Owner of each lot but also his successors and assigns. All such covenants, conditions and restrictions are intended as and are hereby declared to be covenants running with the land or equitable servitudes upon the land, as the case may be.

ARTICLE III PROPERTY RIGHTS

Section 1. OWNER'S EASEMENTS OF ENJOYMENT: Every owner shall have a right and an easement of enjoyment and use in and to the streets within said properties, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) the right of the Association to assess and charge a reasonable maintenance and operation fee for the streets until such time as Campbell County assumes responsibility for the maintenance of the streets located in the subdivision, and to impose such charge and assessment as a lien against any property for which such charge of lien has not been paid

Section 6: DRILLING: Earth or gravel shall not be removed from the surface of the premises except for improvement or levelling in the subdivision. Landfill shall be earth only and shall exclude trash, refuse, junk, construction debris or similar materials. Stable conditions of the soil and vegetation shall not be destructively destroyed or disturbed nor shall the surface drainage patterns be changed except in a fully engineered manner which will provide adequate recognition of soil conservation, requirements. All damage to soil and vegetation shall be immediately restored to a stable condition. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any lot except as stated herein no shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any lot. No private water wells may be drilled.

Section 7: TRASH COLLECTION: No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage and other waste shall not be kept except in sanitary containers. All incinerators or other equipment for storage and disposal of such material shall be maintained in a clean and sanitary condition. Removal of such refuse from the premises shall be accomplished at intervals of not less than twice each month.

Section 8: OFFENSIVE ACTIVITY: No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. Occupancy conditions may be considered to be a nuisance to adjacent owners resulting from activities of burning, noise, vermin, health hazards, pollution, odors, undesirable animals or their maintenance and insect pests developing as a condition because of the nature of maintenance or care of property. No retail, wholesale, manufacturing, repair business, or home occupations of any kind shall be permitted on any building site or in any single-family dwelling or appurtenant structure thereto. Any activity must be contained and screened from view.

Section 9: CONSTRUCTION: Architectural Restrictions: Uniform quality of workmanship and materials, harmony of external design with existing structure, and location with respect to topography and finish grade elevations shall be afforded. Existing structures may be moved from other locations. The developer shall within 60 days construction time repair outside of moved building as to appear well dressed to the public eye. Including doors windows siding and roof. No wall shall be erected, placed or altered on any lot nearer to any street than the minimum building setback line. All buildings shall have a minimum of a twelve inch (12") overhang eave.

Dwelling Quality and Size: No dwelling shall be permitted on any lot in which the ground floor area of the main structure, exclusive of porch and garage shall be less than 900 Square feet of finished living area and all structures shall be constructed with a continuous brick, masonry, concrete or comparable building material in the foundation. All buildings new or existing shall meet the Uniform Building Code, 1973, and as amended.

Fencing: Fences shall be constructed so as to comply with the State of Wyoming regarding fences. Adjoining property owners who wish to cooperate on common fences shall do so through private treaty.

Section 10: COVENANTS: These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of 20 years from the date these covenants are recorded. During this period this Declaration may be amended with the assent of ninety percent of all owners. After the first 20 years said covenants shall be automatically extended for successive periods of 10 years and during these periods said covenants may be amended with the assent of 75 percent of all owners. Any amendment must be in writing and signed by the number of owners as stated above and said amendment must be filed with the Campbell County Clerk.

Section 11: WATER METERS: Each homeowner shall install a properly sized water meter on the water service line before the point of use.

Section 12: ENFORCEMENT: Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant; either to restrain violation or recover damages. Invalidation of any one of these covenants by judgement or other order shall in no wise affect any of the other provisions, which shall remain in full force and effect.

Section 13: PARKING OF NON-OPERATIVE VEHICLES AND FACILITIES: Vehicles which are not in running condition or are in a state of disrepair shall not be parked on the street in front of a residence or on the front driveway or on any parking area between the front building line of any residence and the street for a period of more than seventy two (72) hours at any one time or as a repeated matter of practice. Autos parked on any location of lot shall not appear to be non-functional or have weeds growing up around them. Autowrecking yards, salvage yards, or storage of unused cars shall not be permitted.

Section 14: MOBILE HOMES: Mobile Homes shall not be permitted modular sectional homes that meet Uniform Building Codes and F H A approval shall be permitted only if placed in a permanent manner on permanent foundations.

in accordance with these DECLARATIONS, By-Laws and Articles of Incorporation;

(b) the right of the Association to suspend the voting rights by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) the right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving or operation said streets and facilities;

ARTICLE IV USE OF RESIDENTIAL LOTS

Section 1. The use of said lands shall be restricted to a single one-family dwelling, private residential use and a private garage appurtenant thereto. No structure shall exceed two stories in height, except as may be specifically authorized in advance, in writing, by the Architectural Control Committee.

BUILDING LOCATIONS:

(A) No building shall be located on any lot nearer to the front lot line or nearer to the side street line than the minimum building setback lines required by Campbell County Zoning regulations or as may be restricted by any recorded plat which may be filed for a portion of the area described in and covered by these declarations. In any event, no building shall be located on any lot nearer than fifty (50) feet to the front lot line or nearer than twenty-five (25) feet to any side lot line except as is otherwise herein provided for a planned unit development. Reverse lots shall afford a fifty (50) foot side yard clearance to the street side.

(B) No building shall be located nearer than twenty-five (25) feet to an interior lot line. No dwelling shall be located on any interior lot nearer than fifteen (15) feet to the rear lot line.

(C) For the purpose of this covenant, caves, steps, and open porches shall not be considered as a part of a building.

Section 2. PETS AND OTHER ANIMALS: Commercial animal husbandry shall not be practiced in any form. Household pets owned by occupants or owners or any portions of said land, shall be kept confined within owned and occupied premises. No more than two (2) dogs or two (2) cats or a total of two (2) of either of such animals shall be kept and maintained as part of any single household within the area. Litters of any of the foregoing animals may be maintained only until the age of three (3) months is reached, at which time disposition must be made of the excess.

No swine or goats, shall be permitted on the premises.

Horses, ponies, calves, cattle, sheep and other similar animals may be kept on the premises provided: they are kept in a humane fashion; in a fenced area so as to restrain said animals to individual owners property and no more than two (2) animals will be kept PER Lot. The purpose of this paragraph is not to allow commercial animal husbandry but allow for 4H Projects, etc.

Section 3. COMMERCIAL USE: No part of the residential Properties shall ever be used or caused to be used for any business, commercial, manufacturing, merchantile storing, vending or such other non residential purposes including but not limited to stores, shops, repair shops, storage or repair garage, restaurant, dance hall, or other public place of amusement, except DECLARANT, its successors or assigns, may use the Properties for a model home site, and display and sale office during the construction and sales period. Company pickups and 1 ton trucks may be parked on lots providing they are licensed, in running condition and used for personal transportation. No large commercial trucks may be parked for more than 24 hours.

Section 4. SIGNS: No sign of any kind shall be displayed to the public view on any lot except one sign of not more than five (5) square feet advertising the property for sale or rent, or signs used by a builder or realtor to advertize the property during the construction and sales period. A sign shall be prominently posted at the respective approaches to each residence which states the assigned street address.

Section 5. OTHER STRUCTURES: No structure of a temporary character, mobile home, trailer, basement, tent, shack, garage, barn or other out building shall be used on any lot at any time as residence, either temporarily or permanently, except that during the period of construction of a permanent residence on the premises that there may be erection of a temporary facility. Such facilities shall be limited to a single period of six months beginning with the first day of erection, on-site location, or the exterior storage of materials to be utilized for permanent facility construction and ending with final removal and cleanup of all such temporary facilities.

Provided however one (1) barn and/or storage building may be erected on each lot if, (a) said barn will be used to shelter conforming livestock as contained in Section II, Article IV, USE OF RESIDENTIAL LOTS AND COMMON AREA of these covenants. (b) said barn and/or storage building conforms to other surrounding construction in size, structure and maintenance. The Architectural Control Committee shall be consulted on matters of this nature prior to construction.

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Section 15: SEWAGE DISPOSAL: Each lot owner shall be required to install a sewage disposal system of sufficient quantity and size to adequately serve the improvements on that owners property. Each Lot owner will be required to have a private sewage system and have said system installed prior to occupying said Lot. All septic systems are to be at least fifty (50) feet from adjoining properties. All systems shall be of such type and construction so as to prevent all dissemination of wastes above the ground and prevent the emanation of odor.

Section 16: LOT SIZE: Resubdivision of these lots will not be allowed, without the approval of 75 percent of all property owners.

ARTICLE V MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership.

CLASS A. Class A members shall be all Owners with the exception of the DECLARANT, and shall be entitled to one vote for each Lot owner. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. When two or more persons are stockholders in a corporation holding an interest in any Lot, one, and only one, shall be a member for voting purposes.

CLASS B. The Class B member (s) shall be the DECLARANT and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, (upon the conveyance of 75 percent of the units), or
- (b) On December 31, 1982.

ARTICLE VI COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS: The DECLARANT, for each lot owned within the properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual (to be paid monthly as necessary for operation reasons, assessments or charges) and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The assessments, together with interest, costs and reasonable attorney's fees shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment together with interest, cost, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. PURPOSE OF ASSESSMENTS: The assessments levied by the Association shall be used exclusively for the maintenance, preservation and operation of the streets.

Section 3. MAXIMUM ANNUAL ASSESSMENT: Until January 1 of the year immediately following conveyance of the first lot to an Owner, the maximum equal assessment shall be Sixty Dollars (\$60) per lot, payable at Five Dollars (\$5) per month.

(a) From and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment may be increased year by year not more than five percent (5%) above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment may be increased above five percent (5%) by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

Section 4. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS: In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement, of a capital improvement upon the said streets, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. NOTICE & QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTION 3 AND 4: Written notice of any meeting called for the purpose of taking any action authorized under Section 3 and 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the meeting.

No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6: RATE OF ASSESSMENT: Both annual, monthly and special assessments must be fixed at uniform rate for all Class A Lots, and Class B Lots, shall be fixed at twenty-five (25%) of the amount of the assessments upon all Class A Lots and may be collected on a monthly basis.

Section 7: DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS DUE DATES: The annual assessments provided for herein shall commence as to each Lot on the first day of the month following the conveyance of such Lot by DECLARANT. The Board of Directors shall fix the amount of the assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors, and, unless otherwise provided, the Association or its assigns shall collect each month from the owner of each Lot one-twelfth (1/12) of the annual assessment for such Lot. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessment on specified Lot have been paid. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 8: EFFECT OF NONPAYMENT OF ASSESSMENT - REMEDIES OF THE ASSOCIATION:

(a) **Delinquency:** Any assessment provided for in this Declaration shall be delinquent if not paid within 30 days from date due. With respect to each assessment not paid within thirty (30) days after its due date, the Association may, at its election, require the Owner to pay interest at the rate of ten percent (10%) per annum on such assessment.

(b) **Creation of Lien:** The amount of all delinquent regular and special assessment plus interest thereon and any expense reasonably incurred in collecting and/or enforcing such assessments, including reasonable attorney fees, shall be and become a lien upon the lot so assessed, which shall attach to the lot as of the time the Association causes to be recorded in the office of the County Clerk of Campbell County, Wyoming, a Notice of Assessment Lien, which shall state:

1. The amount of the delinquent assessment and such related charges as may be authorized by this Declaration;
2. The name of the Owner of record or reputed Owner of the lot;
3. A description of the lot against which the lien has been assessed.

The Notice shall be signed by two officers of the Association. The assessment lien shall also be deemed to secure all of the foregoing items which shall become due and/or incurred relative to the lot after the recordation of the Notice of Assessment Lien until the completion of the enforcement of the Lien or the payment of the full amount secured by the lien, or other satisfaction to be made in connection therewith. No proceeding or action shall be instituted foreclose the lien until notice of intention to proceed to foreclose the lien has been delivered by the Association to the Owner of the lot affected by the lien at least thirty (30) days prior to the commencement of any such action or proceeding. The assessment lien may be enforced by judicial foreclosure; provided, however, that said method of enforcement shall not be exclusive but shall be in addition to any other rights or remedies which the Owner or the Association may have by law or otherwise. The Association shall also have the right to bid at any such foreclosure sale and to hold, lease, mortgage and convey such lot upon its purchase. Upon payment of the full amount secured by an assessment lien, including all authorized charges in accordance with the foregoing, or upon any other satisfaction duly made in connection therewith, the Association shall cause to be recorded a notice setting forth the fact of such payment and/or satisfaction and of the release of the assessment lien. Any assessment lien as to any lot shall at all times be subject and subordinate to any first mortgage or deed of trust on the lots which is created in good faith and for value and which is recorded prior to the date of recordation of the assessment lien. Any second mortgages shall be subordinate to the assessment lien. In the event any assessment lien is destroyed by reason of the foreclosure of any prior mortgage or deed of trust on a lot, the interest in the lot of the purchaser at the foreclosure sale may be subjected to a lien to secure assessments levied on the lot in the same manner as provided above in this Article.

(c) **Curing of Default:** Upon the timely curing of any default for which a notice of claims or lien was filed by the Association, the officers of the Association are hereby authorized to file or record, as the case may be, an appropriate release of such notice, upon payment of the defaulting Owner, the payment of such other costs, interest or fees as shall have been incurred.

(d) **Cumulative Remedies:** The assessment lien and the rights to judicial foreclosure thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid assessments, as above provided.

(e) **Mortgage protection clause:** No breach of the covenants, conditions or restrictions herein contained, nor any lien created hereby, shall defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but all of said covenants, conditions and restrictions shall be binding upon and effective against the Owner whose title is derived through foreclosure of trustee's sale, or otherwise.

Section 9: SUBORDINATION OF THE LIEN TO MORTGAGES: The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien. The sale or transfer of any lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall release such lot from liability for any assessments thereafter, becoming due or from the lien thereof.

Section 10: INSURANCE ASSESSMENTS: The Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain insurance for the buildings and improvements subject to the jurisdiction of the Association, excepting of course individually owned residences and other structures, against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement cost of any repair or construction work in the event of damage or destruction from any hazard, and shall also obtain a board from public liability policy covering all common area if any, and all damage or injury caused by the negligence of the Association or any of its agents. Said insurance may include coverage against vandalism. Premiums for all such insurance shall be common expenses.

In the event of damage or destruction by fire or other casualty to any property covered by insurance written in the name of the Association, The Board of Directors shall, with concurrence of the mortgagee if any, upon receipt of the insurance proceeds, contract to rebuild or repair such damaged or destroyed portions of the property to as good condition as formerly. All such insurance proceeds shall be deposited in a bank or other financial institution, the accounts of which bank or institution are insured by a Federal governmental agency, with the provision agreed to by said bank or institution that such funds may be withdrawn only by signature of at least one-third (1/3) of the members of the Board of Directors, or by an agent duly authorized by the Board of Directors. The Board of Directors shall advertise for sealed bids with any licensed contractor, and then negotiated with any contractor who shall be required to provide a full performance and payment bond for the repair, reconstruction or rebuilding of such destroyed building, buildings or other improvements. In the event the insurance proceeds are insufficient to apply all the costs of repairing and/or rebuilding the same condition as formerly, the Board of Directors shall levy a special assessment against all owners in such proportions as the Board of Directors deem fair and equitable in the light of the damage sustained to make up any deficiency. In the event such insurance proceeds exceed the cost of repair and construction, such excess shall be retained by the Association.

ARTICLE VII

The Board of Directors may in its discretion appoint a Management Committee composed of three (3) or more representatives, one (1) Board member and two (2) owners to supervise the management of the maintenance and preservation of the streets and related facilities hereto.

The DECLARANT may appoint a three member committee as an Architectural Control Committee. This committee shall have the responsibility for reviewing all plans for construction of buildings and other improvements and making such other decisions as are required by the terms, provisions and conditions of this declaration, provided that, in any event, when the last lot which is subject to this declaration has been sold by the seller, the term of the designated members of the Architectural Control Committee shall automatically be terminated and the appointment of successors required in accord with the following paragraph:

The Committee shall be known as the Architectural Control Committee and the members thereof shall serve until their successors are appointed by replacement by the Board. Subject to the right of a majority of the owners, a majority of the members of the Architectural Control Committee, in the event of the death or resignation of any member of the committee, designate a successor. Changes from time to time of the names of the Architectural Control Committee shall be authenticated by the filing of a memorandum of agreement to these protective Covenants with the County Clerk, Campbell County, Wyoming.

The Committee shall not be entitled to compensation for services performed pursuant to this covenant.

A decision by the Architectural Control Committee shall be made within fifteen (15) days after the date of submission to it of any proposed construction or requirement for the approval by an owner or someone in his behalf. In the event that no decision is made within said time, the party submitting the request for consideration may consider that an approval has been obtained by the Committee.

Neither the Architectural Control Committee, its members nor its successors or assigns, shall be liable in damages to anyone by reason of any mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to make any approval pursuant to the provisions of this declaration.

The Architectural Control Committee is to be composed of the following persons: Ronald T. A. Derksen, Lowrance Horn and Tim Hofer, Gillette, Wyo.

ARTICLE VIII CAMPBELL COUNTY COMMISSIONERS

Pursuant to the Subdivision Regulation of Campbell County, Wyoming, in the event the Association shall fail to maintain the streets in a reasonable order and condition in accordance with the original plan submitted with the final subdivision plat, the Board of County Commissioners may serve written notice upon such organization or upon residents involve, setting forth the manner in which the Association has failed to maintain the facility in a reasonable condition, and said notice shall include a demand that such deficiencies of

maintenance be corrected within thirty (30) days thereof, which shall be held within fourteen (14) days of the notice. At such hearing the County may modify the terms of its original notice as to the deficiencies, and may give an extension of time within which they shall be corrected. If the deficiencies set forth in the original notice or in the modifications thereof are not corrected within said thirty (30) days or any extension thereof, the County, in order to preserve the taxable values of the property contained within the subdivision, and to present the facilities from becoming a public nuisance and public liability, may undertake to maintain the same for a period of one (1) year. Before the expiration of said year, the County, upon its initiative or upon the written request of the Association therefore responsible for the maintenance of the facility, call a public hearing upon notice to such Association and to the residents involved, to be held by the Board of County Commissioners, at which hearing such Association and/or the residents shall show cause why such maintenance by the County shall not, at the election of the county, continue for a succeeding year. If the Board of County Commissioners shall determine that such Association is ready and able to maintain said common facility in a reasonable condition, the county shall cease to maintain said facility at the end of said year.

The cost of such maintenance by the County shall be paid by the owners of the properties within the subdivision that have a right to enjoyment of use of the facility involved and any unpaid assessments shall become a tax lien in the office of the County Clerk upon the property of affected by such lien within the subdivision, and shall certify such unpaid assessments to the County Treasurer for collection, enforcement and remittance of general property taxes in the manner provided by law.

The Association may not be dissolved without the prior permission of the Board of County Commissioners.

ARTICLE IX GENERAL PROVISIONS

Section 1. ENFORCEMENT: The Association or any owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereinafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. SEVERABILITY: Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. AMMENDMENT: The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorder, after which time they shall be automatically extended for successive periods shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners. Any amendment must be recorded in the Office of the Campbell County Clerk.

Section 4: FHA/VA APPROVAL: As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, or amendment of this Declaration of Covenants, Conditions and Restrictions.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto sat its hand and seal this 13 day of 11th 1951

Ronald T. A Derksen

Ronald T. A. Derksen
Ronald T. A. Derksen, Developer

STATE OF WYOMING)
COUNTY OF CAMPELL)

The foregoing instrument was acknowledged before me this 13 day of 11th 19 51.

NORMA DERKSEN, Notary Public
County of Campbell State of Wyoming
My Commission Expires June 30, 1953

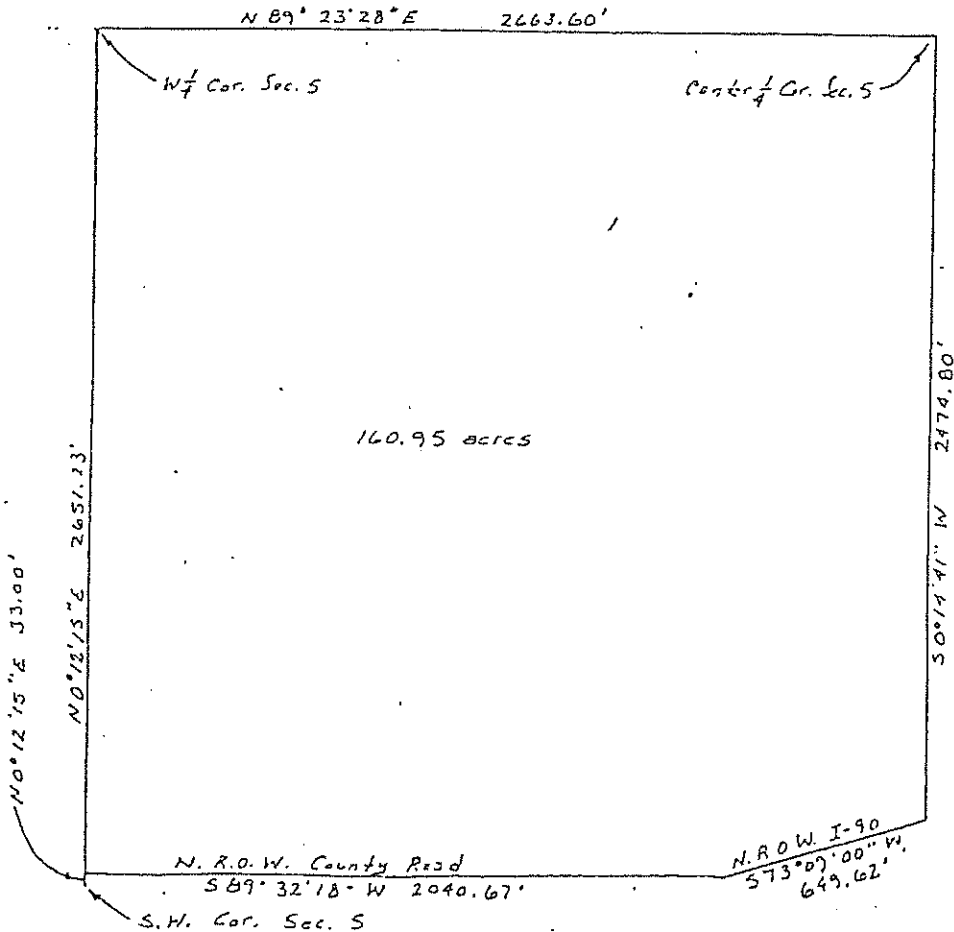
Norma Derksen
Notary Public

My Commission Expires: June 30, 1953

A tract of land in the Southwest quarter of Section 5, Township 49 North, Range 73 West of the Sixth Principal Meridian, Campbell County, Wyoming being more particularly described as follows:

Commencing at the Southwest corner of Section 5, T49N, R73W, 6th P.M.; thence N 0°12'15" E along the line common to Sections 5 and 6 a distance of 33.00 feet to the TRUE POINT OF BEGINNING; thence N 0°12'15" E along the line common to Sections 5 and 6 a distance of 2651.23 feet to the west quarter corner of Section 5; thence N 89°23'28" E along the east-west centerline of Section 5 a distance of 2663.60 feet to the center quarter corner of Section 5; thence S 0°14'41" W along the north-south centerline of Section 5 a distance of 2474.80 feet to the point of intersection with the north right-of-way of Interstate Highway 90; thence S 73°09'00" W along said right-of-way line a distance of 649.62 feet to the point of intersection with the north right-of-way of the County Road; thence S 89°32'18" W along said County Road right-of-way a distance of 2040.67 feet to the point of beginning.

Said tract containing 160.95 acres more or less.



BY-LAWS OF EIGHT MILE SUBDIVISION HOME OWNER'S ASSOCIATION

ARTICLE I Book 555 of Photos, Page 96

NAME AND LOCATION. The name of the corporation is EIGHT MILE SUBDIVISION HOME OWNER'S ASSOCIATION, INC., HEREAFTER REFERRED TO AS THE "Association". The principal office of the corporation shall be located at 2300 Country Club Rd., Gillette, Wyoming, but the meeting of members and directors may be held at such places within the State of Wyoming, County of Campbell, as may be designated by the Board of Directors.

ARTICLE II DEFINITIONS

- Section 1.** "Association" shall mean and refer to EIGHT MILE SUBDIVISION HOME OWNER'S ASSOCIATION, INC., a non-profit Wyoming Corporation, its successors and assigns.
- Section 2.** "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.
- Section 3.** "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the streets.
- Section 4.** "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.
- Section 5.** "Declarant" shall mean and refer to Ronald T. A. Derksen, his successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.
- Section 6.** "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions applicable to the Properties recorded in the Office of the County Clerk and Recorder of Campbell County.
- Section 7.** "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III

- Section 1. Annual Meetings.** The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 8:00 pm. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.
- Section 2. Special Meetings.** Special Meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.
- Section 3. Notice of Meetings.** Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 30 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of special meeting, the purpose of the meeting.
- Section 4. Quorum.** The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.
- Section 5. Proxies.** At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE IV BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

- Section 1. Number.** The affairs of this Association shall be managed by a Board of nine (9) directors, who need not be members of the Association.
- Section 2. Term of Office.** At the first annual meeting the members shall elect three directors for a term of one year, three directors for a term of two years and three directors for a term of three years; and at each annual meeting thereafter the members shall elect three directors for a term of three years.
- Section 3. Removal.** Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.
- Section 4. Compensation.** No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.
- Section 5. Action taken without a meeting.** The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

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Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nomination Committee. Nominations may also be made from the floor at the annual meeting. The Nomination Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

(d) declare the office of member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(e) and employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth ($\frac{1}{4}$) of the Class A members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

1) fix the amount of the annual assessment against each Lot at least Thirty (30) days in advance of each annual assessment period;

2) send written notice of each assessment to every Owner subject thereto at least (30) days in advance of each annual assessment period; and

3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of who shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President (a) the president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President (b) The vice-president shall act in the place and instead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary (c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer (d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X BOOKS AND RECORDS

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 10 percent (10%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, cost, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his lot.

ARTICLE XII CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words:

ARTICLE XIII AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of seventy-five (75%) percent majority of eligible members, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B Membership.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIV MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first year shall begin the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of the EIGHT MILE SUBDIVISION HOME OWNER'S ASSOCIATION, INC., have hereunto set our hands this 13 day of March, 1981.

Ronald T. D. Derksen
Norma J. Derksen

CERTIFICATION

I, the undersigned do hereby certify:

THAT I am the duly elected and acting secretary of the EIGHT MILE SUBDIVISION HOMEOWNER'S ASSOCIATION, INC., a Wyoming Corporation, and,

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 13 day of March, 1981.

Norma J. Derksen
Norma J. Derksen, Secretary

ARTICLES OF INCORPORATION OF EIGHT MILE SUBDIVISION HOME OWNER'S ASSOCIATION

In compliance with the requirements of 17-6-101, ex sequitor, the undersigned, all of whom are residents of the EIGHT MILE SUBDIVISION and all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I

The name of the corporation is Eight Mile Subdivision Home Owner's Association, Inc., hereafter called the "Association".

ARTICLE II

The registered agent's name is Ronald T. A. Derksen and his address is 2300 Country Club Rd., Gillette, Wyoming, 82716. The principal office of the Association is located at 2300 Country Club Rd., Gillette, Wyoming, 82716.

ARTICLE III PURPOSE AND POWERS OF THE ASSOCIATION

This association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence Lots and Streets within that certain tract of property described as: the southwest quarter of Section 5, T4N, R7E, 6th P.M., Campbell County, Wyoming and to promote the health, safety and welfare of the residents within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declarant", applicable to the property and recorded or to be recorded in the Office of the County Clerk and Recorder of Campbell County and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in Connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) borrow money, and with the assent of two-thirds (2/3) of each class of members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) participate in mergers and consolidations with the nonprofit corporations organized for the same purposes or annex additional residential property provided that a y such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members;

(f) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation law of the State of Wyoming by law may now or hereafter have or exercise.

ARTICLE IV

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by cove ants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE V VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A: Class A members shall be all owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B: The Class B member (s) shall be the Declarant (as defined in the Declaration,) and shall be entitled to three (3) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) on December 31, 1982.

ARTICLE VI BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of nine (9) Directors, who need not be members of the Association. The number of directors may be changed by amendment of the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

<u>Kenneth A. Dorkson</u>	<u>7360 Country Club Rd</u>
<u>Thomas R. Dorkson</u>	<u>2307 Country Club Rd</u>

At the first annual meeting the members shall elect three directors for a term of one year, three directors for a term of two years and three directors for a term of three years; and at each annual meeting thereafter the members shall elect three directors for a term of three years.

ARTICLE VII DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members, and the prior approval of the Campbell County Board of commissioners. Upon dissolution of the Association, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed, and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

The corporation shall exist perpetually.

ARTICLE IX AMMENDMENTS

Admendment of these Articles shall require the assent of 75 percent (75%) of the entire membership.

ARTICLE X FHA/VA APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers and consolidations, dissolution and amendment of these Articles.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Wyoming, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 13 day of May, 1981.

Ronald T. A. Derksen
Ronald T. A. Derksen

STATE OF WYOMING)
COUNTY OF CAMPBELL) SS

The foregoing instrument was acknowledged before me this 13 day of May 1981 by Ronald T. A. Derksen.

Notary Public
County of Campbell State of Wyoming
My Commission Expires June 30, 1983

Norman E. Addison
Notary Public
June 30, 1983

STATE OF WYOMING)
Campbell County) ss.

Filed for record this 14th day of May A. D., 1981 9:04 o'clock A M. and recorded in Book 555
of Photos on page 88 Fees \$ 30.00

Clarence E. Addison
County Clerk and Ex-Officio Register of Deeds

RECORDED
ABSTRACTED ✓
INDEXED ✓
CHECKED ✓

By Anthony P. [Signature]
Deputy

455885

