

RECORDED	NOV 6 - 1981	AS 113A
IN BOOK 725	PAGE 1625	GREEN RIVER, WYO.
NO. 862051	ALBERT G. PRESCO, COUNTY CLERK	

1625

DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
(The Bluffs Townhomes)

THIS DECLARATION, made as of the 27th day of October, 1981 by SV COMPANY, INCORPORATED, an Idaho corporation, hereinafter referred to as "Declarant."

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain property in the City of Rock Springs, County of Sweetwater, State of Wyoming, which is more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the "Property").

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 Property and be binding on all parties having any right, title or interest in the Property or any part thereof,

their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to The Bluffs Townhomes Owners Association, a nonprofit Wyoming corporation, its successors and assigns.

Section 2. "Board" means the Board of Directors of the Association.

Section 3. "Owner" shall mean and refer to a person or entity, including Declarant, holding a record ownership interest in a Lot (as hereinafter defined); the term "Owner" shall include contract sellers, but exclude those having such interest merely as security for the performance of an obligation.

Section 4. "Property" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be made subject to the terms of this Declaration, as hereinafter provided for.

Section 5. "Common Areas" shall mean all real property including the improvements thereto owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of conveyance of the first Lot is more particularly described on Exhibit B attached hereto and incorporated herein by this reference.

Section 6. "Lot" shall mean and refer to any plot of land shown on any recorded subdivision map of the Property with the exception of the Common Area.

Section 7. "Declarant" shall mean and refer to S V Company, Incorporated, an Idaho corporation, its successors and assigns if such successors or assigns should acquire more than six Lots from the Declarant for the purpose of resale.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a non-exclusive right and easement for the use and enjoyment of the Common Areas which shall be

appurtenant to and shall pass with the title to every Lot, and which right and easement shall be subject to the following provisions:

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility hereafter situated upon the Common Areas;

(b) the right of the Association to limit the number of guests and to adopt Association rules and regulations regulating the use and enjoyment of the Common Areas;

(c) subject to the provisions of Section 3 of this Article II, the right of the Association to assign, rent, license or otherwise designate and control the use of parking spaces within the Common Areas;

(d) the right of Declarant, its agents, designees, successors and assigns over, across, under and through the Property, free from obstruction or barrier, for ingress and egress to and from public streets and adjacent real property now or formerly owned by Declarant,

and for the installation, maintenance and repair of utility services (including, without limitation, water, electric power, gas, cable television, sanitary sewer and storm sewer) for the benefit of the Property or other property now or formerly owned by Declarant;

(e) as provided for in Article X of these Declarations, the right of an Owner to use the Common Areas immediately adjacent to the site of his Lot to effect restoration of casualty damage to such Lot;

(f) the right of the Association or its agents to enter any Lot to perform its obligations under this Declaration, including construction, maintenance or repair for the benefit of the Common Areas or the Owners in common, or the undertaking of necessary repairs which an Owner fails to perform -- such rights shall be immediate, in the event of an emergency originating in or threatening any such Lot, and may be exercised whether or not the Owner has authorized such entity; and

(g) the right of the Association, to dedicate or transfer all or any part of the Common Areas 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 agreeing to such dedication or transfer signed by two-thirds of each class of members has been recorded.

16.30

H. Easements for encroachment. If any portion of the general common elements encroaches upon a unit or units, garage or garages, a valid easement for the encroachment and for the maintenance of the same, so long as it stands, shall and does exist. If any portion of a unit or garage encroaches upon the general common elements, or upon an adjoining unit or units, garage or garages, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. Such encroachments and easements shall not be considered or determined to be encumbrances either of the general common elements or on the units or garages for purposes of marketability of title.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws of the Association, the right of enjoyment to the Common Areas and any facilities thereon to the members of such Owner's family, tenants, or contract purchasers who reside on the lot.

Section 3. Parking Rights. Ownership of each Lot shall entitle the Owner thereof to the use of not more than two automobile parking spaces, which shall be in the Common Areas as near and convenient to said Lot as reasonably possible, together with the right of ingress and egress in and upon said parking area. The Association shall hereafter assign and designate one or two vehicle parking spaces for each Lot.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

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 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.

Class B. The Class B member 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 first occurs:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(b) four years following the date of the closing of the sale of the first Lot by Declarant to any other Owner.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorneys' 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, costs, and

reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assignment 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 to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Twenty Dollars (\$20.00) per Lot.

(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 effective January 1 of each year without a vote of the membership in conformance with the rise, if any, of the Consumer Price Index (published by the Department of

Labor, Washington, D. C.) for the one-year period ending with the preceding month of July.

(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 that established by the Consumer Price Index formula by a vote of the members for the next succeeding three years and at the end of each such period of three years, for each succeeding period of three years, provided that any such change 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, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

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 Common Area, 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. Assessment Period. The regular assessment period shall commence on January 1 of each year and shall terminate on December 31 of such year, and regular assessments shall be payable in equal monthly installments, unless the Board adopts some other basis for collection. Provided, however, that the initial regular assessment period shall commence on the first day of the calendar month following the date on which the sale of the first Lot to a purchaser is closed and recorded (the "initiation date") and shall terminate on December 31 of the year in which such initial sale is closed and recorded. Unless the Board adopts some other basis for collection, the first regular assessment and

all special assessments shall be adjusted according to the number of months remaining in the fiscal year and shall be payable in equal monthly installments.

Section 6. Uniform Rate of Assessment. Except as otherwise provided for in this Declaration, both regular and special assessments must be fixed at a uniform rate for all Lots.

Section 7. Assessments for Blanket Insurance. Notwithstanding any provision of this Article IV to the contrary, if the Association elects to obtain and maintain blanket policies of fire and casualty insurance on the units on the Lots on the Property as provided for in Section 3 of Article IX of this Declaration, then:

(a) the assessments for the premiums for such insurance may be allocated among the Lots in proportion to the insurable value of the improvements constructed on each Lot and the provisions of this Article IV requiring equal assessments shall not apply to such allocation; and

(b) the entire cost to the Association for the premiums for such blanket insurance may be assessed to the improved Lots as aforesaid, notwithstanding any provision of this Article IV, limiting the amount of any annual assessment or limiting the percentage increase thereof.

Section 8. Estoppel Certificates. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

Section 9. Effect of Nonpayment of Assessments:
Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of the lesser of ten percent (10%) per annum or the highest rate permitted by law. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot. No Owner may waive or otherwise escape

liability for the assessments provided for herein by non-use of the Common Areas or abandonment of such Owner's Lot.

Section 10. Subordination of the Lien to Mortgages.

(a) 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. However, 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 relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

(b) The lien of the assessments provided for herein shall be subordinate to the lien of any purchase money loan evidenced by a first mortgage of record (including deed of trust) and to any executory land sales contract wherein the Administrator of Veterans Affairs (Veterans Administration) is seller, whether such contract is owned by the Veterans Administration or its assigns, and whether such contract is recorded or not.

Sale or transfer of any Lot shall not affect the lien for said assessment charges except that sale or transfer of any Lot pursuant to foreclosure of any such mortgage or any such executory land sales contract, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture of any such executory land sales contract shall extinguish the lien of assessment charges which became due prior to any such sale or transfer, or foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture of any such executory land sales contract. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture of any such executory land sales contract shall relieve any Lot from liability for any assessment charges thereafter becoming due, nor from the lien thereof.

ARTICLE V

EXTERIOR MAINTENANCE

In the event an Owner of any Lot in the Property shall fail to maintain the exterior of his residence in a manner satisfactory to the Board, the Association, after

approval by two-thirds (2/3) vote of the Board, shall have the right, through its agents and employees, to repair, maintain and restore the exterior of such residence. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

ARTICLE VI
PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the residences on the Lots and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty.

If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Waterproofing. Notwithstanding any other provision of this Article, an Owner who by negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs With Land.

The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the real property and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and

such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE VII
ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change or alteration therein be made to any Lot until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VIII
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RESTRICTIONS ON USE AND OCCUPANCY

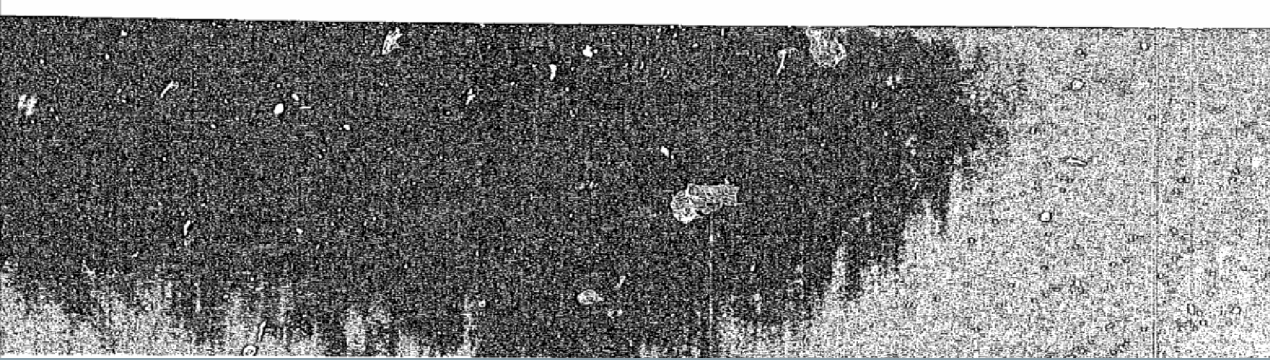
Section 1. Residential Use. Lots shall be used only for residential purposes. Provided, however, that for a period of five years from the date of recordation of this Declaration, Lots owned by Declarant may be used by Declarant or its designees as models, sales offices and construction offices for the purpose of developing, improving and selling Lots. Nothing in this Declaration shall prevent an Owner from leasing or renting his Lot; provided; however, that no Owner shall rent, lease or let his Lot for transient or hotel purposes. Each and every lease or rental agreement shall be in writing and shall provide that each and every tenant shall abide by and be subject to all provisions of this Declaration, and the Articles of Incorporation, By-Laws and rules of the Association, and failure to abide by such provisions shall constitute a default under the lease or rental agreement.

Section 2. Commercial Use. Except as otherwise provided in this Declaration, no part of the Property shall be used, or caused, allowed or authorized to be used in any way, directly or indirectly, for any business, commercial,

manufacturing, mercantile, storing, vending or other non-residential purpose.

Section 3. Maintenance. An Owner shall be responsible for maintaining his Lot and the interior and exterior of the improvements thereon, in a clean, sanitary, attractive and fully operative condition. An Owner shall have complete discretion as to the choice of furniture, furnishings and interior decorating placed in or done to his residence; provided, however, that windows may be covered only by drapes or shades and shall not be painted or covered by foil, cardboard or any other similar material. Each Owner shall have the exclusive right to paint, repaint, tile, wax, paper or otherwise refinish the interior and exterior surfaces of the walls, ceilings, floors, windows and doors bounding the residence on his Lot.

Section 4. Oil Drilling. No oil drilling, oil development or operations, oil refining, quarrying or mining operations of any kind shall occur on or at the Property and no oil wells, tanks, tunnels or mineral excavations or shafts shall be located on the surface of the Property or within five hundred feet below the surface of the Property. No derrick or other structure designed for use in boring for



water, oil or natural gas shall be erected, maintained or otherwise located at the Property.

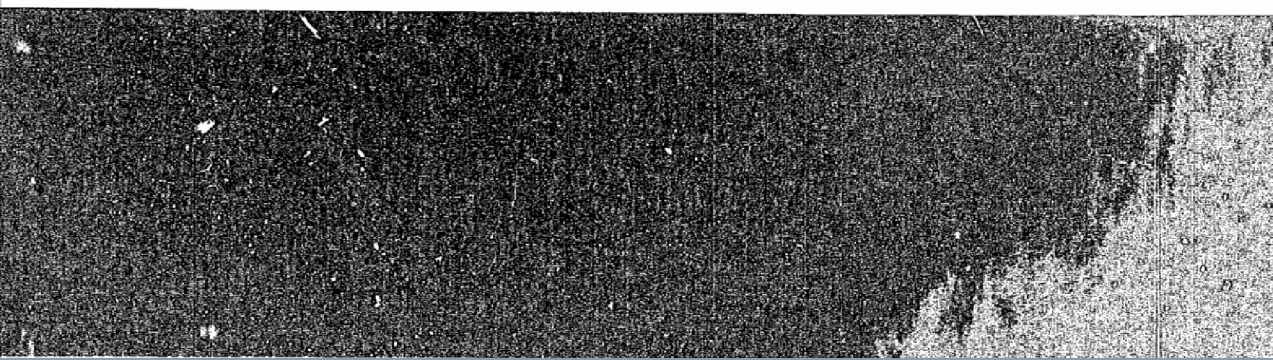
Section 5. Offensive Conduct and Nuisances. No noxious or offensive activities, including but not limited to the repair of automobiles or other motorized vehicles, shall be carried on at the Property. Nothing shall be done at the Property that may be or may become an annoyance or nuisance or to which in any way interferes with the quiet enjoyment of occupants of the Lots. Unless otherwise permitted by the Association, no Owner shall serve food or beverages, cook, barbecue or engage in similar activities, except within his Lot or within those portions, if any, of the Common Areas designated for such activities by the Board.

Section 6. Signs. An Owner shall have the right to display from his Lot a sign of reasonable dimensions advertising the sale of that Lot. Provided, however, that no signs of any other kind shall be displayed to the public view on or from any Lot or the Common Area without the approval of the Board, except such signs as may be used by the Declarant or its designees for a period of five years from the date of recordation of this Declaration for the purpose of developing, selling and improving the Lots.

Section 7. Antennae and External Fixtures. No television or radio poles, antennae, flag poles, clothes-lines or other external fixtures and any replacements thereof, shall be constructed, erected or maintained in the Common Areas or in any balcony area of any Lot. No wiring, insulation, air-conditioning, or other machinery or equipment and any replacements thereto, shall be constructed, erected or maintained in the Common Areas.

Section 8. Fences. No fences, awnings, ornamental screens, screen doors, sunshades or walls of any nature shall be erected or maintained anywhere at the Property except that which is installed in accordance with the original construction of the Property, and replacements thereto, or as are authorized and approved by the Board.

Section 9. Animals. No animals, reptiles, rodents, birds, fish or livestock of any kind whatsoever shall be kept anywhere at the Property; provided, however, that domestic dogs, cats, fish, and birds inside bird cages, may be kept as household pets within a residence if they are not kept, bred or raised for commercial purposes; but further provided that the Board may prohibit the keeping of any such pet that constitutes a nuisance to any other Owner. Each



person bringing or keeping an animal at the Property shall be liable to Owners, their family members, guests, invitees, tenants and contract purchasers, and their respective family members, guests and invitees, for any damage to persons or property caused by any animal brought on or kept at the Property by such person or by members of his family, his guests or invitees.

Section 10. Trash Disposal. Trash, garbage or other waste shall be kept only in sanitary containers. No Owner shall permit or cause any trash or refuse to be kept on any portion of the Property other than in the receptacles customarily used for it, which shall be located only in places specifically designated for such purpose.

Section 11. Outside Drying and Laundering. No exterior clothesline shall be erected or maintained, and there shall be no exterior drying or laundering of clothes on balconies or in other areas.

Section 12. Compliance With Laws. Nothing shall be done or kept in any Lot or in the Common Areas which might increase the rate of, or cause the cancellation of, any insurance on all or any portion of the Property, without the prior

written consent of the Board. No Owner shall permit anything to be done or kept in his Lot which violates any law, ordinance, statute, rule or regulation of any local, county, state or federal government or agency thereof. No Owner shall allow furniture, furnishings or other personalty belonging to him to remain within any portion of the Common Areas except such portions as are subject to exclusive easements appurtenant to the Owner's Lot and except as may otherwise be permitted by the Board.

Section 13. Indemnification. An Owner shall be liable to the Association for any damage to the Common Areas that may be sustained by reason of his negligence or that of members of his family, his contract purchasers, tenants, guests or invitees, to the extent that any such damage is not covered by insurance. An Owner, for himself and for the members of his family, his contract purchasers, tenants, guests and invitees, shall indemnify the Association and each and every Owner, and hold them harmless from, and defend them against, any claim of any person for personal injury or property damage occurring within his Lot, unless the injury or damage occurred by reason of the negligence of any other Owner or person temporarily in such Lot, or unless the injury or damage is fully covered by insurance.

Section 14. Owner's Obligation For Taxes. To the extent allowed by law, each Lot shall be separately assessed and taxed in order that all taxes, assessments and charges which may become liens shall relate only to an individual Lot and not to the Property as a whole. An Owner shall be obligated to pay any taxes or assessments assessed against his Lot and against his personal property.

Section 15. Future Construction. Nothing in this Declaration shall limit the right of Declarant, its affiliates, successors and assigns, to construct improvements on the Common Areas or in Lots owned by Declarant, to alter the Common Areas or such Lots, or to construct additional improvements as Declarant deems advisable before the sale of all the Lots. Declarant may assign its rights in this Declaration to any successor to all or any part of the Declarant's interest as developer of the Property.

Section 16. Enforcement. The failure of any Owner or the Association to comply with any provision of this Declaration, or the Articles of Incorporation, By-Laws or rules the Association shall give rise to a cause of action in the Association and any aggrieved Owner for the recovery of damages, for injunctive relief, or both.

ARTICLE IX
INSURANCE

Section 1. Liability Insurance. The Association shall obtain and maintain comprehensive public liability insurance insuring the Association, any manager, the Declarant, the Owners, other occupants of Lots, their respective family members, guests and invitees, and the agents and employees of the Association and Declarant, against any liability incident to the ownership or use of the Common Areas. Such insurance shall include a cross-liability or severability of interest endorsement insuring each insured against liability to each and every other insured. The limits of such insurance shall not be less than One Million Dollars covering all claims for death, personal injury and property damage arising out of a single occurrence. Such insurance shall include coverage against liability for water damage, damage to non-owned and hired automobiles, damage to the property of others, and any other liability of risk customarily covered with respect to projects similar in construction, location and use.

Section 2. Casualty Insurance on Insurable Common Area. The Association shall keep all insurable improvements

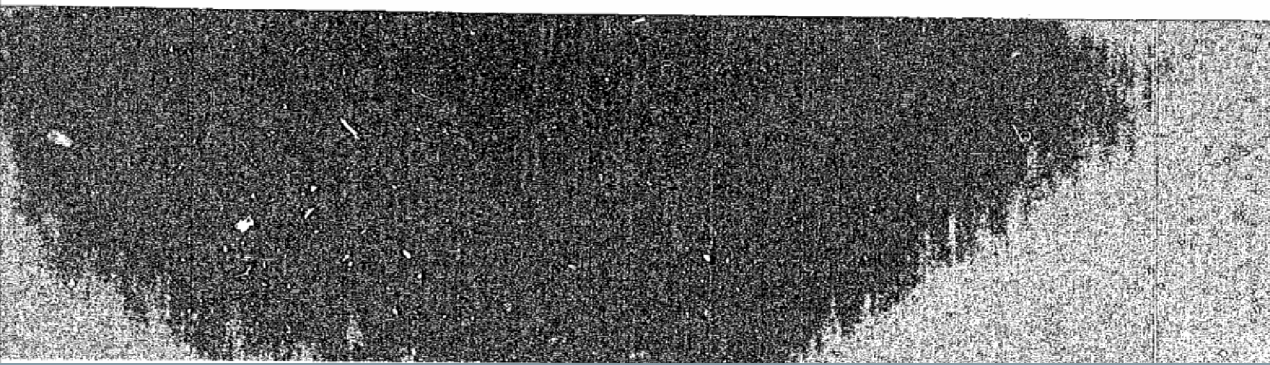
and fixtures of the Common Area insured against loss or damage by fire for the full insurance replacement cost thereof, and may obtain insurance against such other hazards and casualties as the Association may deem desirable. The Association may also insure any other property whether real or personal, owned by the Association, against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance. The insurance coverage with respect to the Common Area shall be written in the name of, and the proceeds thereof shall be payable to, the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are common expenses included in the annual assessments made by the Association.

Section 3. Blanket Insurance on Improved Lots.

In addition to casualty insurance on the Common Area, the Association, through the Board of Directors, may elect to obtain and continue in effect, on behalf of all Owners, adequate blanket casualty and fire insurance in such form as the Board of Directors may deem appropriate in an amount equal to the full replacement value, without deduction for

depreciation or coinsurance, of all of the Lots, including the structural portions and fixtures thereof, owned by such Owners. Insurance premiums from any such blanket insurance coverage, and any other insurance premiums paid by the Association shall be a common expense of the Association to be included in the regular annual assessments of the Owners, as levied by the Association. The insurance coverage with respect to the Lots shall be written in the name of, and the proceeds thereof shall be payable to, the Association as Trustee for the Owners.

Section 4. Replacement or Repair of Property. In the event of damage to or destruction of any part of the Common Area Improvements, the Association shall repair or replace the same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the costs of repair or replacement of the property damaged or destroyed, the Association may make a Reconstruction Assessment against all Owners to cover the additional cost of repair or replacement not covered by the insurance proceeds, in addition to any other annual or special assessments made against such Owner.



In the event that the Association is maintaining blanket casualty and fire insurance on the residences on the Lots in the Properties, the Association shall repair or replace the same from the insurance proceeds available.

Section 5. Annual Review of Policies. All insurance policies shall be reviewed at least annually by the Board of Directors in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the property which may have been damaged or destroyed.

Section 6. Other Insurance. The Board may cause the Association to purchase and maintain demolition insurance in amounts adequate to cover demolition in the event that any Lot or Lots or other improvements at the Property are not rebuilt upon their total or partial destruction. The Association shall purchase and maintain worker's compensation insurance, to the extent required by law, for all employees at the Property. The Association shall purchase and maintain fidelity bonds or insurance in an amount not less than 150% of each year's estimated annual operating expenses and reserves, and which shall contain an endorsement of coverage for any person who may serve without compensation. The

Association shall purchase and maintain insurance on property owned by the Association, and any other insurance which it deems necessary.

Section 7. Unavailability of Insurance. If any of the insurance provided for in this Declaration to be obtained by the Association should, after diligent effort by the Association, be unobtainable through no act or omission on the part of the Association, and if the Association shall in such case obtain the maximum insurance obtainable and promptly give notice to the Owners of the extent of the Association's inability to obtain any insurance required to be maintained hereunder, then the failure of the Association to obtain and maintain such insurance as is unobtainable as aforesaid shall be excused.

Section 8. Owner's Liability Insurance. An Owner may carry personal liability and property damage liability insurance with respect to his Lot, provided that any such policy of insurance shall include a waiver of subrogation rights clause.

ARTICLE X
DESTRUCTION OF IMPROVEMENTS

Section 1. Restoration. In the event that any residence on a Lot is totally or partially destroyed by fire or other casualty, then except as provided for in Section 2 below, the Owner thereof shall promptly repair and restore such residence, regardless of the adequacy of insurance proceeds available to such Owner. Such repair and restoration shall be commenced not less than sixty (60) days following such casualty and shall be diligently prosecuted thereafter until complete, with the residence restored to substantially its original condition and design (or with such deviations therefrom as may have been approved by the Board). During such repair and restoration, such Owner and his agents, contractors and subcontractors shall have the right to use the Common Areas immediately adjacent to such Lot in order to effectuate such reconstruction.

Section 2. Right to Repair and Abandon. If one or more residences in a single building are totally or substantially totally destroyed by fire or other casualty, then if all of the Owners of the Lots containing residences in such building consent thereto, the Owner or Owners of such

Lot or Lots may elect to demolish such residences, including the foundations thereof, and repair and restore the exterior wall of any remaining residence or residences; provided, however, that the right to effect such demolition and repair and restoration, and the adequacy thereof, shall be subject to the approval of the Board.

ARTICLE XI

EXCLUSIONS AND LIMITATION

Section 1. Minerals and Mineral Rights. The Property excludes all minerals and mineral rights of every kind and character now known to exist or hereafter discovered, such minerals and mineral rights having been excepted and reserved by predecessors in title to Declarant.

Section 2. Subsidence. By accepting conveyance of title to each Lot, every Owner acknowledges and agrees that the subjacent support of the Property, including such Lot, may have been impaired by mining operations heretofore carried on beneath the surface thereof, and the sale and conveyance of each Lot is upon the condition that neither Declarant, its successors and assigns, nor the Association shall be liable for damage resulting therefrom.

ARTICLE VII
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 hereafter 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 wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. 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 recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration and the Plan may be amended during the first twenty (20) year period by an instrument signed by the Owners

of not less than ninety percent (90%) of the Lots, and thereafter by an instrument signed by the Owners of not less than seventy-five percent (75%) of the Lots. Any such amendment must be recorded.

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, dedication of Common Areas, and amendment of this Declaration or the Plan.

IN WITNESS WHEREOF, this Declaration has been executed by Declarant as of the date first above written.

SV COMPANY, INCORPORATED,
an Idaho corporation,
("Declarant")

STATE OF CALIFORNIA,

COUNTY OF Ventura

ss.

ON October 2, 19 81,

before me, the undersigned, a Notary Public in and for the said State, personally appeared

William C. Janss, Jr., known to me to be the

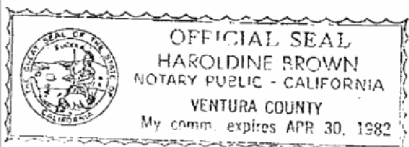
President, and Jane Young, known to me

to be the Secretary of

S V Company, Inc.,

the Corporation that executed the within Instrument, known to me to be the persons who executed the within Instrument, on behalf of the Corporation herein named, and acknowledged to me that such Corporation executed the within Instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.



Haroldine Brown
Haroldine Brown

NAME (TYPED OR PRINTED)
Notary Public in and for said State.

IN WITNESS WHEREOF, this Declaration has been
executed by Declarant as of the date first above written.

SV COMPANY, INCORPORATED,
an Idaho corporation,
("Declarant")

BY: William C. Jones

President

(attach acknowledgment)

1659

ATTEST:

James Young
Secretary

JOHNSON-FERMELIA AND CRANK, INC.
CONSULTING ENGINEERS AND LAND SURVEYORS

1661

LEGAL DESCRIPTION

November 4, 1981

DATE

740-0481

JFC JOB NUMBER

IDENTIFICATION: EXHIBIT "B" - PHASE I - TOWNHOME COMMON AREA
THE BLUFFS SUBDIVISION
Rock Springs, Wyoming

All of the following described area except that area lying under the townhomes, private yards and garages as shown on the attached sheet. The excepted area includes 5 townhome buildings with private yards having a combined area of 0.50 acres, and 5 garage buildings having a combined area of 0.15 acres, for a total area to be excluded of 0.65 acres.

A piece, parcel or tract of land located in the East Half (E 1/2) of Section 27, Township 19 North, Range 105 West of the 6th Principal Meridian, Rock Springs, Sweetwater County, Wyoming, being more particularly described as follows:

Commencing at a point which lies on the Northeasterly boundary of the Sweetwater County Road right-of-way as recorded in book 367, page 347, filed in the Office of Clerk and Recorder of Sweetwater County in Green River, Wyoming, said point being located North 22°31'10" West at a distance of 2497.30 feet from the Southeast corner of said Section 27;

Thence South 42°34'46" East along said Northeasterly boundary for a distance of 265.37 feet;

Thence North 47°25'16" East for a distance of 150.00 feet;

Thence North 42°34'44" West for a distance of 278.47 feet;

Thence North 52°33'53" West for a distance of 388.10 feet

Thence North 37°26'07" East for a distance of 30.00 feet;

Thence North 52°33'53" West for a distance of 59.78 feet;

Thence South 34°06'01" West for a distance of 197.65 feet;

Thence South 63°48'46" East for a distance of 88.79 feet;

Thence South 52°33'53" East for a distance of 336.20 feet to the point of beginning.

Said Townhome Common Area contains an area of 2.49 acres, more or less, and is subject to any easements and/or rights-of-way which have been legally acquired.



PREPARED BY:

Craig A. Shauers
Craig A. Shauers, WY R.L.S. #2928

JOHNSON-FERMELIA AND CRANK, INC.
CONSULTING ENGINEERS AND LAND SURVEYORS

1060

LEGAL DESCRIPTION

September 25, 1981

DATE

740-0481

JFC JOB NUMBER

IDENTIFICATION: EXHIBIT "A" - TOWNHOME AREA
THE BLUFFS SUBDIVISION
Rock Springs, Wyoming

A piece, parcel or tract of land located in the East Half (E 1/2) of Section 27, Township 19 North, Range 105 West of the 6th Principal Meridian, Rock Springs, Sweetwater County, Wyoming, being more particularly described as follows:

Commencing at a point which lies on the Northeasterly boundary of the Sweetwater County Road right-of-way as recorded in Book 367, Page 347, filed in the office of Clerk and Recorder of Sweetwater County in Green River, Wyoming; said point being located North 22°31'10" West at a distance of 2497.30 feet from the Southeast Corner of said Section 27;

Thence North 52°33'53" West for a distance of 336.20 feet;

Thence North 63°48'46" West for a distance of 88.78 feet;

Thence North 34°06'01" East for a distance of 357.94 feet;

Thence South 88°12' East for a distance of 207.50 feet;

Thence South 62°42' East for a distance of 338.50 feet;

Thence South 5°54' West for a distance of 263.00 feet;

Thence South 47°30' East for a distance of 444.00 feet;

Thence South 15°24' East for a distance of 67.48 feet;

Thence South 47°25'16" West for a distance of 332.97 feet;

Thence North 42°34'44" West for a distance of 643.37 feet to the Point of Beginning.

Said Townhome parcel contains an area of 10.38 acres, more or less, and is subject to any easements and/or rights-of-way which have been legally acquired.



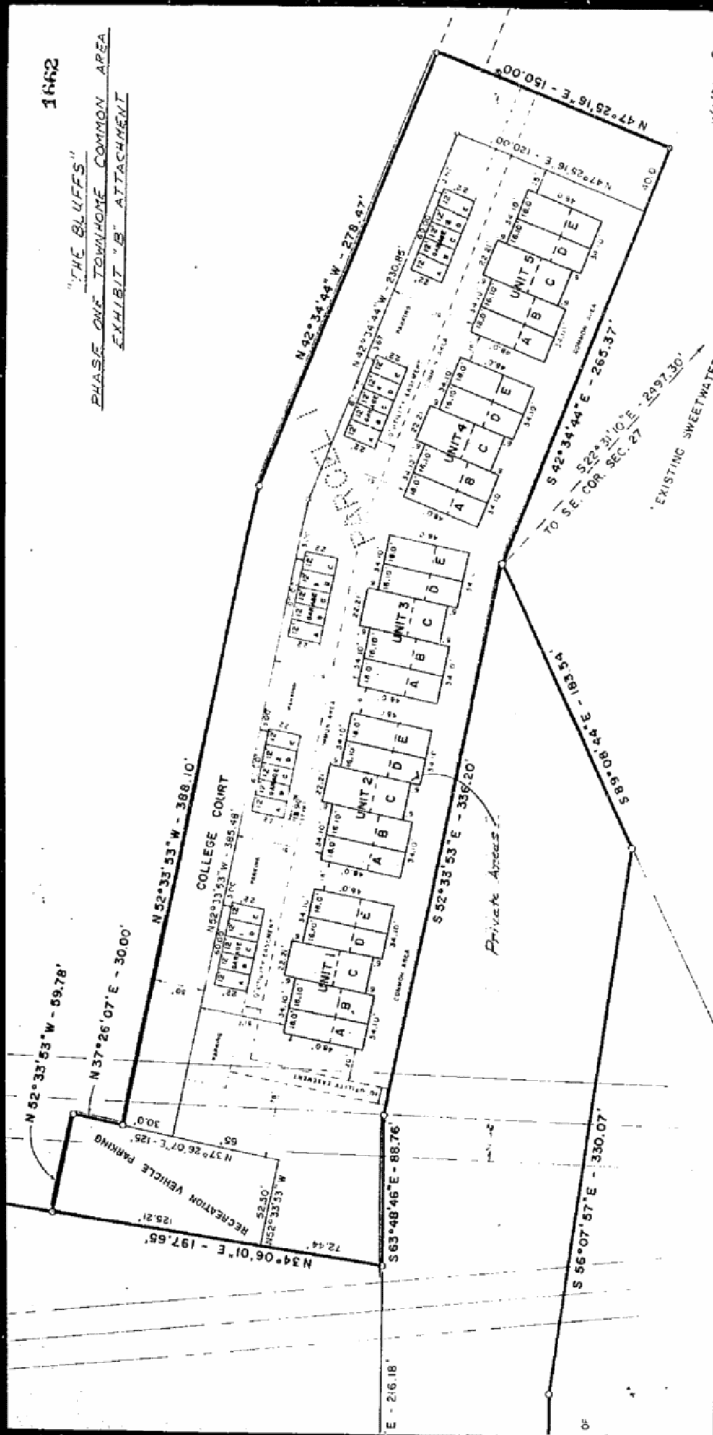
PREPARED BY:

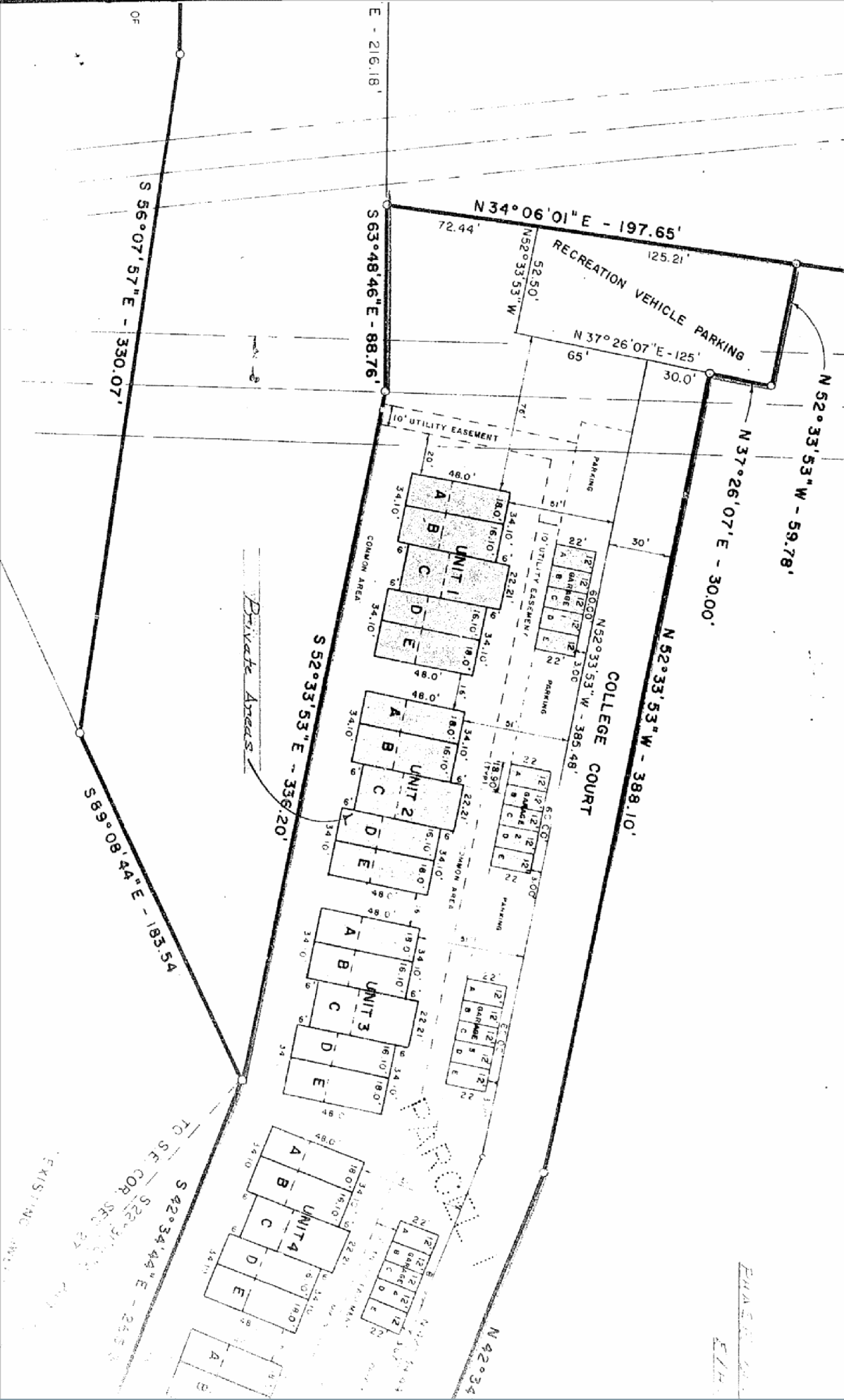
Craig A. Shauers

Craig A. Shauers, Wyo. R.L.S. No. 2928

1462

"THE BLUFFS"
PHASE ONE TOWNHOME COMMON AREA
EXHIBIT "B" ATTACHMENT





2662

"THE BLUEFS"

PHASE ONE TOWNHOME COMMON AREA
EXHIBIT "B" ATTACHMENT

