

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

for

DAISY BUSH ADDITION TO THE TOWN OF JACKSON

RELEASED	
INDEXED	
ABSTRACTED	
SCANNED	

This DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS (this "Declaration") is made this 6th day of June, 2008, by Dos Diablos, LLC, a Wyoming limited liability company (individually and collectively, the "Declarant").

PART ONE: INTRODUCTION TO THE COMMUNITY

Declarant, as the developer of the Daisy Bush Addition to the Town of Jackson, has established this Declaration to provide a governance structure and a flexible system of standards and procedures for the overall development, administration, maintenance and preservation of the Daisy Bush Addition to the Town of Jackson.

ARTICLE I - CREATION OF THE COMMUNITY

GRANTOR: DOS DIABLOS LLC
GRANTEE: THE PUBLIC
Doc 0736387 bk 706 pg 189-226 Filed At 12:47 ON 08/18/08
Sherry L. Daigle Teton County Clerk fees: 123.00
By Mary Smith Deputy

1.1 Purpose and Intent. The Declarant, as the owner of the real property described on Exhibit A attached hereto and made a part hereof by this reference, intends by the recording of this Declaration to create a general plan of development for the residential lots known as the Daisy Bush Addition to the Town of Jackson. This Declaration provides for the overall development, administration, maintenance and preservation of the real property now or hereafter comprising the Daisy Bush Addition to the Town of Jackson. An integral part of the development plan is the creation of the Daisy Bush Homeowners Association, an association comprised of all owners of the Daisy Bush Addition to the Town of Jackson, to own, operate and/or maintain various common areas and community improvements and to administer and enforce this Declaration and the other Governing Documents referred to in this Declaration.

1.2 Binding Effect. All property described on Exhibit "A" hereto and any additional property that is made a part of the Daisy Bush Addition to the Town of Jackson in the future by filing one or more Supplemental Declarations in the Public Records, shall be owned, conveyed and used subject to all of the provisions of this Declaration, which shall run with the title to such property. This Declaration shall be binding upon all Persons having any right, title or interest in any portion of the Properties, their heirs, successors, successors-in-title, and assigns. This Declaration shall be enforceable in perpetuity by the Declarant, as long as Declarant owns any Lots within the Properties, and/or the Board.

1.3 Governing Documents. The Governing Documents create a general plan of development for the Daisy Bush Addition to the Town of Jackson that may be supplemented as set forth herein. In the event of a conflict between or among the Governing Documents and any such additional covenants or restrictions, the Governing Documents shall control. Nothing in this Section shall preclude any Supplemental Declaration or other recorded covenants applicable to any portion of the Properties from containing additional restrictions or provisions that are more restrictive than the provisions of this Declaration. The Association may, but shall not be required to, enforce any such covenants, restrictions or other instruments. All provisions of the Governing Documents shall apply to all Owners as well as their respective family members, tenants, guests and invitees.

ARTICLE II - DEFINITIONS

The terms used in the Governing Documents shall generally be given their natural, commonly accepted definitions unless otherwise specified. Capitalized terms shall be defined as set forth below.

2.1 Architectural Review Committee or ARC. The Architectural Review Committee as defined in Section 4.2.

2.2 Association. The Daisy Bush Homeowners Association, a Wyoming nonprofit corporation, its successors or assigns. The "Articles" shall refer to those Articles of Incorporation of the Association, as they may be amended from time to time. The "Bylaws" shall refer to those Bylaws adopted by the Association, as they may be amended from time to time.

2.3 Base Assessment. Assessments levied on all Lots subject to assessment under Article VIII to fund Common Expenses, as determined in accordance with Section 8.1.

2.4 Board of Directors or Board. The body responsible to the Members for operations of the Association, selected as provided in the Bylaws and generally serving the same role as a board of directors under Wyoming corporate law. The Board of Directors may also be referred to as the "Board".

2.5 Common Elements. "Common Elements" shall mean including those areas designated on the Plat as General Common Elements, Limited Common Elements – Yard, Limited Common Elements – Driveway/Parking and Limited Common Elements-Decking/Stairwell, in the aggregate, or a portion thereof, and all other real and personal property, including common area lots and easements for access and utilities, which the Association owns, leases or in which it otherwise holds, or acquires in the future, possessory or use rights for the common use and enjoyment of the Owners.

2.6 Common Expenses. The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of the Lots, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to the Governing Documents.

2.7 Community-Wide Standard. The standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. Such standard shall be established initially by the Declarant and may be more specifically defined in the Master Rules and Regulations, and in Board resolutions.

2.8 Declarant. Dos Diablos, LLC, a Wyoming limited liability company, and/or its successors or assigns.

2.9 Duplex Lots. "Duplex Lots" shall mean those Lots designated as Duplex Lots on the Plat and on Exhibit "B" attached hereto and incorporated herein, whether improved or unimproved, which are intended for the development, use, and occupancy as either a single family residence or as a duplex (two single family attached residences). Duplex Lots may be referred to collectively herein with other Single Family Lots and the Townhouse Lot as the "Lots". An individual Duplex Lot may be referred to herein as a "Duplex Lot" or as a "Lot". It is intended that each Duplex Lot, if not developed as a single-family residence, shall be replatted into 3 Lots, two of which shall be padsite lots upon which the duplex will be constructed thereon and the third shall be a common area lot to be designated as Limited Common Elements on such replat.

2.10 General Common Elements. “General Common Elements” shall mean the Roadways, the 5’ Sidewalk located along Rancher Street, and any utility easement and/or Sign Easement set forth on the Plat and those other portions of the Properties designated as General Common Elements on the Plat. General Common Elements may be referred to herein and on the Final Plat as “General Common Element” or “GCE”.

2.11 Governing Documents. A collective term referring to this Declaration and any amendments thereto, any Supplemental Declaration(s), the Bylaws, the Articles and the Master Rules and Regulations, if any, and as they may be amended.

2.12 Limited Common Expense. A Common Expense that does not benefit all Lots, such as those expenses incurred with respect to the Limited Common Elements.

2.13 Limited Common Elements. “Limited Common Elements” means those portions of the Common Elements as designated on the Plat for the exclusive use of one or more but fewer than all of the Lots. Limited Common Elements may be referred to herein or on the Plat as “Limited Common Element” or “LCE”.

2.14 Limited Common Elements – Decking/Stairwell. “Limited Common Elements – Decking/Stairwell” means those Limited Common Elements for the exclusive use of one or more Lot(s) for decking and/or a stairwell as designated on the Plat and/or in one or more separately recorded instruments. Limited Common Elements – Decking/Stairwell may also be referred to herein and on the Plat as “Limited Common Element – Decking”, “Limited Common Element – Stairwell”, “LCE – Decking/Stairwell”, “LCS-S”, “LCE – D”, “Decking Limited Common Elements” or “Stairwell Limited Common Elements”.

2.15 Limited Common Elements – Parking. “Limited Common Elements – Parking” means those Limited Common Elements for the exclusive use of one or more Lot(s) for parking as designated by the Declarant herein and/or as designated on the Plat and/or in one or more separately recorded instruments and upon which driveways or parking spaces as shown on the Plat. Limited Common Elements – Parking may also be referred to herein and on the Plat as “Limited Common Element – Parking”, “LCE – Parking”, “LCE – P” or “Parking Limited Common Elements”.

2.16 Limited Common Elements – Yard. “Limited Common Elements – Yard” means those Limited Common Elements for the exclusive use of one or more Lot(s) as a yard as designated by the Declarant herein, on the Plat and/or in one or more separately recorded instruments. Limited Common Elements – Yard shall also contain patios, decking and stairways to as shown on the Final Plat. Limited Common Elements – Yard may also be referred to herein and on the Final Plat as “Limited Common Element – Yard”, “LCE – Yard”, “LCE – Y” or “Yard Limited Common Elements”.

2.17 Lot. Shall be any Lot as shown on the Plat within the Properties and as shown on Exhibit “B” attached hereto and incorporated herein, along with any other properties annexed into the Association pursuant to a Supplemental Declaration and defined as “Lot(s)” in such Supplemental Declaration. Such Lot(s) shall be referred to collectively as “Lots”.

2.18 Master Rules and Regulations. The Master Rules and Regulations are the Master Rules and Regulations adopted by the Board, if any, pursuant to Section 3.2 hereof.

2.19 Member. A Person subject to membership in the Association pursuant to Section 6.2.

2.20 Mortgage. A mortgage, a deed to secure debt, or any other form of security instrument affecting title to any Lot or all or any portion of the Properties. “Mortgagee” shall refer to a beneficiary of a deed of trust or holder of a Mortgage.

2.21 Neighborhood. “Neighborhood” shall mean a group of Lots designated as a separate Neighborhood, pursuant to Section 6.4 hereof or otherwise, for purposes of sharing benefits or services from the Association which are not provided to all Lots within the Properties. A Neighborhood may be comprised of more than one housing type and may include noncontiguous parcels of property.

2.22 Neighborhood Assessments. “Neighborhood Assessments” shall mean those assessments levied against the Properties in a particular Neighborhood(s) to fund Neighborhood Expenses, as described in Section 8.2.

2.23 Neighborhood Committee. “Neighborhood Committee” shall mean the committee of the Association charged with administering the affairs of a specific Neighborhood and advising the Association regarding such neighborhood.

2.24 Neighborhood Expenses. “Neighborhood Expenses” shall mean the actual and estimated expenses which the Association incurs or expects to incur for the benefit of Owners of Properties within a particular Neighborhood(s), which may include a reasonable reserve for capital repairs and replacements and a reasonable administrative charge, as may specifically be authorized pursuant to this Declaration or in the Supplemental Declaration(s) applicable to such Neighborhood(s).

2.25 Owner or Owners. One or more Persons who hold the record title to any Lot, but excluding in all cases any party holding an interest merely as security for the performance of an obligation.

2.26 Person. A natural person, a corporation, a partnership, a trustee, or any other legal entity.

2.27 Plat or Final Plat. That subdivision plat map of the Properties recorded in the Public Records contemporaneously with this Declaration, and those subdivision plat maps recorded in the Public Records resulting from the replat of the Duplex Lots and the Townhouse Lot.

2.28 Properties. The real property described on **Exhibit A** attached hereto and incorporated herein by this reference and any additional property that is made a part of the Daisy Bush Addition to the Town of Jackson in the future by filing one or more Supplemental Declarations in the Public Records and by filing a replat of Duplex Lots and the Townhouse Lot in the Public Records.

2.29 Public Records. The official records of the Clerk of Teton County, Wyoming.

2.30 Roadways. Shall mean those certain areas designated as 30’ Proposed Access and Utility Easement and 35’ Radius Easement on the Final Plat and shall include a 20’ Access Road and a 12’ Eco-Paver Walkway/Fire Truck Drive therein. Subject to Section 11.8(b), the Roadways shall be designated as Common Elements.

2.31 Single-Family Lots. “Single-Family Lots” shall mean those Lots designated as Single-Family Lots on the Plat and on Exhibit “B” attached hereto and incorporated herein, whether improved or unimproved, which are intended for the development, use, and occupancy as either a single family residence. Single-Family Lots may be referred to collectively herein with other Duplex Lots and the

Townhouse Lot as the “Lots”. An individual Single-Family Lot may be referred to herein as a “Duplex Lot” or as a “Lot”.

2.32 Special Assessment. Assessments levied in accordance with Section 8.3.

2.33 Specific Assessment. Assessments levied in accordance with Section 8.4.

2.34 Supplemental Declaration. An instrument filed in the Public Records pursuant to Article IX that imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument.

2.35 Townhouse Lot. “Townhouse Lot” shall mean Lot 6 as set forth on the Plat and on Exhibit “B” attached hereto and incorporated herein, whether improved or unimproved. The Townhouse Lot is intended for the development, use, and occupancy as a fourplex (four single family attached residences). The Townhouse Lot may be referred to collectively herein with other Single Family Lots and Duplex Lots as the “Lots”. The individual Townhouse Lot may be referred to herein as the “Townhouse Lot” or as a “Lot”. It is intended that the Townhouse Lot, if not developed as a single-family residence, shall be replatted into 5 Lots, four of which shall be padsite lots upon which the fourplex will be constructed thereon and the fifth lot shall be a common area lot.

PART TWO: CREATION AND MAINTENANCE OF COMMUNITY STANDARDS

ARTICLE III – USE AND CONDUCT

3.1 Framework for Regulation. The Governing Documents establish, as part of the general plan of development for the Properties, a framework of affirmative and negative covenants, easements and restrictions which govern the Properties. However, within that framework, the Board and the Members must have the ability to respond to unforeseen problems and changes in circumstances, conditions, needs, desires, trends and technology that inevitably will affect the Properties, its Owners and residents. Toward that end, this Article establishes procedures for modifying and expanding the initial Master Rules and Regulations.

3.2 Rule Making Authority.

(a) The initial Master Rules and Regulations shall be adopted by the Board. Subject to the terms of this Article and the Board’s duty to exercise business judgment and reasonableness on behalf of the Association and its Members, the Board may modify, cancel, limit, create exceptions to, or expand the Master Rules and Regulations. The Board shall send notice by mail to all Owners concerning any such proposed action at least five (5) business days prior to the Board meeting at which time such action is to be considered. Members shall have a reasonable opportunity to be heard at a Board meeting prior to such action being taken.

Such action shall become effective after compliance with Section 3.2(c) below unless disapproved at a meeting of the Members by more than fifty percent (50%) of the total votes entitled to vote on the matter. The Board shall have no obligation to call a meeting of the Members to consider disapproval except upon receipt of a petition of the Members as required for special meetings in the Bylaws. Upon such petition of the Members prior to the effective date of any Board action under this Section 3.2(a), the proposed action shall not become effective until after such meeting is held, and then is subject to the outcome of such meeting.

(b) Alternatively, the Members, at an Association meeting duly called for such purpose, may adopt rules which modify, cancel, limit, create exceptions to, or expand the Master Rules and Regulations by a vote of more than fifty percent (50%) of the total votes entitled to vote on the matter pursuant to the Bylaws of the Association.

(c) At least thirty (30) days prior to the effective date of any action taken under subsections (a) or (b) of this Section, the Board shall send a copy of the new rule or explanation of any changes to the Master Rules and Regulations to each Owner specifying the effective date. The Association shall provide, at no additional charge, a copy of the Master Rules and Regulations then in effect to any requesting Member or Mortgagee.

3.3 Owners' Acknowledgment and Notice to Purchasers. All Owners are given notice that use of their Lot is limited by the Master Rules and Regulations as they may be amended, expanded and otherwise modified hereunder. Each Owner, by acceptance of a deed for their Lot, acknowledges and agrees that the use and enjoyment and marketability of his or her Lot can be affected by this Declaration and the other Governing Documents and that the Master Rules and Regulations may change from time to time. All purchasers are on notice that changes may have been adopted by the Association that are not recorded in the Public Records. Copies of the current Master Rules and Regulations or any other Governing Documents may be obtained from the Association, or if no Association has yet been formed, from the Declarant.

3.4 No Mining, Excavating or Drilling. The Properties shall not be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing geothermal resources, oil, gas, or other hydrocarbons, minerals, rocks, stones, gravel, sand, top soil, or earth. Nothing contained herein shall be construed to limit the rights of the owner of a mineral interest severed from the surface of any portion of the Properties prior to the recording of this Declaration and nothing herein shall prevent the Declarant or an Owner from moving dirt, gravel rocks and other soils necessary for the development and/or landscaping of their respective properties.

3.5 Protection of Owners and Others. No rule shall be adopted in violation of the following provisions, except as may be specifically set forth in this Declaration (either initially or by amendment):

(a) **Equal Treatment.** Similarly situated Owners shall be treated similarly by the Board and the Association.

(b) **Displays.** The rights of Owners to display religious and holiday signs, symbols, and decorations inside structures of the kinds normally displayed in dwellings located in single-family residential neighborhoods shall not be abridged, except that the Association may adopt reasonable time, place, and manner restrictions with respect to displays visible from outside the dwelling. Such restrictions may be contained in the Declaration and in the Master Rules and Regulations. No rules shall regulate the content of political signs; however, rules may regulate the time, place and manner of posting such signs (including design criteria).

(c) **Household Composition.** No rule shall interfere with the freedom of Owners to determine the composition of their households pursuant to the Town of Jackson LDRs, as amended and/or rewritten from time to time.

(d) **Activities Within Dwellings.** No rule shall interfere with the activities carried on within the confines of dwellings, except that the Association may prohibit activities not normally

associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other Lots, as applicable, that generate excessive noise or traffic, that create unsightly conditions visible outside the dwelling, or that create an unreasonable source of annoyance as reasonably determined by the Board.

(e) **Insurance Rates.** Nothing shall be done or kept on the Properties that would increase the rate of insurance or cause the cancellation of insurance on any Lot or any of the improvements located thereon or the Common Elements without prior written approval of the Board.

(f) **Allocation of Burdens and Benefits.** No rule shall alter the allocation of financial burdens among the various Lot, as applicable, to the detriment of any Owner over that Owner's objection expressed in writing to the Association. This provision does not affect the right to increase the amount of assessments as provided by Article VIII.

(g) **Abridging Existing Rights.** If any rule would otherwise require Owners to dispose of personal property which they maintained in or on a Lot prior to the effective date of such rule, or to vacate a Lot in which they resided prior to the effective date of such rule, and such property was maintained or such occupancy was in compliance with this Declaration and all rules previously in force, such rule shall not apply to any such Owners without their written consent.

(h) **Rights to Develop.** No rule or action by the Association or Board shall impede the Declarant's right or an Owner's right to develop the Properties or any property annexed into the regime of the Properties as provided for herein.

The limitations in subsections (a) through (h) of this Section 3.5 shall only limit rulemaking authority exercised under Section 3.2; they shall not apply to amendments to this Declaration adopted in accordance with Article XII.

3.6 Domestic Animals. Each Lot in the Single-Family Neighborhood shall be entitled to a maximum of no more than a total of two Household Pets. All other Lots in the Duplex Lot Neighborhood and in the Townhome Lot Neighborhood shall be entitled to a maximum of no more than one Household Pet. The term Household Pet(s) means generally recognized Household Pets such as dogs, cats, fish, birds, rodents, and non-poisonous reptiles. Household Pets may not be kept for any commercial purpose and may not cause an unreasonable amount of noise, odor, or do not otherwise become a nuisance to other Owners. All Owners, occupants or guests with Household Pets shall keep the animals leashed, restrained or controlled at all times so they do not cause a nuisance to others and do not harass or endanger wildlife, other Household Pets or people. All Household Pets shall be fed indoors or, if fed outdoors shall be fed in a manner as not to become a wildlife attractor. "Nuisance" means any noisy animal, any vicious animal, any non-domestic household pet, or any animal which chews, tears, digs in or scratches, litters or soils, destroys, or in any other manner injures clothing, garbage containers, gardens, flower beds, lawns, trees, shrubbery, or any other property within the Properties. Excessive, continued, or untimely barking, molesting passersby, chasing vehicles, habitually attacking other animals, trespassing upon private property in such a manner as to damage property shall also be deemed a nuisance. "Noisy animal" means any animal which habitually, constantly, or frequently disturbs the sleep, peace, or quiet of any person. The Board shall have, and is hereby given, the right and authority to determine in its sole discretion that Household Pets are being kept for commercial purposes, or are otherwise a Noisy animal or a Nuisance, or that a Owner is otherwise in violation of this Section, and to take such action or actions as it deems reasonably necessary to remedy the violation. Without limiting the generality of the foregoing, the Association may require the owner or custodian of a dog that barks or howls excessively, or of a

Household Pet with other offensive habits, to confine such animal indoors. Further, the Association may require an Owner, at its own expense, to remove a pet determined by the Association to be a Noisy animal or a Nuisance pet and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the Lot and remove the Noisy animal or Nuisance; it being understood that any such action shall not be deemed a trespass and that the Association may assess a penalty of \$500.00 per animal plus the costs of impoundment. On the third violation, the Association may assess a penalty of \$1000.00 per animal plus the costs of impoundment, the Noisy animal or Nuisance shall be removed from the Properties and the Association has the right, in its sole discretion, to terminate the right of an Owner to keep Household Pets on the Properties. No Owner of any animal or animals impounded shall have the right to bring any action against the Association or any member thereof, for the impoundment of such animal(s).

No Household Pet shall be restrained by leash, cord, chain, rope, or other attachment fixed to any vehicle, post, tree, or other structure or object within the Properties thereby allowing such animal to become a nuisance or interfere with pedestrian or vehicular traffic in and around any public area within the Properties. Contractors, sub-contractors and any other person providing services to a Lot may not bring Household Pets onto the Properties.

The Owner of a Lot where a Household Pet is kept, as well as the legal owner of such pet (if not such Owner), shall be jointly and severally liable for any and all damage and destruction caused by the pet, and for any clean-up of driveways, walkways, Common Elements or Lots necessitated by such Household Pet. All animals not considered to be a domestic Household Pet, including, but not limited to pigs, poultry, fowl, wild animals, cattle, sheep and goats, are prohibited from being maintained or cared for on the Properties or in a Lot thereof.

Litters of puppies or kittens may remain on the Properties for no more than 90 days, after which time the limit of 2 Household Pets per Lot shall prevail.

3.7 Wildlife. In accordance with any Teton County Wildlife feeding ordinance, no elk, deer, moose, bear, or other big game animals shall be fed hay or any other food, manufactured or otherwise, within the Properties in order to prevent migrating animals from interrupting their migrations to winter range and to prevent such animals from becoming habituated to unnatural food sources. An Owner shall not and shall not permit guests and/or any pets to harass or chase wildlife anywhere on the Properties.

3.8 Vehicle Parking, Storage, Operation and Repair.

(a) No parking is permitted on the Roadways. "Permitted Vehicles" shall mean all passenger automobiles and one ton or smaller pick-up trucks. Only Permitted Vehicles may be parked on the driveways and/or parking areas on the Lots.

(b) In order to preserve the vegetation within the EP Henry's Turf Pavers, or other similar pavers approved by the Town of Jackson, located on the driveway on each Lot and in those areas designated as Limited Common Elements – Parking, all vehicles shall be parked within the building envelope of each Lot as shown on the Plat, it being the understanding that the use of the Limited Common Elements – Parking for continuous and/or overnight resident parking is prohibited.

(c) No boats, trailers, buses, motor homes, campers (on or off road supporting vehicles), snowmobiles, go carts, recreational vehicles, golf carts, trucks, industrial or commercial vehicles (both cabs or trailers), abandoned or inoperable vehicles (as defined below), or any other similar vehicles (collectively, the "Prohibited Vehicles") shall be parked or stored in or upon the driveways and

parking areas on the Lots or upon the Roadways, and no vehicle of any kind shall be maintained, repaired, repainted, serviced or rebuilt on the driveways and parking areas on the Lots or within any Roadways.

(d) Notwithstanding the foregoing, Prohibited Vehicles may be temporarily parked on the driveways and parking areas on the Lots for use as an approved temporary construction facility, but only for the time required to accomplish such purpose, or for emergency purposes.

(e) An “abandoned or inoperable vehicle” shall mean any motorized vehicle which does not display a current valid motor vehicle license and registration tag or which does not have an operable propulsion system within the vehicle.

(f) Delivery vans, moving trucks, shuttle buses, taxis and similar delivery vehicles shall not be parked or stopped at any time or for any duration on the Roadways.

In the event that the Board shall determine that a vehicle is abandoned or inoperable, or is otherwise in violation of the provisions of this Section, a written notice of violation describing said vehicle shall be personally delivered to the vehicle owner (if such owner can be reasonably ascertained) or shall be conspicuously placed upon the vehicle (if the owner cannot be reasonably ascertained), and if the offending vehicle is not removed within seventy-two (72) hours thereafter, the Board shall have the right to remove and store the offending vehicle, or cause the vehicle to be removed and stored, at the sole expense of the Owner. The Board shall have full power and authority to regulate the parking and storage of Permitted Vehicles, and to regulate the use of the Roadways by imposing and enforcing speed limits and other restrictions.

3.9 Garbage Storage. Garbage set out for pick up shall be stored in approved wildlife-proof dumpsters or containers, shall not be set out in a manner that allows persons, vehicles, animals, or weather to scatter such garbage among the Properties and shall be maintained so as not to be visible from neighboring property. The collection and disposal of garbage and trash shall be in strict compliance with such rules as may be adopted by the Board, which may provide for common collection points. The cost of garbage and trash collection shall be paid by each Owner, in accordance with the billing of the collector.

3.10 Nuisance. No noxious or offensive activity shall be carried on upon the Properties or any Lot within the Properties, nor shall anything be done or placed thereon which may be or become a nuisance, or cause unreasonable embarrassment, disturbance or annoyance to other Owners or occupants in their enjoyment of their Lots, or in their enjoyment of the Common Elements. In determining whether there has been a violation of this paragraph, recognition must be given to the premise that Owners, by virtue of their interest and participation in the Properties, are entitled to the reasonable enjoyment of the natural benefits and surroundings of the Properties. Without limiting the foregoing, no horns, whistles, bells or other sound devices, except security devices used exclusively to protect the security of the Properties and improvements located thereon, shall be placed or used upon any Lot.

3.11 Signs. No signs whatsoever, including, but without limitation, commercial, political and similar, visible from neighboring property, shall be erected or maintained upon any Lot, except:

(a) Standardized residential identification signs of a combined total face area of one (1) square foot or less for each residence.

(b) During the time of construction of any improvement, job identification signs having a maximum face area of six (6) square feet per sign and of a type usually employed by contractors, subcontractors and tradesmen.

(c) Not more than one "for sale" or "for rent" sign having a maximum face area of three (3) square feet, provided that if at the time of any such desired use the Association is providing such "for sale" or "for rent" signs for the use of Owners, the sign provided by the Association shall be used.

(d) Signs for purposes of identifying the Roadways as multi-modal facilities and as a pedestrian/cyclist thoroughfare as required by the Town of Jackson.

(e) Those signs protected by law as set forth in Section 3.5.

3.12 Hunting; Fireworks. No hunting or discharge of firearms shall be permitted on any portion of the Properties. No discharge of firecrackers and other fireworks shall be permitted on any portion of the Properties; provided, however, the Board shall have no obligation to take action to prevent or stop such discharge.

3.13 Storage of Firewood; Exterior Fires. The cutting and the storage of firewood and flammable materials by an Owner is prohibited anywhere on the Properties. There shall be no exterior fires whatsoever except barbecue fires contained within approved barbecue receptacles but in no event may chimeneas or fire pits be permitted on the Properties. The burning of trash, organic matter, or miscellaneous debris shall be prohibited on the Properties.

3.14 Garages. Garage doors must be kept closed at all times when not immediately in use. The following items are prohibited from being stored within a garage on the Properties: paint, highly flammable materials and any item that attracts vermin or produces an odor. The use of a garage solely as storage space is prohibited.

3.15 Yard. No outside clothing lines or other outside clothes drying or airing facilities shall be permitted whatsoever on the Properties. There shall be no outside recreational or playground equipment permitted on the Properties except upon prior written approval by the Board.

ARTICLE IV – DESIGN GUIDELINES

4.1 General. It is the intent of this Declaration that during the construction of all improvements within the Properties that care be exercised to keep all disturbance of the natural landscape to an absolute minimum. No structure shall be placed, erected, or installed upon any Lot, and no improvements (including staking, clearing, excavation, grading and other site work, exterior alterations of existing improvements, and planting or removal of landscaping materials) shall take place except in compliance with this Article, the Town of Jackson Land Development Regulations and the Final Development Permit approved by the Town of Jackson for development of the Properties (the "Final Development Permit"). Any Owner may remodel, paint or redecorate the interior of improvements located on a Lot without approval. All plans and specifications for each structure within the Properties shall be subject to review as provided herein. This Article shall not apply to the development activities of the Declarant in accordance with the Plat and this Declaration. This Article may not be amended without the Declarant's written consent so long as the Declarant owns any land subject to this Declaration or subject to annexation to this Declaration.

4.2 Architectural Review.

(a) **Architectural Review Committee.** Declarant shall appoint the three (3) original members of the ARC and all replacements as long as Declarant owns any of the Lots within the Properties

or any of the lands subject to annexation to this Declaration. Thereafter, all of the members of the ARC shall be appointed by the Board. The members of the ARC shall each serve a three (3) year term.

(b) **Fees; Assistance.** The ARC may establish and charge reasonable fees to reimburse the ARC for review of applications hereunder and may require such fees to be paid in full prior to review of any application pursuant to this Article. The ARC may employ architects, engineers, or other persons as deemed necessary to perform the review. The ARC shall include the reasonable compensation of such persons, if any, in the fee charged by the ARC to the applying Owner.

4.3 Guidelines and Procedures.

(a) **Design Guidelines.** This Article is intended to provide guidance to Owners, Builders and/or Architects regarding matters of particular concern to the ARC in considering applications hereunder. Approval pursuant to this Article shall be in the sole and absolute discretion of the ARC. The Declarant shall have sole and full authority to amend this Article as long as it owns any portion of the Properties, notwithstanding the reviewing authority of the ARC, unless Declarant delegates the power to amend to the ARC. Upon termination or delegation of the Declarant's right to amend, the ARC shall have the authority to amend this Article with the consent of the Board. Any amendments to this Article shall not require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to this Article, and such amendments may remove requirements previously imposed or otherwise make this Article less restrictive.

(b) **Procedures.** Notwithstanding any other provision in this Declaration, all Plans (as defined below) for Duplex Lots and the Townhome Lot shall be in compliance with the design standards set forth in the Final Development Permit application attached hereto and incorporated herein as **Exhibit "C"** (the "**FDP Design Guidelines**") and shall be reviewed and approved by the Design Review Committee of the Town of Jackson prior to submittal of the Plans to the ARC. Prior to commencing any work within the scope of this Article ("**Work**"), an Owner shall submit to the ARC an application for approval of the proposed Work in such form as this Article or the ARC may specify, along with any fees required for review. Such application shall include plans and specifications in compliance with this Article showing square footage, building heights, site layout, grading, structural design, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, and other features of proposed construction, as applicable ("**Plans**"). The ARC may require the submission of such additional information as may be reasonably necessary to consider any application. The Plans shall be in such form and shall contain such information as may be reasonably required pursuant to this Article. In reviewing each submission, the ARC may consider any factors it deems relevant, including without limitation, the use of green and sustainable materials and design, minimizing impervious surface and harmony of external design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that determinations as to such matters are purely subjective and opinions may vary as to the desirability and/or attractiveness of particular improvements.

The ARC shall, within thirty (30) days after receipt of a completed application and all required information, respond in writing to the applicant at the address specified in the application. The response may (i) approve the application, with or without conditions; (ii) approve a portion of the application and disapprove other portions; or (iii) disapprove the application. The ARC may, but shall not be obligated to, specify the reasons for any objections and/or offer suggestions for curing any objections. If the ARC fails to respond in writing within thirty (30) days of submission, approval shall be deemed to have been given, with the exception of any development proposed that is not in compliance with the Final

Development Permit, which will be deemed automatically disapproved and denied. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with this Article unless a variance has been granted pursuant to Section 4.5. Notice shall be deemed to have been given at the time the envelope containing the response is deposited with the U.S. Postal Service. Personal delivery of such written notice shall, however, be sufficient and shall be deemed to have been given at the time of delivery to the applicant.

Until expiration of the Declarant's rights under this Article, the ARC shall notify the Declarant in writing within three (3) business days after the ARC has approved any applications relating to proposed Work within the scope of matters delegated to the ARC by the Declarant. The notice shall be accompanied by a copy of the application and any additional information which the Declarant may require. The Declarant shall have ten (10) days after receipt of such notice to veto any such actions, in its sole discretion, by written notice to the ARC and the applicant.

(c) **Obligation to Complete Construction.** If construction does not commence within two (2) years after the date of approval of Plans, such approval shall be deemed withdrawn, and it shall be necessary for the Owner to reapply for approval before commencing the proposed Work. Once construction has commenced (which commencement shall be measured from the breaking of ground on the Lot), it must be completed within twenty-four (24) months from the date construction commenced unless otherwise specified in the notice of approval or unless the ARC grants an extension in writing. The ARC shall not be obligated to grant any extension but shall not unreasonably withhold such extension if construction of the improvement(s) is diligently pursued. Completion of improvements shall mean that a certificate of occupancy has been issued by the local governing body empowered to do so and that they are in a condition suitable for immediate occupancy by the Owner or its occupant. In the event construction is not complete within the time provided for herein, including any extensions approved by the ARC, the Owner shall be subject to a late completion penalty of One Hundred Dollars (\$100.00) per day until construction is complete. Such penalty shall be assessed to such violating Owner as a Specific Assessment.

4.4 No Waiver of Future Approvals. Each Owner acknowledges that the persons reviewing applications under this Article will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of this Article, may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features of proposed Work until the Work is completed, in which case it may be unreasonable to require changes to the improvements involved, but the ARC may refuse to approve similar proposals in the future. Approval of applications or Plans for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar applications, Plans, or other matters subsequently or additionally submitted for approval.

4.5 Variances. The ARC may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless approved in writing by the ARC; (b) be contrary to this Declaration; or (c) estop the ARC from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

4.6 Limitation of Liability. The standards and procedures established by this Article are intended as a mechanism for maintaining and enhancing the overall aesthetics of the Properties but shall

not create any duty to any Person. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only, and the ARC shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements or compliance with plans and specifications, nor for ensuring that all dwellings are of comparable quality, value or size or of similar design. Neither the Declarant, the Association, the Board, any committee, nor member of any of the foregoing shall be held liable for soil conditions, drainage or other general site work, or for any defects in plans revised or approved hereunder, or for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Lot. In all matters, the ARC and all persons comprising the ARC shall be defended and indemnified by the Association as provided in Section 7.6.

4.7 Certificate of Compliance. Any Owner may request that the ARC issue a certificate of architectural compliance certifying that there are no known violations of this Article. The Association shall either grant or deny such request within thirty (30) days after receipt of a written request and may charge a reasonable administrative fee for issuing such certificate. Issuance of such a certificate shall estop the Association from taking enforcement action with respect to any condition as to which the Association had notice as of the date of such certificate.

4.8 Standard of Construction. All improvements to the Properties made by the Declarant have been or will be constructed in accordance with all applicable city, county, state and federal building codes. Declarant does not warrant that its improvements to the Properties exceed, in any manner, the minimum building standards required by applicable county, state and federal laws.

4.9 Enforcement. Any structure, improvement or landscaping placed or made in violation of this Article shall be deemed to be nonconforming. Upon written request from the Declarant, the ARC or the Board, Owners shall, at their own cost and expense, remove such structure or improvement and restore the property to substantially the same condition as existed prior to the nonconforming Work. Should an Owner fail to remove and restore as required, the Declarant, the Association or its designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, together with interest at the maximum rate then allowed by law, may be assessed against the benefited Lot and collected as a Specific Assessment. All approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved Work and all Work previously approved with respect to the same Lot, unless approval to modify any application has been obtained. In the event that any Person fails to commence and diligently pursue to completion all approved Work, the Declarant or the Association shall be authorized, after notice to the Owner of the Lot and an opportunity to be heard in accordance with the Bylaws, to enter upon the Lot and remove or complete any incomplete Work and to assess all costs incurred against the Lot and the Owner thereof as a Specific Assessment. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article may be excluded from the Properties, subject to the notice and hearing procedures contained in the Bylaws. In such event, neither the Declarant, the Association its officers, or directors shall be held liable to any Person for exercising the rights granted by this Section. In addition to the foregoing, the Association and the Declarant shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the ARC.

4.10 Development and Use Restrictions. All development of the Properties shall conform to the following requirements:

(a) **Town of Jackson Land Use Regulations.** The Plans shall be reviewed and approved by the Design Review Committee of the Town of Jackson prior to submittal to the ARC and

shall conform with the FDP Design Guidelines, the Final Development Permit and with any and all applicable land use regulations of the Town of Jackson, in addition to the requirements of this Declaration.

(b) **Authorized Use.** Only single-family residential use shall be permitted on each Lot, together with the keeping of Household Pets subject to the limitations set forth herein; provided, however, that a duplex (two single-family attached residences) are permitted on the Duplex Lots and a fourplex (four single-family attached residences) is permitted on the Townhouse Lot.

(c) **Building Design.**

(1) Only single family homes shall be constructed on Single Family Lots. Only a single family homes or a duplex (two single-family attached residences) shall be constructed on Duplex Lots. Only a single family home or a fourplex (four single-family attached residences) shall be constructed on the Townhouse Lot. The Town of Jackson has approved Lot 3 to be vacated and replatted into two Single-Family Lots and two Duplex Lots with the allowable impervious surface calculations and allowable square footages set forth on **Exhibit "B"**.

(2) All improvements shall be of new construction unless otherwise approved by the ARC and shall conform to the design standards set forth in the Final Development Permit application.

(3) Color samples on pieces of all exterior materials and roofing materials shall be submitted to the ARC for approval.

(4) Exterior materials shall be new material except for architectural detailing which may utilize used materials.

(5) Lighting fixtures shall not cause a nuisance to any adjacent Lot. Exterior lighting fixtures shall be downcast ninety (90) degree cut off fixtures. Lights that are cast upwards toward walls or trees shall not be allowed on any site. All interior lights shall be designed to avoid emission of glare or unreasonable brightness from any window, door or other opening in the building. Exterior lighting, except downcast walkway and driveway lighting not more than three (3) feet above ground, shall not be used for extended period, shall not be left on overnight, and shall not be used unless the site is occupied.

(6) No fencing shall be permitted except for privacy fencing located in those areas and constructed in accordance with those fence specifications designated by Declarant in a Supplemental Declaration and provided that all privacy fencing is approved by the ARC prior to its installation.

(7) All driveways and Limited Common Elements – Parking within the Lots shall be constructed using EP Henry's Turf Pavers, or other similar pavers approved by the Town of Jackson.

(8) All future structures to be located on Lots 1, 2, 3, 13 and 14 shall be setback a minimum of 15 feet from the centerline of that certain ditch easement set forth on the Plat on such Lots.

(9) All improvements shall be in compliance with those Floor Areas set forth on **Exhibit "B"** and the FDP Design Guidelines set forth on **Exhibit "C"**.

4.11 Utilities. Electrical, propane and telephone utility lines will be installed underground. Above ground utility installations are prohibited except for appurtenances necessary to access, operate

and maintain the underground utilities. Notwithstanding the foregoing or any other provision contained herein to the contrary, above-ground utilities shall be permitted, in the sole and absolute discretion of the Declarant, when it is impossible or impractical to install such utilities underground. In any case in which utilities or appurtenances to such utilities are installed above ground, the ARC shall determine what design and/or landscaping measures shall be taken to mitigate the visual impact of such above ground utilities or appurtenances on the Properties.

4.12 Temporary Structures Prohibited; Awnings. Temporary structures, such as trailers, tepees, yurts, tents, tree houses, shacks or other similar buildings are prohibited on the Properties; provided, however, that the provisions of this Section shall not apply to temporary construction shelters maintained during, and used exclusively in connection with, the construction of any work or improvements permitted by this Declaration and provided that no person shall reside in or live in such temporary construction shelters or facilities unless application is made therefore and approved by the ARC. No awnings shall be erected, placed or attached to any improvement or building within the Properties within the prior written consent of the ARC.

4.13 Satellite Dishes. Only one 18” or smaller diameter satellite dish per building shall be permitted and all of the Lots Owners in such building shall share such dish. Each satellite dish must be visually shielded from adjacent Lots with location and shielding approved by the Board before such satellite dish is installed.

4.14 Noxious Weeds and Exotic Plant Species. Sources of all sod, seed and landscaping materials shall not contain noxious weeds or exotic species disfavored by the Teton County Weed and Pest Department. The Association shall adopt and enforce a program in cooperation with the Teton County Weed and Pest Department to eradicate noxious weeds present or occurring on the Properties.

ARTICLE V – MAINTENANCE AND REPAIR BY OWNERS

5.1 Maintenance of Lots. Each Owner of a Lot shall maintain the Lot and any and all improvements thereon, and any and all landscaping situated on the Lot in a manner consistent with the Governing Documents, the Community-Wide Standard and all applicable covenants. If an Owner does not maintain his or her Lot to the appropriate standards, the Association shall have the right to perform such maintenance on the Owner’s behalf and the costs of such maintenance shall be assessed to the Owner as a Specific Assessment. Each Owner of a Lot that is unimproved is responsible for maintaining the landscape on such unimproved Lot in a healthy condition. If an Owner does not maintain his or her unimproved Lot to the appropriate standards, the Association shall have the right to perform such maintenance on the Owner’s behalf and the cost of such maintenance shall be assessed to the Owner as a Specific Assessment.

PART THREE: COMMUNITY GOVERNANCE AND ADMINISTRATION

ARTICLE VI – THE ASSOCIATION AND ITS MEMBERS

6.1 Function of Association. The Association shall be the entity responsible for management, maintenance, operation and control of the General Common Elements and the Limited Common Elements specifically designated herein to be maintained by the Association. The Association also shall be the primary entity responsible for enforcement of the Governing Documents. The Association shall perform its functions in accordance with the Governing Documents and the laws of the State of Wyoming.

6.2 Membership. Every Owner of a Lot, by virtue of their purchase of a Lot or the acceptance of a deed therefore, shall be a Member of the Association. There shall be only one membership per Lot. If a Lot is owned by more than one Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 6.3(a), and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner which is not a natural person may be exercised by any officer, director, partner or trustee, or by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association except where such privileges may be restricted by the Master Rules and Regulations.

6.3 Voting. The Association shall have one class of membership. Members shall have one equal vote for each Lot in which they hold the interest required for membership under Section 6.2. All votes shall be cast as provided in Section 6.3(a). Notwithstanding any other provision in this Declaration, if a Duplex Lot or the Townhouse Lot is vacated and replatted, each resulting Lot whereupon an attached residence is located or is to be located shall have one membership in the Association (it being understood that the owners of any common elements lots shall have no vote with respect to such common elements lot).

(a) **Exercise of Voting Rights.** The vote for each Lot owned by a Member shall be exercised by the Owner of the Lot. In any situation where there is more than one Owner of such Lot, the vote for such Lot shall be exercised as the co-Owners determine among themselves and advise the Secretary of the Association in writing prior to the vote being taken. Absent such advice, the Lot's vote shall be suspended if more than one Person seeks to exercise it in a conflicting manner.

(b) **Commencement of Voting Rights.** Voting rights as to each Lot shall vest upon the commencement of assessment obligations for such Lot.

Only Owners of Lots within a Neighborhood may vote on matters regarding Neighborhood Expenses attributable to such Neighborhood. Notwithstanding the foregoing, no action or inaction may occur by any Neighborhood that would be contrary to or in violation of the Community-Wide Standard.

6.4 Creation of Neighborhoods. There shall be three Neighborhoods within the Properties as follows:

a. **Single-Family Neighborhood.** The Single-Family Neighborhood shall consist of the Single Family Lots and any other Lot whereupon only one single-family residence is constructed or whereupon no improvements exist.

b. **Duplex Lot Neighborhood.** The Duplex Lot Neighborhood shall consist of the Lots whereupon a duplex (two attached single-family residences) is constructed thereon.

c. **Townhouse Lot Neighborhood.** The Townhouse Lot Neighborhood shall consist of the Lots whereupon a fourplex building (four attached single-family residences) is constructed thereon.

6.5 Association Board of Directors. The Association shall have not less than three (3) nor more than seven (7) directors as provided in the Bylaws. The number of directors may be changed as provided in the Bylaws. The initial Board shall be appointed by the Declarant as provided for herein. Following termination of the Declarant's right to appoint members of the Board, at least two directors shall each own a Property in one of the Neighborhoods such that both Neighborhoods are represented on

the Board. Each of the two Directors will also serve as Chairperson of the Neighborhood Committee for their respective Neighborhood. At all times while the Declarant owns any of the Properties subject to this Declaration or subject to annexation to this Declaration as provided herein, one of the members of the Board shall be a representative of the Declarant. The Directors shall serve as provided in the Bylaws.

6.6 Neighborhood Committees. There shall be a Neighborhood Committee for each of the Neighborhoods in the Association. Each committee shall be comprised of not less than two (2) committee-members. Each committee member shall be a Member in good standing and an Owner of a Lot in the Neighborhood on which committee they serve. The chairperson of each committee shall be a duly-elected member of the Board. The committee-members shall serve as provided in the Bylaws.

ARTICLE VII – ASSOCIATION POWERS AND RESPONSIBILITIES

7.1 Acceptance and Control of Association Property.

(a) The Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property.

(b) The Declarant and its designees may convey real or personal property to the Association.

7.2 Maintenance By Association.

(a) Maintenance of General Common Elements.

(i) The Association shall maintain, repair and replace all utility services or other types of elements and easements which are utilized in common, such as, but not limited to, sewer or water lines, up to the connection point of each Lot. The costs associated with maintenance, repair and replacement of the utility services shall be a Common Expense.

(ii) The Association, acting through the Board, shall be obligated to maintain the General Common Elements located within the Properties, including but not limited to the eco-paver walkway. The costs associated with the maintenance, repair and replacement of the General Common Elements located within the Properties shall be a Common Expense.

(iii) The Association shall maintain, repair and replace the concrete sidewalk that is to be located adjacent to Rancher Street, including but not limited to the removal of snow in such areas so that the sidewalks are usable by the public on a continuous basis. The costs associated with the maintenance, repair and replacement of the concrete sidewalk that is adjacent to Rancher Street shall be a Common Expense.

(b) Maintenance of Townhouse Lot Neighborhood.

(i) The Association shall maintain, replace and repair the exteriors of the fourplex building to be located on the Townhouse Lot (after it is vacated and replatted into four Lots and one common area lot), including but not limited to the patios, the exterior doors and windows, the foundations, the balconies, the roofing and chimneys and the garage doors, and specifically including the Limited Common

Elements-Decking/Stairwell, in accordance with the Community-Wide Standard and such expenses associated with such maintenance, repair and replacement shall be a Neighborhood Expense allocated to the Townhouse Lot Neighborhood.

- (ii) The Association shall maintain, repair and replace, as deemed necessary by the Neighborhood Committee, the Limited Common Elements-Parking and the driveways located within the General Common Elements within the Townhouse Lot Neighborhood, including but not limited to the removal of snow in such areas.

(c) Maintenance of Duplex Lot Neighborhood.

- (i) The Association shall maintain, replace and repair the exteriors of each duplex building constructed on a Duplex Lot (after it is vacated and replatted into two Lots and one common area lot), including but not limited to the patios, the exterior doors and windows, the foundations, the balconies, the roofing and chimneys and the garage doors, and specifically including the Limited Common Elements-Decking/Stairwell, in accordance with the Community-Wide Standard and such expenses associated with such maintenance, repair and replacement shall be a Neighborhood Expense allocated to the Duplex Lot Neighborhood.

Unless otherwise designated, the costs associated with the maintenance, repair and replacement of those items that it is obligated to maintain, repair and replace shall be a Common Expense attributable to all Neighborhoods; provided, if the Board reasonably determines that the maintenance, repair or replacement is necessitated by the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such maintenance, repair or replacement against such Owner(s) and their Lot as a Specific Assessment. Any expense associated with the maintenance, repair or replacement of improvements within a Lot shall be assessed as a special assessment against such Lot.

7.3 Insurance.

(a) Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(i) Blanket property insurance covering “risks of direct physical loss” on a “special form” basis (or comparable coverage by whatever name denominated) for all insurable improvements within the Common Elements to the extent that the Association has assumed responsibility in the event of a casualty, regardless of ownership. If such coverage is not generally available at reasonable cost, then “broad form” coverage may be substituted. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement costs of the insured improvements under current building ordinance and codes;

(ii) Commercial general liability insurance on the Common Elements, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, such coverage (including primary and any umbrella coverage) shall have a limit of at least one million dollars (\$1,000,000.00) per occurrence with respect to bodily injury, personal injury, and property damage; provided, should additional coverage and higher limits be available

at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits. If the policy does not contain "severability of interest" in its terms, the Association shall acquire an endorsement to preclude the insurer's denial of an Owner's claim because of negligent acts of the Association or of other Owners;

(iii) Such additional insurance as the Board, in its best business judgment, determines advisable.

Premiums for all insurance on the Common Elements shall be assessed by the Board as a Common Expense.

(b) **Policy Requirements.** All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Member insured.

The policies may contain a reasonable deductible, and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 7.3(a). In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the Bylaws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Lots as a Specific Assessment.

All insurance coverage obtained by the Board shall:

(i) Be written with a company authorized to do business in the State of Wyoming;

(ii) Be written in the name of the Association as trustee for the benefited parties.

(iii) Not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;

(iv) Contain an inflation guard endorsement;

(v) Include an agreed amount endorsement if the policy contains a co-insurance clause;

(vi) Provide a waiver of subrogation under the policy against any Owner or household member of an Owner;

(vii) Include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure;

(viii) Include an endorsement precluding cancellation, invalidation, or condition to recovery under the policy on account of any act or omission of any one or more individual Owners, unless such Owner is acting within the scope of its authority on behalf of the Association;

(viii) Provide that the policy will be primary, even if an Owner has other insurance that covers the same loss.

In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners as additional insureds and provide:

(i) A waiver of subrogation as to any claims against the Association's Board, officers, employees, and its manager, its attorneys, the Owners and their tenants, servants, agents, and guests;

(ii) A waiver of the insurer's rights to repair and reconstruct instead of paying cash;

(iii) An endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(iv) An endorsement requiring at least thirty (30) days prior written notice to the Association of any cancellation, substantial modification, or non-renewal; and

(v) A provision vesting in the Board exclusive authority to adjust losses; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any related to the loss.

(c) **Restoring Damaged Improvements.** In the event of damage to or destruction of property that the Association is obligated to insure, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Damaged improvements on the property shall be repaired or reconstructed unless at least seventy-five percent (75%) of Members decide within sixty (60) days after the loss not to repair or reconstruct. If either the insurance proceeds or estimates of the loss, or both, are not available to the Association within such sixty (60) day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed sixty (60) additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Elements shall be repaired or reconstructed.

If a decision is made not to restore the damaged improvements, and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by the Association for the benefit of its Members or the Owners of Lots, as appropriate, and placed in a capital improvements account.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may, without a vote of the Members, levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 7.3(a).

Policies secured on behalf of a Neighborhood shall be for the benefit of the Owners within the Neighborhood and their Mortgagees, as their interest may appear.

7.4 Compliance and Enforcement. The Association and every Owner and occupant of a Lot shall comply with the Governing Documents. The Board may impose sanctions against Owners for violation of the Governing Documents after notice and a hearing in accordance with the procedures set forth in the Bylaws. Such sanctions may include, without limitation:

(a) Imposing reasonable monetary fines (which shall not, except in the case of nonpayment of assessments, constitute a lien upon the violator's Lot). In the event that any occupant, guest or invitee of a Lot violates the Governing Documents and a fine is imposed, the fine shall first be assessed against the violator; provided however, if the fine is not paid by the violator within the time period set by the Board, the Owner shall pay the fine upon notice from the Board;

(b) Suspending an Owner's right to vote;

(c) Suspending any Person's right to use any Common Elements within the Properties; provided, however, nothing herein shall authorize the Board to limit ingress or egress to or from a Lot;

(d) Suspending any services provided by the Association to an Owner or the Owner's Lot if the Owner is more than thirty (30) days delinquent in paying any assessment or other charge owed to the Association;

(e) Exercising self-help or taking action to abate any violation of the Governing Documents in a non-emergency situation;

(f) Requiring an Owner, as its own expense, to remove any structure or improvements on such Owner's Lot in violation of Article IV and to restore the Lot to its previous condition and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass;

(g) Without liability to any Person, precluding any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of Article IV from continuing or performing any further activities in the Properties; and

(h) Levying Specific Assessments to cover costs incurred by the Association to bring a Lot into compliance with Governing Documents.

In addition, the Board may take the following enforcement procedures to ensure compliance with the Governing Documents without the necessity of compliance with the procedures set forth in the Bylaws:

(a) Exercising self-help in any emergency situation (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations); and

(b) Bringing suit at law or in equity to enjoin any violation or to recover monetary damages to both.

In addition to any other enforcement rights, if an Owner fails to properly perform his or her maintenance responsibility, the Association may record a notice of violation in the Public Records or perform such maintenance responsibilities and assess all costs incurred by the Association against the Lot and the Owner thereof as a Specific Assessment. Except in an emergency situation, the Association shall provide the Owner reasonable notice and an opportunity to cure the problem prior to taking such enforcement action. If a Neighborhood Committee fails to perform its maintenance responsibilities, the Association may perform such maintenance and assess the costs as a Specific Assessment against all property within such Neighborhood. Except in an emergency situation, the Association shall provide the Owner or Neighborhood Committee reasonable notice and an opportunity to cure the problem prior to taking such enforcement action.

All remedies set forth in the Governing Document shall be cumulative of any remedies available at law or in equity. In any action to enforce the Governing Documents, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys fees and court costs, reasonably incurred in such action.

The Association shall not be obligated to take any action if the Board reasonably determines that the Association's position is not strong enough to justify taking such action. Such a decision shall not be construed a waiver of the right of the Association to enforce such provision at a later time under other circumstances or estop the Association from enforcing any other covenant, restriction or rule.

The Association, by contract or other agreement, may enforce applicable city and county ordinances, if applicable, and permit Teton County, Wyoming or the Town of Jackson, as applicable, to enforce ordinances within the Properties for the benefit of the Association and its Members.

7.5 Implied Rights; Board Authority. The Association may exercise any right or privilege given to it expressly by the Governing Documents, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the Governing Documents, or by law, all rights and powers of the Association may be exercised by the Board or delegated to a Neighborhood Committee or the ARC or other committee of the Association without a vote of the membership.

7.6 Indemnification of Officers, Directors and Others. The Association shall indemnify every officer, director, and committee member against all damages and expenses, including counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement or any suit or proceeding, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer, director, or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under Wyoming law or the Bylaws.

7.7 Maintenance of Association Standing. The Association shall be obligated to maintain itself in good standing with the Wyoming Secretary of State and any other governmental entities having jurisdiction over the activities or existence of the Association.

7.8 Powers of the Association Relating to Neighborhoods. The Association shall have the power to veto any action taken or contemplated to be taken by any Neighborhood Committee which the Board reasonably determines to be adverse to the interests of the Association or its Members or inconsistent with the Community-Wide Standard. The Association also shall have the power to require specific action to be taken by any Neighborhood Committee in connection with its obligations and

responsibilities, such as requiring specific maintenance or repairs or aesthetic changes to be effectuated and requiring that a proposed budget include certain items and that expenditures be made therefore.

A Neighborhood Committee shall take appropriate action required by the Association in a written notice within the reasonable time frame set by the Association in the notice. If the Neighborhood Committee fails to comply, the Association shall have the right to effect such action on behalf of the Neighborhood Committee and levy Specific Assessments to cover the costs, as well as an administrative charge and sanctions.

ARTICLE VIII – ASSOCIATION FINANCES

8.1 Budgeting and Allocating Common Expenses; Base Assessments. At least sixty (60) days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses for the coming year, including any contributions to be made to a reserve fund pursuant to Section 8.3. The budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Lots, and the amount to be generated through the levy of Base Assessments, Special Assessments and Specific Assessments against each.

The Association is hereby authorized to levy Base Assessments against all Lots subject to assessment under Section 8.7 to fund the Common Expenses. The liability for Common Expenses described herein shall be allocated based on a fraction, the numerator of which shall be one and the denominator of which shall be the number of Lots then existing on the Properties.

The Board shall send a copy of the final budget, together with notice of the amount of the Base Assessment to be levied pursuant to such budget, to each Owner not less than thirty (30) nor more than sixty (60) days prior to the effective date of such budget. Such budget and assessment shall automatically become effective unless subject to the limitation on increases of assessments provided for in Section 8.6.

Failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay assessments on the same basis as for the last year for which an assessment was made, if any, until a new assessment is made, at which time the Association may retroactively assess any shortfalls in collections.

The Board may revise the budget and adjust the Base Assessment from time to time during the year, subject to the notice requirements and the limitations on increases of assessments provided for in Section 8.6.

8.2 Budgeting and Allocating Neighborhood Expenses. At least sixty (60) days before the beginning of each fiscal year, the Board shall prepare a separate budget covering the estimated Neighborhood Expenses for each Neighborhood on whose behalf Neighborhood Expenses are expected to be incurred during the coming year. Each such budget shall include any costs for additional services or a higher level of services which the Owners in such Neighborhood have approved pursuant to Section 6.4 and any contribution to be made to a reserve fund pursuant to Section 8.3. The budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Lots, and the amount required to be generated through the levy of Neighborhood and Special Assessments against the Lots in such Neighborhood.

The Association is hereby authorized to levy Neighborhood Assessments equally against all Lots which are subject to assessment under Section 8.7 to fund Neighborhood Expenses; provided, if so specified in the applicable Supplemental Declaration or if so directed by petition signed by a majority of the Owners within the Neighborhood, any portion of the assessment intended for exterior maintenance of structures, insurance on structures, or replacement reserves which pertain to particular structures shall be levied on each of the benefited Lots in proportion to the benefit received.

The Board shall cause a copy of the Neighborhood budget and notice of amount of the Neighborhood Assessment for the coming year to be delivered to each Owner in the Neighborhood not less than forty-five (45) nor more than sixty (60) days prior to the beginning of the fiscal year; provided, however, if the Neighborhood Assessment is increased from previous year's Neighborhood Assessment, the Board shall send notice of the increase by the first class mail to the Owners not less than thirty (30) nor more than sixty (60) days prior to the increased Neighborhood Assessment becoming due. Such Neighborhood budget and Neighborhood Assessment shall automatically become effective unless subject to the limitation on increases of assessments provided for in Section 8.6.

Failure of the Members to approve a Neighborhood Assessment or failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Neighborhood Assessments on the same basis as for the last year for which an assessment was made, if any, until a new assessment is made, at which time the Association may retroactively assess any shortfalls in collections.

The Board may revise the budget for any Neighborhood and the amount of any Neighborhood Assessment from time to time during the year, subject to the notice requirements and the limitations on increases of assessments provided for in Section 8.6.

8.3 Budgeting for Reserves. The Board shall prepare and review at least annually a reserve budget for the Common Elements and other assets of the Association and for each Neighborhood for which the Association maintains capital items as a Neighborhood Expense. The budgets shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall include in the Common Expense budget adopted pursuant to Section 8.1 or the Neighborhood Expense budgets adopted pursuant to Section 8.2, as appropriate, a capital contribution to fund reserves in an amount sufficient to meet the projected need with respect both to amount and timing by annual contributions over the budget period.

8.4 Special Assessments. In addition to other authorized assessments, the Association may, subject to the limitations of Section 8.6, levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied: (i) against the entire membership if such Special Assessment is for Common Expenses; or (ii) against an individual Lot or Neighborhood if such Special Assessment is for an unbudgeted expense relating to less than all of the Properties. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved. The Board shall provide notice of the Special Assessment by first class mail to the Owners not less than thirty (30) nor more than sixty (60) days prior to the Special Assessment becoming due.

8.5 Specific Assessments. The Association shall have the power to levy Specific Assessments against a particular Lot to cover costs incurred in bringing a nonconforming Lot into compliance with the Governing Documents, or costs incurred as a consequence of the conduct of the

Owner or occupants of a nonconforming Lot, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the nonconforming Owner prior written notice and an opportunity for a hearing, in accordance with the Bylaws, before levying any Specific Assessment under this Section.

8.6 Limitation on Increases of Assessments. Notwithstanding any provision to the contrary, and except for assessment increases necessary for emergency situations or to reimburse the Association pursuant to Sections 8.4, the Board may not impose a Base Assessment or Neighborhood Assessment that is more than twenty percent (20%) greater than each of those assessments for the immediately preceding fiscal year, nor impose a Special Assessment which in the aggregate exceeds twenty percent (20%) of the budgeted Common Expenses for the current fiscal year, without a majority vote of a quorum of the Members who are subject to the applicable assessment at a meeting of the Association, or action without meeting by written ballot in lieu thereof signed by all of the Members of the Association.

For purposes of this Section, "quorum" means more than fifty percent (50%) of the total voting power of the Association subject to the applicable assessment. For purposes of this Section, the term "Base Assessment" shall be deemed to include the amount assessed against each Lot for the year immediately preceding the year for which the assessment is to be increased.

An emergency situation justifying a Special Assessment may be, but shall not be limited to, any one of the following:

- (a) An extraordinary expense required by an order of a court;
- (b) An extraordinary expense necessary to repair or maintain the Properties or any part of them for which the Association is responsible where a threat to personal safety on the Properties is discovered; or
- (c) An extraordinary expense necessary to repair or maintain the Properties or any part of them for which the Association is responsible which expense could not have been reasonably foreseen by the Board in preparing and distributing the budget as provided for in Section 8.1. However, prior to the imposition or collection of such an assessment, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process. Such resolution shall be distributed to the Members with the notice of such assessment.

8.7 Authority to Assess Owners; Date of Commencement of Assessments; Time of Payment. The Declarant hereby establishes that the Association is authorized to levy assessments as provided for in this Article and elsewhere in the Governing Documents. Subject to Sections 8.1 and 8.8, the obligation to pay the assessments provided for herein shall commence as to all Lots on the first day of the month following the first conveyance of a Lot to an Owner not affiliated with the Declarant. The first annual assessment shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on the Lot. Any assessments collected but not spent prior to the Association incurring expenses shall be placed into the Association's reserve account for maintenance, repair and replacement of the Common Elements and any other common amenities.

Assessments shall be paid in such manner and on such dates as the Board may establish. The Board may require advance payment of assessments at closing of the transfer of title to a Lot and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, annual assessments may be paid in two or more installments. Unless the Board otherwise provides, the Base

Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his or her Lot, the Board may require the outstanding balance on all assessments to be paid in full immediately.

8.8 Personal Obligation.

(a) Each Owner, by accepting a deed or entering into a recorded contract of sale for any portion of the Properties, is deemed to covenant and agree to pay all assessments authorized in the Governing Documents. All assessments, together with interest (computed from its due date at a rate of eighteen percent (18%) per annum or such other rate as the Board may establish, subject to the limitations of Wyoming law), late charges as determined by Board resolution, costs, and reasonable attorneys' fees, shall be the personal obligation of each Owner and a lien upon each Lot until paid in full. Upon a transfer of title to a Lot, the grantee shall not be personally liable for any assessments and other charges due at the time of conveyance unless expressly assumed by him/her, but such transferred Lot shall remain subject to any liens imposed upon it pursuant to Section 8.9 herein.

Failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Base Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

No Owner may exempt himself from liability for assessments by non-use of the Common Elements, by abandonment of his Lot, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

The Association shall, upon request, furnish to any Owner liable for any type of assessment a certificate in writing signed by an Association officer setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

(b) **Declarant's Obligations for Assessments.** The Declarant is subject to the payment of assessments against Lots that it owns.

8.9 Lien for Assessments. Each Owner, by his or her acceptance of a deed to a Lots, hereby vests in the Association and its agents the right and power to bring all appropriate actions against such Owner personally for the collection as a debt of any unpaid and delinquent billings for Base Assessments, Special Assessments, Specific Assessments, Neighborhood Assessments, interest, late fees, enforcement costs and other charges owing by such Owner in accordance with the terms hereof. Additionally, in order to secure payment of any billings for Base Assessments, as well as Special Assessments and Specific Assessments, interest, late fees, enforcement costs and other charges due hereunder, Declarant hereby retains, and each Owner by his or her acceptance of a deed to a Lot, hereby grants the Association and its agents a lien for such Base Assessments, Neighborhood Assessments, as well as Special Assessments and Specific Assessments, interest, late fees, enforcement costs and other charges for which such Owner is responsible under the terms hereof. The Board, acting on behalf of the Association, is authorized to record a notice of any unpaid amounts secured by such lien in the Public Records, which shall include a description of the applicable Lot and the name of the Owner thereof and the basis for the amount of the

lien. Said lien shall be enforceable by the Association or its agents through all appropriate methods available under applicable Wyoming law for the enforcement of such liens, including without limitation, non-judicial foreclosure, and the Declarant and each such Owner hereby expressly grant to the Association a power of sale in connection with said lien. The Association may designate a trustee in writing from time to time to post or cause to be posted the required notices and to conduct such foreclosure sale. The trustee may be changed at any time and from time to time by an instrument in writing and signed by the President or a Vice President of the Association and attested by the Secretary or any Assistant Secretary of the Association and filed for record in the Public Records. The lien herein retained and granted is and shall be expressly subordinate in all respects to any Mortgage predating the charge in question (as evidenced by the recording date of a notice of unpaid assessments in the Public Records). Any holder of a Mortgage that predates the date of the charge in question and who acquires title to a Lot through foreclosure of its Mortgage or acceptance of a deed in lieu of foreclosure thereunder, shall not be liable for the unpaid portion of any such charges relating to the Lot in question that arose prior to such acquisition. Additionally, after any such foreclosure or deed in lieu of foreclosure, such Lot shall remain subject to this Declaration and the above-described lien and the new Owner of such Lot shall thereafter be personally liable for all charges of the type described above which relate to such Lot and which become due after such new Owner acquires title to said Lot by foreclosure or by acceptance of a deed in lieu of foreclosure. Except as otherwise provided above as to holders of Mortgages or by applicable law, no sale or transfer of any Lot shall: (a) relieve any Owner thereof from personal liability for any of such unpaid charges attributable to the applicable Lot which become due prior to the date of such sale or transfer; or (b) satisfy or extinguish the above-described lien in respect of such unpaid charges.

PART FOUR: COMMUNITY DEVELOPMENT

ARTICLE IX – ADDITIONAL RIGHTS RESERVED TO DECLARANT

9.1 Expansion by the Declarant. Until the Declarant has sold 100% of the Properties subject to this Declaration, the Declarant may annex additional properties into the regime of this Declaration provided such property is contiguous to the Properties. Such annexation shall be accomplished by filing a Supplemental Declaration in the Public Records describing the property to be annexed and specifically subjecting it to the terms of this Declaration. Such Supplemental Declaration shall not require the consent of Members, but shall require the consent of the owner of such property, if other than Declarant. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein.

9.2 Additional Covenants and Easements. The Declarant may subject any portion of the Properties to additional covenants and easements, including covenants obligating the Association to maintain and insure such property and authorizing the Association to recover its costs through the various Assessments as provided for herein. Such additional covenants and easements may be set forth either in a Supplemental Declaration subjecting such property to this Declaration or in a separate Supplemental Declaration referencing property previously subjected to this Declaration. If the property is owned by someone other than Declarant, then the consent of the Owner(s) shall be necessary and shall be evidenced by their execution of the Supplemental Declaration. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

9.3 Effect of Filing Supplemental Declarations. Any Supplemental Declaration filed pursuant to this Article shall be effective upon recording in the Public Records unless otherwise specified in such Supplemental Declaration. On the effective date of the Supplemental Declaration, any additional

property subjected to this Declaration shall be assigned voting rights in the Association and assessment liability in accordance with the provisions of this Declaration.

9.4 Budget Considerations. As additional properties are annexed to the Properties pursuant to this Article IX, the budget of the Association may be affected, as well as assessment obligations of the Owners as a result thereof.

9.5 Right to Replat Duplex Lots and Townhome Lot. The Declarant hereby reserves the right for itself and for an Owner of a Duplex Lot and the Townhome Lot to vacate and replat the Duplex Lots and the Townhome Lot. By accepting a deed to a Lot, an Owner acknowledges the Declarant's and the Owners' rights set forth in this Section 9.5, expressly consents hereto to any such vacation and replat of such Lots and hereby grants a power of attorney to the Declarant and to the Owners of the Duplex Lots and the Townhome Lot for purposes of acknowledging consent to any such vacation and replat of such Lots and for the completion of any other action required by the Town of Jackson of any Owner of the Properties for the vacation and replat of such Lots. Concurrent with the vacation and replat of a Duplex Lot or the Townhome Lot, a Supplemental Declaration shall be filed in the Office of the Clerk of Teton County, Wyoming to annex the additional Lots into this Declaration and to designate the common area lot as limited common elements. The common area lot shall be conveyed to the Association by warranty deed concurrently upon filing the replat of such Duplex Lot or the Townhome Lot. All Plans for Duplex Lots and the Townhome Lot shall be reviewed and approved by the Design Review Committee of the Town of Jackson and shall conform to the FDP Design Guidelines set forth on **Exhibit "C"**. The development of the Townhome Lot shall require Final (Minor) Development Plan approval from the Town of Jackson. In the event that the proposed roof top garden on the Townhome Lot does not provide enough landscape surface to bring the LSR of the entire Properties into compliance with the Final Development Permit, then the building envelope of the Townhome Lot shall be reduced to eliminate any LSR deficiency.

9.6 Right to Approve Additional Covenants. So long as Declarant owns any property subject to this Declaration, no Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Properties without Declarant's review and written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed by the Declarant and recorded in the Public Records.

9.7 Right to Approve Changes in Community Standards. No amendment to or modification of any Master Rules and Regulations shall be effective without prior notice to and the written approval of Declarant so long as the Declarant owns property subject to this Declaration.

9.8 Right to Appoint Members of Board. The Declarant shall have the right to appoint the initial members, and all replacement members as long as Declarant owns any Lots, of the Board of Directors of the Association and of any committee of the Board, including but not limited to the Neighborhoods Committees and the Architectural Review Committee, except as otherwise provided in the Bylaws.

9.9 Right to Delay Commencement of Association, Meetings or Assessments. The Declarant hereby reserves the right to delay the filing of the Articles for the Association, creation of Bylaws and Master Rules and Regulations, or to delay the commencement of Association meetings or to delay implementation of Association assessments as required hereunder and in the Bylaws. In the event that the Declarant elects to delay the creation of the association, the rights, but not the obligations, of the

Association created by this Declaration are hereby assigned to the Declarant until such time as the Association is created.

9.10 Right to Amend Plat. Declarant hereby reserves the right to amend the Plat to provide for the orderly development of the Properties as determined by the Declarant. By accepting a deed for their Lot, an Owner acknowledges the Declarant's rights set forth in this Section 9.10 and expressly consents thereto.

9.11 Right to Approve Plans. Declarant hereby reserves the right to approve Plans submitted by Owners pursuant to Article IV, in its sole discretion.

9.12 Right to Replat Lot 3. The Declarant hereby reserves the right for itself and for the future Owners of Lot 3 to vacate and replat Lot 3 into two Duplex Lots and two Single-Family Lots in conformance with the Final Development Permit, which Lots have been approved by the Town of Jackson for those allowable square footage and impervious surface calculations set forth on **Exhibit "B"**. By accepting a deed to a Lot, an Owner acknowledges the Declarant's and the Owner's rights set forth in this Section 9.5, expressly consents hereto to any such vacation and replat of Lot 3 and hereby grants a power of attorney to the Declarant and/or to the Owner of Lot 3 for purposes of acknowledging consent to any such vacation and replat of Lot 3 and for the completion of any other action required by the Town of Jackson for the vacation and replat of such Lot. Concurrent with the vacation and replat of Lot 3, a Supplemental Declaration shall be filed in the Office of the Clerk of Teton County, Wyoming to annex the additional Lots into this Declaration and to designate the common area lot(s) as limited common elements, if applicable. The common area lot(s) shall be conveyed to the Association by warranty deed concurrently upon filing the replat of such Lot.

9.13 Termination of Rights. The rights contained in this Article shall not terminate until the Declarant, or any individual Declarant, is no longer a record owner of any real property subject to this Declaration unless Declarant elects to terminate such reservations at an earlier date. Declarant may from time to time relinquish and surrender one or more but less than all of the reserved rights, in which event the unrelinquished reserved rights shall remain fully valid and effective for the remainder of the term thereof.

PART FIVE: PROPERTY RIGHTS WITHIN THE COMMUNITY

The nature of living in a community requires the creation of special property rights and provisions to address the needs and responsibilities of the Owners, the Declarant, the Association, and others within or adjacent to the community.

ARTICLE X – EASEMENTS

10.1 Easements in General Common Elements. The Declarant grants to each Owner a non-exclusive right and easement of use (subject to the rights of other Owners, Members and the Association), access, and enjoyment in and to the General Common Elements.

The foregoing grants are subject to:

- (a) The Governing Documents and any other applicable covenants;
- (b) Any restrictions or limitation contained in any deed conveying such property to the Association;

(c) The right of the Board to adopt rules regulating the use and enjoyment of the Common Elements;

(d) The right of the Board to suspend the right of an Owner to use the General Common Elements (i) for any period during which any charge or assessment against such Owner's Lot remains delinquent, and (ii) for a period not to exceed thirty (30) days for a single violation or for a longer period in the case of any continuing violation of the Governing Documents after notice and a hearing pursuant to the Bylaws.

Any Owner may extend his or her right of use and enjoyment of the General Common Elements to the members of his or her family, lessees, and social invitees, as applicable, subject to reasonable regulation by the Board. An Owner who leases his or her Lot, subject to the terms and conditions of this Declaration, shall be deemed to have assigned all such rights to the lessee of such Lot for the period of the lease.

10.2 Easements for Utilities and Infrastructure.

(a) All dedications, limitations, restrictions and reservations of easements, including those for drainage, prepared and recorded by Declarant are incorporated herein by reference and made a part of this Declaration for all purposes as if fully set forth in this Declaration.

(b) The Declarant hereby grants to the Association and each Owner of a Lot, and, so long as the Declarant owns any property described on **Exhibit A** of this Declaration, reserves for itself, and reserves the right to grant to utility providers, the Association, and the owners of any of the properties described on **Exhibit A** of this Declaration perpetual non-exclusive utilities easements located as described on the Plat for the purpose of:

(i) Installing utilities, including without limitation, cable and other systems for sending and receiving data and/or other electronic signals; security and similar systems; and drainage systems; roads, walkways, pathways and trails; drainage systems and signage; to serve the Properties;

(ii) Inspecting, maintaining, repairing and replacing such utilities and infrastructure to serve the Properties; and

(iii) Access to read utility meters.

(c) All work associated with the exercise of the easements described in subsections (a) and (b) of this Section shall be performed in such a manner as to minimize interference with the use and enjoyment of the property burdened by the easement. Upon completion of the work, the Person exercising the easement shall restore the property, to the extent reasonably possible, to its condition prior to the commencement of the work. The exercise of these easements shall not extend to permitting entry into the structures on any Lot, nor shall it unreasonably interfere with the use of any Lot and, except in an emergency, entry onto any Lot shall be made only after reasonable notice to the Owner or occupant.

10.3 Easements for Maintenance, Emergency and Enforcement. The Declarant grants to the Association easements over Properties as necessary to enable the Association to fulfill its maintenance responsibilities under Section 7.2. The Association shall also have the right, but not the obligation, to enter upon any Lot, but not to enter any structure thereon, for maintenance, emergency, security, and safety reasons and to inspect for the purpose of ensuring compliance with the Governing Documents and

to enforce the Governing Documents. Such right may be exercised by any member of the Board and its duly authorized agents and assignees, and all emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. The Declarant hereby grants to the Association, perpetual exclusive snow storage easements in, under, over and across the Roadways for the purpose of orderly removal and storage by the Association of snow from other portions of the Roadways and sidewalks located within the General Common Elements and Lots.

10.4 Easements for Cross-Drainage. Every Lot shall be burdened with easements for natural drainage of storm water runoff from other portions of the Properties; provided, no Person shall alter the natural drainage on any Lot to increase materially the drainage of storm water onto adjacent portions of the Properties without the consent of the Owner(s) of the affected Lot, the Board and the Town Engineer of the Town of Jackson.

10.5 Easement for Emergency Vehicles. The Properties are hereby burdened with an easement allowing all policemen, firemen, ambulance personnel, and similar emergency personnel entry to perform their duties, including the enforcement of traffic regulations.

10.6 Easement for Encroachments. If any part of the Common Elements encroaches or shall hereinafter encroach upon a Lot, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Lot encroaches or shall hereafter encroach upon the Common Elements, or upon an adjoining Lot, an easement for such encroachment and for the maintenance of the same shall and does exist. Such encroachments shall not be considered to be encumbrances either on the Common Elements or the Lots. Encroachments referred to herein are limited to encroachments caused by engineering errors, settling, rising, or shifting of the earth, or by changes in position caused by construction, repair or reconstruction or any part thereof in accordance with the original plans and any encroachment due to building overhang or projection.

10.7 Owner's Right to Ingress and Egress and Support. Each Owner shall have the right to ingress and egress over, upon, and across the General Common Elements necessary for access to its Lot, and shall have the right to the horizontal and lateral support of its Lot, and such rights shall be appurtenant to and pass with the title to each Lot.

10.8 Easement for Walkway. The Declarant grants to each Owner a nonexclusive right and easement of use, access, and enjoyment in and to the walkway located within in the General Common Elements, as may be created from time to time, subject to:

- (a) The Governing Documents and any other applicable covenants;
- (b) The right of the Board to adopt rules regulating the use and enjoyment of the walkway;
- (c) The right of use and enjoyment of the walkway by the members of his or her family, lessees, and social invitees, as applicable, subject to reasonable regulation by the Board. An Owner who leases his or her Lot shall be deemed to have assigned all such rights to the lessee of such Lot for the period of the lease.

10.9 Title to Roadways; Use of Roadways. Title to those portions of the Roadways within the General Common Elements as described on the Plat and in this Declaration, shall be conveyed by Declarant to the Association. Title to those portions of the Roadways that are contained within the

boundaries of a Lot (a "Burdened Lot") shall be retained by the Owner of each Burdened Lot but shall be subject to the vehicular, pedestrian and utility easements granted to the Association and Owners herein and to other provisions of this Declaration. Each Owner and occupant and each of their guests or invitees are hereby granted a non-exclusive perpetual easement and right-of-way to use the Roadways, for vehicular and pedestrian ingress, egress, access to and from their Lot. Declarant hereby reserves the right to grant additional easements over and across the Roadways to a governmental entity. The Association shall have the right to control vehicular circulation through the Properties by such means as establishing speed limits, by installing speed bumps or by any other means reasonably adopted by the Association.

PART SIX: RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY

ARTICLE XI – AMENDMENT OF DECLARATION; MISCELLANEOUS

11.1 By Declarant. In addition to specific amendment rights granted elsewhere in this Declaration, until the conveyance of 75% of the Properties to an Owner unaffiliated with Declarant, Declarant may unilaterally amend or repeal this Declaration for any purpose. Thereafter, the Declarant may unilaterally amend this Declaration if such amendment is necessary to (i) bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) enable any reputable title insurance company to issue title insurance coverage on a Lot; (iii) enable any institutional or Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guaranty mortgage loans on the Lots; or (iv) to satisfy the requirements of any local, state or federal governmental agency; provided, however, that any such amendment shall not adversely affect the title to any Lot unless the Owner thereof shall consent in writing. Notwithstanding the foregoing, any amendment right of Declarant set forth in this Section 11.1 shall automatically terminate upon the date that neither Declarant nor any of its affiliates owns any of the property described on **Exhibit A** attached hereto.

11.2 By Members. Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of at least sixty-six percent (66%) of the Members. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

11.3 Validity and Effective Date. No amendment may remove, revoke, or modify any right or privilege of the Declarant without the written consent of the Declarant. If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment. Any amendment shall become effective upon recording in the Public Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within thirty (30) days of its recordation, or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

11.4 Notice. Any notice or other document required by this Declaration shall be deemed to have been delivered twenty-four (24) hours after a copy of same has been deposited in the United States mail, postage prepaid, addressed as follows:

if to the Association or to the ARC, at:

P.O. Box 3274

Jackson, WY 83001

if to an Owner, to the address on file with the Association for such Owner;

if to Declarant, at: P.O. Box 3274

Jackson, WY 83001

provided, however, that any such address may be changed from time to time by an Owner, the Association, the Site Committee, or by Declarant by notice in writing delivered to the Association.

11.5 No Waiver. The failure of the Board or its agents to insist, in one or more instances, upon the strict performance of any of the conditions, covenants, conditions or restrictions of this Declaration, or to exercise any right or option herein contained, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment, for the future, of such term, covenant, condition or restriction; but such term, covenant, condition or restriction shall remain in full force and effect. The receipt and acceptance by the Board or its agent of the payment of any assessment from an Owner, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and duly signed by or on behalf of the Board.

11.6 Construction. All of said covenants, conditions and restrictions contained in this Declaration shall be construed together, but if it shall at any time be held that any one of said conditions, covenants or restrictions, or any part thereof, is invalid, or for any reason becomes unenforceable, no other condition, covenant or restriction, or any part thereof, shall be thereby affected or impaired; and the Declarant, grantor and grantee, their heirs, successors and assigns, shall be bound by each article, section, subsection, sentence, clause and phrase of this Declaration irrespective of the fact that any article, section, subsection, paragraph, sentence, clause or phrase be declared invalid or inoperative or for any reason becomes unenforceable.

11.7 Mechanics Lien Rights. No labor performed or services or materials furnished with the consent of or at the request of a Owner of a Lot or his/her agent or her/his contractor or subcontractor shall be the basis for the filing of a lien against the Lot of any other Owner of a Lot, or against any part thereof, or against any other property of any other Owner of a Lot, unless such other Owner of a Lot has expressly consented to or requested the performance of such labor or furnishing of such materials or services. Such express consent shall be deemed to have been given by the Owner of any Lot in the case of emergency repairs thereto. Labor performed or services of materials furnished for the Project or any portion thereof, if duly authorized by the Association, shall be deemed to be performed or furnished with the express consent of each Owner of a Lot. Any Owner may remove his/her Lot from a lien against two or more Lot or any part thereof by payment to the holder of the lien of the fraction of the total sum secured by such lien which is attributable to her/his Lot.

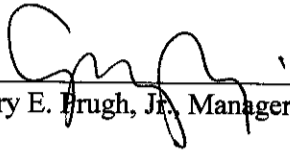
11.8 Construction by Declarant. Nothing in this Declaration, or any action taken by the Association, shall limit the right of Declarant to complete construction of improvements to the Properties owned by Declarant or to alter the foregoing, or to construct such additional improvements as Declarant deems advisable prior to completion and sale of the entire Properties. Such right shall include, but shall not be limited to, erecting, constructing, and maintaining on the Properties such structures and displays as may be reasonably necessary for the conduct of its business of completing the work and disposing of the same by sale, lease, or otherwise. This Declaration shall not limit, nor shall any action of the Association

limit, the right of Declarant at any time prior to the sale of all Lots by Declarant to establish on the Properties additional easements, reservations and rights of way to itself, to utility companies, or to others as may from time to time be necessary to the proper development and disposal of the Properties.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration the date and year first written above.

“Declarant”

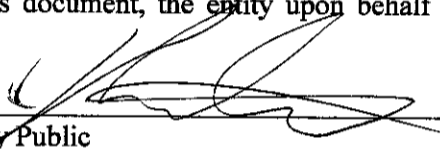
Dos Diablos, LLC
a Wyoming limited liability company



Gregory E. Prugh, Jr., Manager

STATE OF WYOMING.)
) ss.
COUNTY OF TETON)

On this 6TH day of JUNE, 2008, before me personally appeared GREGORY E. PRUGH, JR. as Manager of Dos Diablos, LLC, a Wyoming limited liability company, personally known to me, or proved to me on the basis of satisfactory evidence, to be the person whose name is subscribed within this instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on this document, the entity upon behalf of which the person acted executed this instrument.



Notary Public
My commission expires:

(seal)

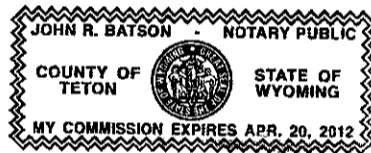


EXHIBIT A

A tract of land located in the NE1/4 NE1/4 of Section 34, Township 41 North, Range 116 West, 6th P.M., Town of Jackson, Teton County, Wyoming, and is comprised of that tract of land described and conveyed in Book 8 of Deeds, page 139, records of Teton County, said tract of land being more particularly described as follows:

Beginning at a Point on the easterly Section line of said Section 34, which Point lies S1°30'09"W, 774.06 feet from the northeasterly corner of said Section 34;

Thence along said easterly Section line S1°30'09"E, 225.79 feet to the northeasterly corner of the Buffalo Head Townhouses, recorded as Plat No. 427 in the Office of the Teton County Clerk;

Thence along the northerly boundary line of said Buffalo Head Townhouses, S89°57'47"W, 237.95 feet, to its' northwesterly corner;

Thence along the northerly boundary lines of those record parcels of land described and recorded in Book 323 of Photos, page 159 and Book 579 of Photos, page 849, records of Teton County, S89°59'29"W, 401.00 feet;

Thence N0°00'05"E, 228.79 feet to a point on the southerly boundary line of the Rancher Street Condominium Addition to the Town of Jackson, recorded as Plat No. 694 in Said Office;

Thence along the southerly boundary line of said Rancher Street Condominium Addition and along the southerly boundary line of that Parcel of land described and conveyed in Book 299 of Photos, page 470, records of Teton County, S89°44'40"E, 644.87 feet, more or less, to the Point of Beginning.

Containing 3.35 acres, more or less, and subject to easements, rights-of-way, reservations, and restrictions, of sight and/or of record.

Exhibit "B"

AMENDED FINAL DEVELOPMENT PLAN LOT CALCULATIONS

INDIVIDUAL LOT CALCULATIONS ALLOWED PER APPROVED FINAL DEVELOPMENT PLAN

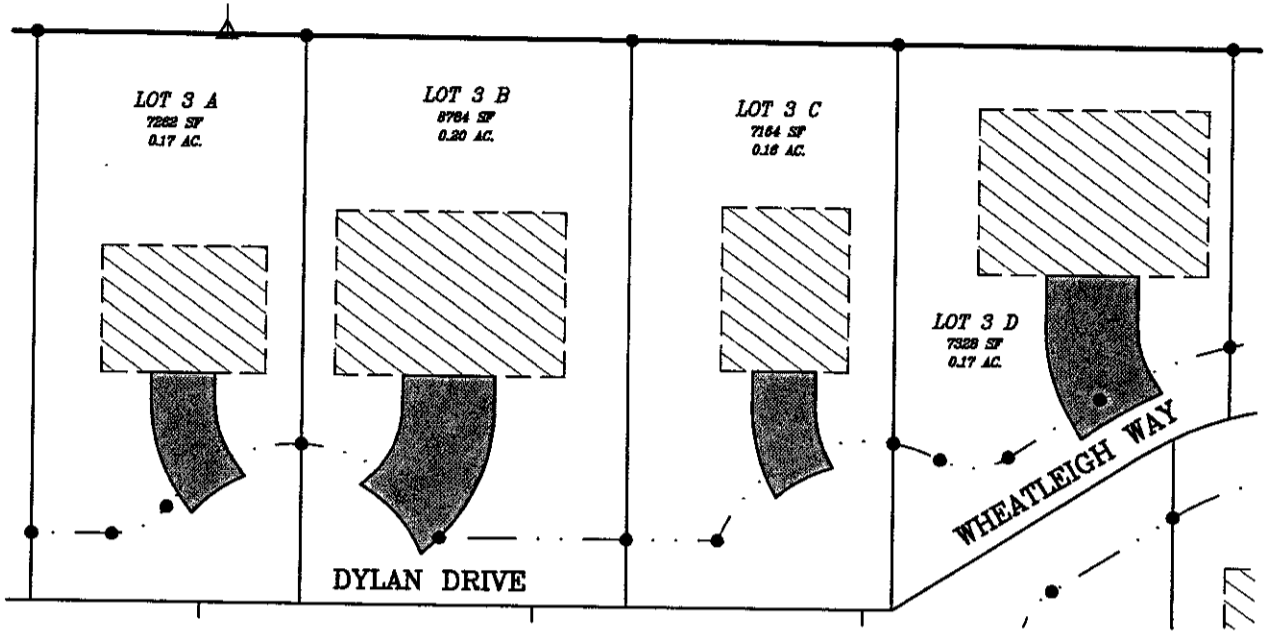
Lot No.	Building Footprint	Driveway Area	Impervious Surface	Allowed Floor Area
1	1000	400	1400	1700
2	1000	400	1400	1700
3	5600	2453	8053	8200
4	1800	440	2240	2400
5	1800	440	2240	2400
6	3200	2218	5418	4466
7	1000	400	1400	1700
8	1000	400	1400	1700
9	1000	495	1495	1700
10	1800	730	2530	2400
11	1800	741	2541	1700
12	1800	503	2303	2400
13	1800	511	2311	1700
14	1000	400	1400	1700
Total	25600	10531	36131	35866

Existing Site Conditions Lot 3

Lot No.	Building Footprint	Driveway Area	Impervious Surface	Allowed Floor Area
3	2060	5460	7520	5600

Future Platted Lots to be Located on Existing Lot 3, Daisy Bush Addition

Unit	Building Footprint	Driveway Area	Impervious Surface	Allowed Floor Area
Lot 3 A	1000	522	1522	1700
Lot 3 B	1800	746	2546	2400
Lot 3 C	1000	488	1488	1700
Lot 3 D	1800	697	2497	2400
Total	5600	2453	8053	8200



scale: 1" = 40'

DRAWING NO 1	TITLE DAISY BUSH ADDITION LOT 3 DIAGRAM TO EXHIBIT B	NELSON ENGINEERING P O. BOX 1599, JACKSON WYOMING (307) 733-2087	DATE 6/6/08	REV
JOB NO 07-052-01			SURVEYED NE	
			DRAWN MB	
			CHECKED MB	
			APPROVED MB	

Exhibit "C"

DESIGN STANDARDS FOR SUBDIVISION RESIDENCES

Planning:

The general planning goals shall utilize sustainable strategies.

- Minimize building footprint and paved surfaces within town planning dimensional standards to maximize landscape area.
- Placement of windows shall maximize southern heat gain, provide adequate natural ventilation and enhance privacy between structures.

Landscaping:

General landscaping goals shall utilize sustainable strategies.

- Low maintenance, low water requirement, indigenous plant material.
- Seasonal shade producing trees positioned for summer sun protection.
- Dense, mid-height plantings positioned as natural privacy barriers for outdoor terraces.

Building Form:

General building forms shall utilize green strategies which maximize form.

- Roof forms shall include gable, asymmetrical gable, shed, and flat roof to accommodate roof decks where applicable. Pitch shall range from flat to 5 / 12.
- Roof overhangs are encouraged on non-flat roofs
- Covered porches and balconies are encouraged

Building Materials:

General material selection and application shall utilize sustainable strategies.

- The primary (approximately 70%) exterior siding will be wood from renewable sources finished in natural or moderately muted colors to for reduced maintenance. Painted cement board in approved patterns can be used as an alternate.
- Secondary (approximately 30) exterior siding shall include oxidized steel and other approved accent materials.
- Roofing material shall be oxidized metal in various manufacturer's profiles.
- Windows shall be metal clad, double pane in dark or black color.