

RECORDED	SEP 19 1988	AM 4:30 P M
IN BOOK	293	PAGE 1696-1705
GREEN RIVER, WYO		
NO. 1031475	ALBERT B VESGO, COUNTY CLERK	

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
CONCERNING WATER SYSTEM FOR THE GAENSSLEN SUBDIVISION,
BEING PART OF LOT 8 AND PART OF THE SW/4SE/4 OF
SECTION 36, TOWNSHIP 19 NORTH, RANGE 108 WEST OF THE
6TH P.M., SWEETWATER COUNTY, WYOMING

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made this 2nd day of September, 1988, by Helen L. Gaensslen, a single person, John V. Gaensslen and Jane Gaensslen, husband and wife, Charles E. Lee and Nona K. Lee, husband and wife, Henry L. Harsha and Mary C. Harsha, husband and wife, and Patrick S. Gaensslen and Carmen B. Gaensslen, husband and wife (hereinafter collectively referred to as "Declarant").

WHEREAS, Declarant has the right to burden the following described real property (the "Property") with covenants related to water supply and delivery and the creation of a water users association with respect to same, said property being situate in the County of Sweetwater, State of Wyoming, to wit:

The real property described on Exhibit "A" attached hereto and by this reference made a part hereof; and

WHEREAS, Declarant desires to establish for said property a water supply and delivery system in order to preserve, protect and enhance the values and amenities of the property, and to assure the residents' enjoyment thereof; and

WHEREAS, in order to achieve these objectives, Declarant is desirous of subjecting the property to the covenants, conditions, restrictions, easement, charges and liens set forth herein, each and all of which is and are for the benefit of the property and each Owner thereof; and

WHEREAS, Declarant has deemed it desirable to create an organization which shall be delegated and assigned the powers of owning, controlling and administering the water supply and delivery system and also administering and enforcing the covenants and restrictions herein set forth, together with collecting, disbursing and accounting for the assessments and charges herein contemplated; to this end, Declarant has caused to be incorporated under the laws of the State of Wyoming, a nonprofit corporation, the Gaensslen Subdivision Water Users Association, Inc.

SECTION I

Definitions

1.1 Declaration. "Declaration" shall hereinafter mean and refer to this Declaration of Covenants, Conditions and Restrictions.

1.2 Declarant. "Declarant" shall hereinafter mean and refer to Helen L. Gaensslen, a single person, John V. Gaensslen and Jane Gaensslen, husband and wife, Charles E.

Lee and Nona K. Lee, husband and wife, Henry L. Harsha and Mary C. Harsha, husband and wife, and Patrick S. Gaensslen and Carmen B. Gaensslen, husband and wife.

1.3 Association. "Association" shall hereinafter mean and refer to the Gaensslen Subdivision Water Users Association, Inc., a Wyoming Nonprofit Corporation, its successors and assigns. The Association shall act by and through its Board of Directors and its elected Officers.

1.4 Board. "Board" shall hereinafter mean and refer to the Board of Directors of the Association.

1.5 Property. "Property" shall hereinafter mean and refer to the following described real property, to wit:

The real property described on Exhibit "A" attached hereto and by this reference made a part hereof.

1.6 Lot. "Lot" shall hereinafter mean and refer to any platted lot located within the Property and any additional property or properties as may hereafter be annexed to this Declaration and which is so designated in the recorded instrument for such annexation and shall include any Residence constructed on any such platted Lot, provided, however, that until such time as the unplatted portion of Lot 8 of Section 36, Township 19 North, Range 108 West of the 6th P.M., Sweetwater County, Wyoming, has been platted, such unplatted portion shall be defined for Lot purposes as follows: The main residence and the guest house on said property shall be designated one Lot hereunder and the caretaker's house on said property shall be designated as one Lot hereunder.

1.7 Mortgage. "Mortgage" shall mean any first mortgage, deed of trust or other document pledging a Lot as security for the payment of a debt or obligation.

1.8 Mortgagee. "Mortgagee" shall mean any person, corporation, partnership, trust, company or other legal entity which takes, holds, owns or is secured by a Mortgage.

1.9 Owner. "Owner" shall hereinafter mean and refer to any record owner, whether a natural person or an entity, of a fee simple title interest (including a contract seller and excluding a contract purchaser) to any Lot; but excluding, however, any such record Owner having such an interest therein merely as a Mortgagee. When a person who is an Owner conveys or otherwise assigns of record his fee simple title interest to a Lot, then, retroactive to the date of such conveyance or assignment, such person shall thereafter cease to be an Owner; provided, however, that the foregoing shall not in any way extinguish or otherwise void any unsatisfied obligation of such person which existed at the time of such conveyance or assignment, specifically including without limiting the generality of the foregoing any unsatisfied obligation to pay Association assessments.

1.10 Residence. "Residence" shall hereinafter mean and refer to a single-family home or other similar single-family residential unit constructed upon a Lot for the permanent occupancy of an Owner and his or her family.

SECTION II

Property Rights in Water System

2.1 Easements of Use and Enjoyment. Every Owner shall have, in conjunction with all other Owners, a right and easement of enjoyment in and to the water system, which rights and easements shall be appurtenant to and pass with the conveyance of title to the Owner's Lot and Residence; provided, however, that such rights and easements shall be subject to the following:

2.1.1 The covenants, conditions, restrictions, easements, reservations and other provisions contained in this Declaration or contained in the plat of the Property recorded in the Office of the County Clerk and Ex-Officio Register of Deeds of Sweetwater County, Wyoming; and

2.1.2 The right of the Association to suspend the rights of any Owner to vote upon Association matters for any period during which any Association assessment against such Owner or against such Owner's Lot remains unpaid and, for any reasonable period, not to exceed Sixty (60) days, assessed by the Association as a result of the Owner's infraction, or the infraction by any member of the Owner's family or by the Owner's guests, of any published rule or regulation of the Association; and

2.1.3 The right of the Association to dedicate or otherwise transfer, convey or assign all or any part of the water supply and delivery system to any public agency, public authority or utility company for such purposes and subject to such conditions as may be agreed to in the instrument or instruments evidencing such dedication or transfer, conveyance or assignment; provided, however, that any such dedication or transfer, conveyance or assignment shall require the assent of at least two-thirds (2/3) of the Owners of Lots, such approval to be reflected in an instrument recorded in the Office of the County Clerk and Ex-Officio Register of Deeds of Sweetwater County; and

2.1.4 The right of the Association to adopt, from time to time, reasonable rules and regulations concerning use of the water supply and delivery system as the Association may determine as necessary or prudent.

2.2 Delegation of Use. Every Owner shall have the right, subject to rules and regulations promulgated by the Association, to extend the rights and easements of use and enjoyment vested in him herein to each of his occupants and to each member of such Owner's family who resides with him or her within the Property and such other persons as may be permitted by the Association.

2.3 Conveyance of Water Supply and Delivery System. Declarant shall convey title to the water supply and delivery system within the Property to the Association within Ninety (90) days after the date of recording of these Covenants in the Office of the County Clerk and Ex-Officio Register of Deeds of Sweetwater County, Wyoming.

SECTION III

Membership and Voting Rights
in the Association

3.1 Membership. Every Owner of a Lot shall be a member of the Association. Membership in the Association shall be appurtenant to and may not be separated from fee simple title ownership of such Lot.

3.2 Present Status of Lots. As of the date of execution of this Declaration, Declarant is the Owner of all Lots in the Property.

3.3 Owner's Address for Notices. Unless an Owner shall have notified the Association by registered or certified mail of a different address, any notice required to be given, or otherwise given, by the Association under this Declaration to any Owner may be mailed to such Owner in a postage prepaid envelope and mailed by first class, registered or certified mail to the address of the Lot shown upon the Association's records as being owned by such Owner. A notice in accordance with the foregoing will be deemed to have been given by the Association on the date that it is mailed.

SECTION IV

Assessments

4.1 Covenant of Personal Obligation of Assessments. Every Owner of a Lot, by acceptance of the deed or other instrument of conveyance thereof (whether or not it shall be so expressed in such deed or other instrument of conveyance) is deemed to personally covenant and agree, jointly and severally, and hereby does so covenant and agree, to pay to the Association: (a) annual assessments, (b) special assessments, and (c) default assessments applicable to such Lot, such assessments to be established and collected as hereinafter provided. No Owner may waive or otherwise escape personal liability for the payment of the assessments provided for herein by nonuse of the water supply and delivery system or by abandonment or leasing of such Owner's Lot.

4.2 Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of maintaining, repairing and improving the water supply and delivery system. Proper uses of the assessments levied by the Association shall include, but are not limited to, the expenditures of funds for taxes, fees, expenses, charges, levies, premiums, expenditures or other costs incurred by the Association for:

(a) Repairing, replacing, insuring and maintaining the water supply and delivery system and improvements thereto;

(b) Carrying out the powers and duties of the Association;

(c) Providing for the establishment of an adequate reserve fund for the maintenance, repair and replacement of the water supply and delivery system on a periodic or "as needed" basis, which reserve fund shall be part of the regular monthly assessments; and

(d) Any other purposes and uses that the Board shall determine to be necessary to meet the primary purposes of the Association, including the establishment and maintenance, taxes and the other uses specified above.

4.3 Assessment Years. The first assessment year for the levying of the Association's annual assessments shall commence upon the 1st day of the month immediately following the date of the recording in the Office of the County Clerk and Ex-Officio Register of Deeds of Sweetwater County, Wyoming, of the Declarant's first conveyance of the water supply and delivery system to the Association (provided, however, that if the date of recording of such conveyance of the water supply and delivery system shall be on the 1st day of the month, then such date shall be the commencement date for the first assessment year) and shall continue thereafter until the following 31st day of December. Subsequent assessment years shall thereafter commence on the 1st day of January and continue until the following 31st day of December.

4.4 Amount of Annual Assessments. The Association's annual assessment to be levied by the Association on all Lots with a residence thereon for the first assessment year after the date of recording of this Declaration shall be in an amount, as determined by the Board, not to exceed Three Hundred Sixty and no/100 Dollars (\$360.00), to be paid as hereinafter provided. The annual assessment on all Lots without a residence thereon shall be one-fourth (1/4) of the annual assessment for a Lot with a residence thereon. Thereafter, the maximum annual assessment for any particular assessment year shall be in such amount, as is determined in accordance with Section 4.5 below. Each Owner shall concurrently with its acquisition of its Lot deposit with the Association a sum equal to one-fourth (1/4) of the annual assessment as a working capital fund in addition to payment of monthly and other assessments.

4.5 Determination of Amount of Annual Assessments. So long as the Association's annual assessment for a particular assessment year shall not exceed the maximum annual assessment for the first assessment year, as provided in Section 4.4 above, or thereafter be increased by the Board by more than the rise, if any, of the Consumer Price Index (published by the Department of Labor, Washington, D.C.) for the preceding month of July, the Board may determine and levy such annual assessment without a vote or approval being required of the voting membership of the Association. If, however, the Board shall desire to levy an annual assessment for a particular assessment year which shall be in excess of the maximum annual assessment for the first assessment year, as provided in Section 4.4 above, plus the rise, if any, of the Consumer Price Index (published by the Department of Labor, Washington, D.C.) for the preceding month of July, then the Board shall give written notice thereof to all Owners at least 30 days in advance of the commencement date of the particular assessment year and the approval of Sixty-Six and Two-Thirds Percent (66 2/3%) of the members shall be required. If the Board shall not determine and levy annual assessments for a particular assessment year in accordance with the foregoing sentence, then the annual assessment for that particular assessment year shall be deemed to be the same as the annual assessment for the assessment year immediately preceding that particular assessment year.

4.6 Special Assessments. Generally, in addition to the annual assessments authorized above, the Board may, at any time and from time to time, determine and levy in any assessment year a special assessment applicable to that particular assessment year for the purpose of defraying, in whole or in part, the costs, fees and expenses of any construction, reconstruction, repair, demolishing, replacement or maintenance of the water supply and delivery system, specifically including any fixtures, personal property and other improvements related thereto; provided, however, that any such special assessment shall be approved by at least Sixty-Six and Two-Thirds Percent (66 2/3%) of the voting membership of the Association in attendance, in person or by proxy, at a meeting duly called for such purpose.

4.7 Reserve for Improvements, Repairs and Replacements. As a part of any annual or special assessments described aforesaid, the Association may levy and establish in any assessment year, a reserve fund for the maintenance, repair and replacement of the water supply and delivery system within the Property and any improvements thereon, if any, or for the future construction or improvements thereon. Any funds so collected shall be designated by the Board of Directors of the Association as capital contributions by the members thereof and shall be segregated and placed in a separate bank account of the Association to be utilized solely for the purposes aforesaid.

4.8 Notice and Quorum Requirements for Certain Actions. Written notice of any meeting pursuant to Sections 4.5 and 4.6 above of the voting membership of the Association shall be given by the Board to each Owner not less than Thirty (30) days nor more than Fifty (50) days prior to such meeting and shall state the purpose, date, time and location of such meeting. At such meeting called, the attendance, in person or by proxy, of at least Sixty Percent (60%) of the membership of the Association shall constitute a quorum. If the required quorum is not present at such meeting called, then subsequent meetings may be called, subject to the same notice requirements and the required quorum at each subsequent meeting shall be one-half of the required members required at the preceding meeting. No such subsequent meeting shall, however, be held less than Thirty (30) nor more than Fifty (50) days following the preceding meeting.

4.9 Due Dates for Assessment Payments. Unless otherwise determined by the Board, the annual assessments and any special assessments which are to be paid shall be paid in monthly installments and shall be due and payable to the Association at its office, without notice, on the 1st day of each month. If any such assessment, or installment thereof, shall not be paid within Fifteen (15) days after it shall have become due and payable, then the Board may assess interest thereon as hereafter provided.

4.10 Exempt Property. The following property subject to this Declaration shall be exempt from the annual and special assessments created herein:

- (a) All properties dedicated to and accepted by a local public authority and all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of Wyoming; provided, however, that none of such properties which are devoted to residential dwelling use shall be exempt from such assessments.

4.11 Liens for Assessments. The annual and special assessments provided for in this Section IV, and any and all default assessments arising under the provisions of Section 5.2 (together with any and all interest, costs, expenses and reasonable attorneys' fees which may arise under this Section IV), shall also be burdens running with, and a perpetual lien in favor of the Association upon the specific Lot to which such assessments apply and shall also be the personal obligation of the Owner of such Lot. To evidence and perfect such lien upon a specific Lot and Residence, the Board may prepare a written lien notice setting forth the description of the Lot, the amount of assessments thereon which are unpaid as of the date of such lien notice, the name of the Owner thereof, and any and all other information that the Board may deem proper. The lien notice shall be signed by the President or a Vice-President of the Association, or such other person as may be so authorized by the Board whose signature shall be attested by the Secretary or an Assistant Secretary of the Association, and shall be recorded in the Office of the County Clerk and Ex-Officio Register of Deeds of Sweetwater County, Wyoming.

4.12 Effect of Nonpayment of Assessments. If any annual assessment or special assessment, or any monthly installment thereof, is not fully paid within Fifteen (15) days after the same becomes due and payable, or if any default assessment shall arise under the provisions of Section 5.2, then, in any of such events, interest shall accrue at the rate of Eighteen Percent (18%) per annum from the due date on any amount thereof which was not paid within such Fifteen (15) day period or on the amount of the default assessment, whichever shall be applicable. The Association shall within a reasonable time after perfecting its lien as described in Paragraph 4.11 above, if such assessments remain unpaid, thereafter bring an action at law or in equity, or both, against any Owner personally obligated to pay the same and shall also proceed, if it desires to foreclose its lien against the specific Lot in the manner and form provided by Wyoming for foreclosure of mechanics' liens in and through the Courts. In the event that any such assessment is not paid in full when due and the Association shall commence such an action (or shall counterclaim or cross claim in any such action) against any Owner personally obligated to pay the same or shall proceed to foreclose its lien against the specific Lot, then the Association's costs, expenses, and reasonable attorneys' fees incurred for preparing and recording any lien notice, and the Association's costs of recording any lien notice, and the Association's costs of suit, expenses and reasonable attorneys' fees incurred for any such action and foreclosure proceedings shall be taxed by the Court as a part of the costs of any such action or proceeding and shall be recoverable by the Association from any Owner personally obligated to pay the same and from the proceeds from the foreclosure sale of the specific Lot in satisfaction of the Association's lien. Foreclosure or attempted foreclosure by the Association of its foregoing lien shall not be deemed to estop or otherwise preclude the Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent assessments which are not fully paid when due or for any subsequent default assessments. The Owner of any Lot being foreclosed upon shall be required to pay to the Association all monthly installments, if any, for the Lot during the period of foreclosure, and the Association shall be entitled to a receiver appointed to collect the same. The Association shall have the power and right to bid in or purchase any Lot at foreclosure or other legal sale

and to acquire and hold, lease, mortgage, vote the Association vote appurtenant to ownership thereof, convey or otherwise deal with the same.

4.13 Certificate of Status of Assessments. Upon request in writing by any person and payment of a reasonable charge therefor, the Association shall furnish within Fourteen (14) days after such request is received, a certificate setting forth the amount of any unpaid assessments, interest, costs, expenses and attorneys' fees then existing against a specific Lot, the amount of the current monthly installments, if any, and the date that the next monthly installment is due and payable, and the amount of any special assessments and default assessments then existing against the Lot and the date of the payment or payments thereof. Upon the issuance of such a certificate signed by an Officer of the Association, the information therein shall be conclusive upon the Association.

4.14 Subordination of Lien for Assessments. Notwithstanding anything contained in this Section IV, any Mortgagee who shall come into possession of a Lot pursuant to remedies provided in its Mortgage shall take the Lot free of any claims for unpaid assessments or charges which accrue prior to the time such Mortgagee comes into possession of said Lot.

SECTION V

Maintenance by the Association

5.1 Water Supply and Delivery System. Except as otherwise provided herein, the Association shall, as authorized and directed by the Board, have full responsibility for and control over: all maintenance, repairing and replacing of the water supply and delivery system.

5.2 Owner's Negligence. In the event that the need for maintenance, repair or replacement of any item covered within the provision of Section 5.1 is caused through or by the negligent or willful act or omission of an Owner, or any member of an Owner's family, or of an Owner's guests or invitees, then the costs and expenses incurred by the Association for such maintenance, repair or replacement shall be a personal obligation of such Owner; and, if not repaid to the Association within Seven (7) days after the Association shall have given notice to the Owner of the total amount, or any portions thereof from time to time, of such costs and expenses, then the failure to so repay shall be a default of the Owner under the provision of this Section 5.2 and such costs and expenses shall automatically become a default assessment determined and levied against such Lot and the Association may proceed in accordance with the applicable provisions of Section IV. No such action shall be taken unless approved by Resolution duly adopted by two-thirds of the Board and then only after such Owner has been given written notice of the Board's intent to take such action and an Owner's right to a hearing before the Board to show cause why the Board should not take such action. Such notice shall be given not less than Thirty (30) days or more than Fifty (50) days prior to the date on which the Board intends to take such action and any hearing shall be held on such date.

5.3 Agents. The Board may hire and delegate to any and all employees, agents, independent contractors or other persons or firms it deems necessary in order to perform

its duties and obligations hereunder; provided, however, that such delegation shall not relieve the Association of its duties and responsibilities hereunder.

IN WITNESS WHEREOF, the parties have hereunto placed their hands and seals the day and year first above written.

Helen L. Gaensslen
Helen L. Gaensslen

John V. Gaensslen
John V. Gaensslen

Charles E. Lee
Charles E. Lee

Jane Gaensslen
Jane Gaensslen

Nona K. Lee
Nona K. Lee

Henry L. Harsha
Henry L. Harsha

Patrick S. Gaensslen
Patrick S. Gaensslen

Mary C. Harsha
Mary C. Harsha

Carmen B. Gaensslen
Carmen B. Gaensslen

The State of Wyoming)
: ss.
County of Sweetwater)

The foregoing instrument was acknowledged before me by Helen L. Gaensslen, John V. Gaensslen, Jane Gaensslen, Charles E. Lee, Nona K. Lee, Patrick S. Gaensslen, Carmen B. Gaensslen, Henry L. Harsha and Mary C. Harsha this 2nd day of September, 1988.

Witness my hand and official seal.

Collette Morsini
Notary Public

My Commission Expires: April 6, 1989

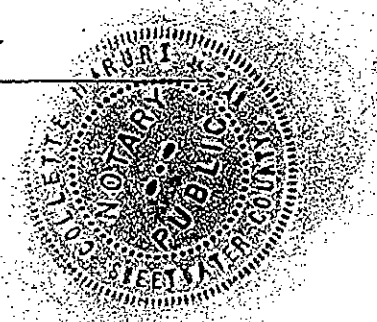


EXHIBIT "A"

To Declaration of Covenants, Conditions and Restrictions
Concerning Water System for the Gaensslen Subdivision,
Being Part of Lot 8 and Part of the SW/4SE/4 of
Section 36, Township 19 North, Range 108 West of the
6th P.M., Sweetwater County, Wyoming

PROPERTY DESCRIPTION

Lots One (1) through Six (6), inclusive, of Block One (1) and Lots One (1) through Five (5), inclusive, of Block Two (2) of the Gaensslen Subdivision, being part of Lot Eight (8) and part of the SW/4SE/4 of Section 36, Township 19 North, Range 108 West of the 6th P.M., as said Lots and Blocks are laid down and described on the official plat thereof, filed of record in the Office of the County Clerk and Ex-Officio Register of Deeds of Sweetwater County, Wyoming, and the unplatted portion of Lot Eight (8) of Section 36, Township 19 North, Range 108 West of the 6th P.M.