

**DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS FOR
FLAT IRON ADDITION TO THE TOWN OF JACKSON**

THIS DECLARATION, made on the date hereinafter set forth by **JACKSON HOLE COMMUNITY HOUSING TRUST**, a Wyoming Nonprofit Corporation located in Jackson Wyoming, hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the County of Teton, State of Wyoming, described as:

FLAT IRON ADDITION TO THE TOWN OF JACKSON, according to that plat filed on the office of the Teton County Clerk on June 20, 1997 as Plat No. 906.

NOW THEREFORE, Declarant hereby declares that the property described above (hereafter referred to as the "Property") shall be held, conveyed, leased, used, improved and occupied subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of the Property and all Residential Units located upon them, and the creation of a tranquil and satisfying community of compatible uses and occupants which results in a high level of stability and harmonious relationships among its residents. these covenants shall run with the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner, lessee, or occupant thereof.

ARTICLE I - DEFINITIONS

Section 1. "Association" shall mean and refer to the FLAT IRON HOMEOWNERS ASSOCIATION, a Wyoming nonprofit corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a leasehold interest in any Lot which is a part of the Properties, including

Grantor: JACKSON HOLE COMMUNITY*
Grantee: THE PUBLIC
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By LANI KAI MATTHEWS Deputy

contract purchasers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Property" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association in accordance with the Annexation section herein contained.

Section 4. "General Common Area" or "Common Area" shall mean all real property (including the improvements thereto and common utilities located therein) owned or leased by the Association for the common use and enjoyment of the Owners. The Common Area to be leased by the Association at the time of the conveyance or lease of the first Lot is described as all that area shown on the subdivision plat of the Property.

Section 5. "Limited Common Areas" means those portions of the Common Area which are limited to and reserved for the exclusive use of one or more Owners, which shall include garages, parking spaces, deck/patio areas and yard areas.

Section 6. "Lot" shall mean and refer to any parcel or plot of land shown upon any recorded subdivision map of the Property with the exception of the Common Area. It may also be referred to as a "Unit" on said plat.

Section 7. "Declarant" shall mean and refer to THE JACKSON HOLE COMMUNITY HOUSING TRUST, its successors and assigns if such successors or assigns should acquire more than an undeveloped Lot from the Declarant.

Section 8. "Member" shall mean and refer to members of the Association.

Section 9. "Bylaws" shall mean and refer to the Bylaws of the Association.

Section 10. "Residential Unit " shall mean a dwelling unit constructed upon a Lot and sold separately from the underlying lot subject to a Ground Lease of the Lot.

ARTICLE II - PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot subject to the following provisions:

(a) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Association and the Declarant;

(b) The right of individual Owners to the exclusive use of garages, parking spaces, deck/patio areas and yard areas, as provided in this Article;

(c) No commercial, retail or other business activities shall be conducted on or from any residential lot or multiple dwelling lot; provided, however, that nothing in this subparagraph (c) shall be deemed to prevent:

Any person from pursuing home based business activities including but not limited to consulting, accounting, bookkeeping, house cleaning, contracting, tutoring, private lessons, telemarketing, babysitting, child care, financial management, architectural or drafting work, or catering on a residential lot or multiple dwelling lot, provided that (i) the lot is used primarily as a residence by such person, (ii) there is no public advertising of such business location, (iii) there are no employees working on such lot, (iv) such activities are in compliance with all applicable Teton County rules and regulations, and (v) the Board of Directors of the Homeowners' Association retains full authority to limit or curtail such business activities on a lot if the Board determines that they create an unreasonable nuisance in the neighborhood due to noise or traffic or other factors;

(d) The Bylaws of the Association and all rules and regulations promulgated by its Board of Directors.

Section 2. Ground Lease. The Lot upon which Owner's Residential Unit sits is subject to a Ground Lease between Owner and Declarant. The terms of the Ground Lease, among other things, restrict the resale value of the Residential Unit as defined in Article X of the Ground Lease between Declarant and Owner. The Residential Units and Ground Leases are only available to income-qualified purchasers. The income qualifications are set forth in the Homebuyer Selection Policies of Declarant which are set forth in the promotional and marketing materials for the Flat Iron Addition to the Town of Jackson.

Section 3. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants under an approved sub-lease, or contract purchasers who reside on the Property.

Section 4. Limited Common Areas. Leasehold interest in a Lot may entitle the Owner or Owners thereof to the exclusive right to access and occupancy and use of the Limited Common Area appurtenant to a Lot; which may be depicted on the Plat or permanently assigned to a Lot by the Declarant or the Association.

Section 5. Common Area Mortgage. The Common Area cannot be mortgaged or conveyed without the consent of at least 67% of the Lot Owners (excluding Declarant).

Section 6. Encumbrance of Access. If ingress or egress to any residence is through the Common Area, conveyance or encumbrance of such area is subject to Lot Owner's easement.

Section 7. Initial Encumbrance of Common Area. The Common Area shall be conveyed to the Association free and clear of all encumbrances.

Section 8. Exclusive Use of Garage. Every owner shall have the exclusive right to use the garage conveyed with Residential Unit or by easement.

ARTICLE III - MEMBERSHIP AND VOTING RIGHTS

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

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

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant who shall be entitled to one vote. The Class B Membership shall cease to have any voting rights upon the grant of 75% of the total available ground leases for the Flat Iron Addition to Town of Jackson, but shall be entitled to all notices and communications given to other members and may attend and shall be heard at any and all meetings or with regard to any decisions required of the membership. Declarant may designate a representative to carry out such rights and privileges.

ARTICLE IV - COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot of the Property, hereby covenants (and each Lessee of any Lot by acceptance of a Ground lease therefor and a Deed of Conveyance for Residential Unit, whether or not it shall be so expressed in such Ground lease and Deed of Conveyance for Residential Unit, is deemed to covenant and agree) to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, and all monetary fines assessed by the Board of Directors; such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, fines, and reasonable attorney's fees, shall be a charge against the improvements owned by owner and shall be a continuing lien upon that property against which such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. Any Mortgagee is not required to collect assessments.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the health, safety, and welfare of the residents in the Property, for the administration and management of the operations of the Association (including accounting, legal and other professional services), the improvement and maintenance of the Common Area, including grounds maintenance of General Common Areas, snow removal, and maintenance and repairs of the exteriors of the Residential Units and other buildings situated upon the Property

(including a reserve fund therefore), insurance, utilities, road maintenance and trash collection, and other matters of a common interest to the Owners.

Section 3. Maximum Annual Assessment. Until January 1st of the year immediately following the conveyance or Ground Lease of the first Lot to an Owner, the maximum annual assessment shall be \$.75 per square foot of net livable space per Residential Unit.

(a) From and after January 1st of the year immediately following the conveyance of the first Lot to an Owner or the conveyance of the first Residential Unit, the maximum annual assessment may be increased each year not more than 10% above the maximum assessment for the previous year without a vote of two-thirds (2/3) of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose.

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

(c) The Board of Directors, in its discretion, may elect to collect Assessments monthly or annually.

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

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all Members not less than 15 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of Members or proxies entitled to cast sixty percent (60%) of the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same requirement, and the

required quorum at the subsequent meeting shall be one-half (1/2) the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots, which may be on a floor area basis, and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association.

All assessments are annual assessments; however, the Association may provide for collection of the same in monthly, quarterly or semi-annual installments. Notwithstanding the foregoing, upon default in the payment of any one or more installments of the annual or any special assessment, the entire balance of said annual assessment may be accelerated at the option of the Association and be declared due and payable in full, immediately. Any assessment or fine not paid within thirty (30) days after the due date (including the entire annual assessment, if payment is accelerated as provided for herein) shall bear interest from the due date at the rate of fifteen percent (15%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area

or abandonment of his Lot. Failure to pay assessment does not constitute default under insured mortgage.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessment and fines provided for herein shall be subordinate to the lien of any first mortgage for any Lot or any Residential Unit. Sale or transfer of any Lot or Residential Unit shall not affect the assessment lien. However, the sale or transfer of any Lot or Residential Unit pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V - ARCHITECTURAL DESIGN AND IMPROVEMENTS CONTROL

No building, fence, wall, or other structure shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change or alteration to any Residential Unit or other exterior improvement be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures, topography and lots; compatibility with common area usage and common utilities services, by a Design Committee that shall be composed of at least three (3), but no more than five (5) Members appointed by the Board of Directors of the Homeowners Association. Said Design Committee shall establish the manner of appointing successive members, duties of the committee, its organization and administration, design standards, methods of applying for and procedures for reviewing and issuing approvals, as well as related matters.

No solid privacy fences may be constructed within ten (10) feet from the east boundary or within the street setbacks.

**ARTICLE VI - THE ASSOCIATION AND
ITS ADMINISTRATION OF THE PROPERTY**

The governing body for all of the Owners for the administration and operation of the Property, as provided for in this Declaration, shall be the Association. The Association, as referred to in this Declaration, has been formed and incorporated as a Wyoming not-for-profit business corporation.

Subject to the remaining provisions of this Declaration, the Association may:

- (a) Adopt and amend its Bylaws and Rules and Regulations;
- (b) Adopt and amend budgets for revenues, expenditures and reserves and collect assessments for Common Expenses from Owners;
- (c) Hire and terminate managers and managing agents, and other employees, agents, independent contractors, and professional consultants, including those providing legal and accounting services, necessary or desirable in connection with the administration of the Property;
- (d) Institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Owners on matters affecting the Property;
- (e) Make, contract and incur liabilities;
- (f) Regulate the use, maintenance, repair, replacement and modification of the Common Areas;
- (g) Cause additional improvements to be made as a part of the Common Areas;
- (h) Acquire, hold, encumber and convey in its own name any right, title or interest to real or personal property;
- (i) Impose charges for late payment of assessment, accelerate the payment of any annual payment upon an arrearage in payments, and, after notice and an

opportunity to be heard, levy reasonable fines for violations of the Declarations, Bylaws and Rules and Regulations of the Association;

(j) Impose reasonable charges for the preparation and recordation of amendments to the Declaration, resale or estoppel certificates, or statements of unpaid assessments;

(k) Provide for the indemnification of its officers and Board of Directors and maintain Directors' and Officers' liability insurance;

(l) Obtain and pay for such types and quantities of insurance as shall be provided in this Declaration or the Bylaws or otherwise reasonably necessary under the circumstances;

(m) Exercise any other powers conferred by the Declaration or the Bylaws;

(n) Exercise all other powers that may be exercised in this state by legal entities of the same type as the Association;

(o) Exercise any other powers, rights or privileges reasonably implied from the existence of any other right given to it herein or reasonably necessary or proper to effectuate any such right or privilege or for the governance and operation of the Association.

ARTICLE VII - LOTS SUBJECT TO DECLARATION, BYLAWS, RULES AND REGULATIONS

All present and future Owners, mortgagees and occupants of Lots or Residential Units, where applicable, shall be subject to and shall comply with the provisions of this Declaration and the Bylaws as they may be amended from time to time, and to any Rules and Regulations which may be adopted by the Association. The acceptance of a deed, bill of sale or conveyance of a Residential Unit, or the entering into of a lease or the entering into occupancy of a Lot or Residential Unit shall constitute agreement that the provisions of these Declarations, Bylaws and Rules and Regulations which may be adopted by the Association and as they may be amended or supplemented from time to time, are accepted and ratified by such Owner, tenant, occupant, or mortgagee; and all of such provisions shall be deemed and taken to be covenants running with the

land and shall bind any person having at any time any interest or estate in such Lot as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

ARTICLE VIII EXTERIOR MAINTENANCE

In addition to maintenance upon the Common Area, the Association shall, primarily for purposes of maintaining the appearance of the building improvements, provide maintenance upon each Residential Unit located upon a Lot which is subject to assessment hereunder, including but not limited to: paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, walks, and driveways, provided however, that the Association shall not be required to provide any maintenance to structures added by the Owner and located within any fenced Limited Common Area. Such exterior maintenance shall not include glass surfaces or foundations.

Any utility services or other types of elements which are utilized in common, such as, but not limited to, sewer or water lines, shall be maintained, repaired and replaced, as needed, by the Association.

In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, guests, or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject.

Notwithstanding anything herein contained to the contrary, each Owner of a Residential Unit shall have the responsibility to maintain, repair, replace and keep in a clean, safe and sanitary condition, at such Owner's expense, all portions of the Residential Unit or other improvements situated upon a Lot. The Owner shall also keep clean and in a safe and sanitary condition all Limited Common Areas assigned to it.

ARTICLE IX - MORTGAGEE PROTECTIVE PROVISIONS

Section 1. Mortgagee. The term "Mortgagee" shall mean the holder and owner of a mortgage and shall include a beneficiary under a deed of trust, as well as any insurer, re-insurer, or guarantor of the mortgage, such as but not limited to HUD, FHA, VA, FNMA, or FHLMC. The

term "eligible holder, insurer or guarantor" shall mean a mortgagee who has requested notice, in accordance with later provisions hereof.

Section 2. Roster. The Board of Directors shall maintain a roster of Owners, including lessees under a lease having a duration of more than five (5) years, as well as their mailing addresses, and, if the Board has been given sufficient information by Owners or their mortgagees, it shall maintain another roster which shall contain the name and address of each mortgagee of a Lot or Residential Unit.

Section 3. Relief from Lien. A mortgagee of any Lot or any Residential Unit improvements thereon who comes into possession of a Lot or Residential Unit pursuant to the remedies provided in the mortgage, foreclosure of mortgage, or deed (or bill of sale or assignment) in lieu of foreclosure, shall take the property free of any claims for unpaid assessment or charges against the mortgaged Lot or Residential Unit which occurred prior to the time such mortgagee comes into possession and the sale or transfer of a Lot or Residential Unit pursuant to a foreclosure of a first mortgage shall extinguish a subordinate lien for Association assessments and charges which became payable prior to such sale or transfer.

Section 4. Insurance Coverage. The following provisions shall apply regarding insurance requirements:

(a) Policy Coverage - The Board shall secure and maintain in effect a policy of fire and extended coverage insurance in an amount equal to the current replacement value of all Residential Units, Common Area improvements situated in the development, and all other Common and buildings service equipment. The Board will also maintain in effect, a general liability insurance policy covering all General Common Areas within the Flat Iron Addition with policy limits of \$100,000 per person/ \$300,000 per incident. Owners of Residential Units are responsible to maintain their own contents insurance coverage and liability insurance for their Residential Unit and associated Limited Common Areas, decks and garages. The Board will not insure the contents, improvements, whether fixed or temporary, or any other personal property located within the Residential Units.

(b) Location of Policies - The Association shall retain the original or conformed copies of all insurance policies specified herein in a place of safe keeping, such as a safe or safety deposit box, and shall provide copies of such policies to mortgagees requesting such copies.

(c) Mortgagee's Ability to Place Coverage - All first mortgagees of any Lots or Residential Units may, jointly or singly, pay any overdue premiums on the aforesaid hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such Common Area improvements, and such first mortgagees making such payment shall be owed immediate reimbursement therefor from the Association. The Board shall take appropriate action to assure such immediate payment and shall provide all necessary parties with an original or certified copy of this provision as evidence of the obligation of the Association to make such reimbursement.

(d) Priority Rights and Insurance Proceeds or Condemnation Awards - The Association agrees, and the Board shall require, that all insurance policies shall provide that no Owner or any other party shall have priority over the rights of the first mortgagees in the case of distribution of insurance proceeds or condemnation awards for loss to or the taking of the Common Area or the Association's improvements located thereon.

Section 5. Management Requirements.

(a) Reserve Fund - The Association agrees that the uniform regular assessments or charges assessed on the Owners shall be sufficient to provide an adequate reserve fund for the maintenance, repair, and replacement of those elements of the Common Area that must be replaced, maintained or repaired on a periodic basis.

(b) Other Contracts - The Association and Declarant agree that any agreement for professional management of the Property or any other contract providing for the services of the Declarant, the developer, sponsor or builder, may not exceed three (3) years. Any such agreement shall provide for termination by either party without cause and without payment of a termination fee upon 90 days or less written notice.

Section 6. Notices. The Association agrees that a first mortgagee, upon request, is entitled to and shall receive a written notification from the Association of any default in the performance by an individual Owner/borrower of any obligation under the development's constituent documents which is not cured within 60 days. The Association further warrants that a request for such notification is deemed to have been made and that all first mortgagees known to the Association will be provided with notice of Owner default within thirty (30) days of Owner becoming sixty (60) days delinquent in his obligation to Association.

Section 7. Amendments. Notwithstanding anything herein contained to the contrary, the Declarant, by its own actions, shall have the right to amend this agreement during a two year period commencing on the date of recording of the Declaration solely in order to comply with the rules or requirements of any governmental or quasi-governmental body or any institution holding or insuring or re-insuring a security interest in any portion of the said Property; provided that such amendment shall not modify, waive or adversely affect any of the rights of mortgagees hereunder and subject to the written consent of HUD/FHA, VA, FHLMC, or FNMA.

The written consent of Owners to which at least two-thirds (2/3) of the votes in the Association are allocated, and the written approval of eligible holders, insurers or guarantors of first Mortgages on Lots or Residential Units to which at least fifty-one percent (51 %) of the votes of Owners subject to a Mortgage appertain, shall be required to materially amend any provisions of this Declaration, the Bylaws or equivalent documents of the Project, or to add any material provisions thereto, which establish, provide for, govern or regulate any of the following:

- (1) Voting;
- (2) Assessments, assessment liens or subordination of such liens;
- (3) Reserves for maintenance, repair and replacement of the Common Elements;
- (4) Insurance or fidelity bonds;
- (5) Rights to use of the Common Areas;
- (6) Responsibility for maintenance and repair of the several portions of the Property, including Residential Units and Common Areas;
- (7) The addition, annexation or withdrawal of property to or from the Project (except those additions provided for in the Declaration);
- (8) Boundaries of any Lot;

- (9) Leasing of Residential Units;
- (10) To amend any provision included in the Declaration which is for the express benefit of holders or insurers of first Mortgages on Lots or Residential Units.

Section 8. Enforcement. This agreement may be relied upon and enforced by FHA/VA, FHLMC, or FNMA and any lending institution or mortgagee financing any Lot or Residential Unit in the aforesaid development or insuring or purchasing any mortgage of such Lot.

Section 9. No Impairment of Mortgage Liens. No violation or breach of or failure to comply with any provision of this Declaration and no action to enforce any such provision shall affect, defeat, render invalid or impair the lien of any Mortgage, deed of trust or other lien on any Residential Unit or the Common Areas taken in good faith and value and perfected by recording in the office of the County Clerk of Teton County, Wyoming, prior to such violation, breach or failure to comply with any provision of this Declaration; nor shall such violation, breach, failure to comply, or action to enforce, effect defeat, render invalid or impair the title or interest of the holder of any such Mortgage, deed of trust, or other lien or the title or interest acquired by any purchaser upon foreclosure of any such Mortgage, deed of trust or other lien or result in any liability, personal or otherwise, of any such holder or purchaser. Any such purchaser on foreclosure shall, however, take subject to this Declaration; provided, however, that violations or breaches of, or failures to comply with, any provisions of this Declaration which occur prior to the vesting of fee simple title in such purchaser shall not be deemed breaches or violations hereof or failures to comply herewith with respect to such purchaser, his heirs, personal representatives, successors or assigns.

Section 10. Notices to Mortgagees, Etc. A holder, insurer or guarantor of a first Mortgage on a Lot or Residential Unit, upon written request to the Association (such request to state the name and address of such holder, insurer or guarantor and the Lot or Residential Unit number), will be entitled to timely written notice of:

- (a) Any proposed amendment of the Property constituent instruments effecting a change in: (i) the boundaries of any Lot or the exclusive easement rights appertaining

thereto; (ii) the interests in the General or Limited Common Areas appertaining to any Lot or Residential Unit or the liability for Common Expenses appertaining thereto; (iii) the number of votes in the Association appertaining to any Owner ; or (iv) the purposes to which any Lot or Residential Unit or the Common Areas are restricted;

(b) Any proposed termination of the Declaration of Covenants,

Conditions and Restrictions;

(c) Any condemnation loss or any casualty loss which affects a material portion of the Property or which affects any Lot or Residential Unit on which there is a first Mortgage held, insured or guaranteed by such eligible holder;

(d) Any default in performing by an Owner under the constituent documents or delinquency in the payment of assessments or charges owed by any Owner subject to the Mortgage of such eligible holder, insurer or guarantor, where such delinquency has continued for a period of 60 days;

(e) Any lapse, cancellation or material modification of any insurance policy maintained by the Association.

Section 11. Additional Consents Required. The Association shall not, without the prior written approval of at least sixty-seven percent (67%) of the Mortgagees (based upon one vote for each Mortgage owned) or Owners (other than Declarant) of the individual Lots in the Property:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area owned, directly or indirectly, by the Association (except for the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area);

(b) Change the method of determining the obligations, assessments, dues or other charges which may be levied against Owners;

(c) By any act or omission materially change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior

appearance of Residential Units, the exterior maintenance of the Residential Units, the maintenance of the Common Area, party walks, or common fences, and driveways, or the upkeep of lawns and plantings within the Property:

(d) Fail to maintain fire and extended coverage insurance on insurable portions of the Common Area;

(e) Use hazard insurance proceeds for losses to any portion of the Property (Residential Units or Common Areas) for other than the repair, replacement or reconstruction of such improvements. As used herein an "eligible holder, insurer or guarantor" shall mean a holder, insurer or guarantor of a first Mortgage on a Lot or Residential Unit which has made a written request to the Association (such request to state the name and address of such holder, insurer or guarantor and the Lot or Residential Unit number) of any proposed amendments to the Articles, Bylaws, Declaration or any similar documents.

ARTICLE X -ANNEXATION OF ADDITIONAL PHASES

In the event additional land is added to the Property it may only be done subject to the following conditions:

(a) Additional land within the area may be annexed by the Declarant, without the consent of Owners, within five years of the date of this instrument by recording with the Teton County Clerk a Supplementary Declaration describing the property so annexed; provided that the annexation is in accord with the general plan heretofore established by Declarant and approved by HUD/FHA, VA.

(b) After five years from the date of this instrument, additional property and common area may be annexed to the Property with the consent of two-thirds (2/3) of each class of member.

(c) As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration, HUD or the Veterans Administration: annexation of additional properties, dedication or mortgaging of common area,

mergers or consolidations, and amendment of this Declaration of Covenants, Conditions and Restrictions.

ARTICLE XI - GENERAL PROVISIONS

Section 1. Limitation to Residential Use. Lots shall be used only for single-family residential purposes by an Owner. The number of unrelated adults (and any number of children of either of them) residing in a single Residential Unit and defined as "family" shall not exceed the number permitted by the Town of Jackson Municipal Code. As of April 15, 1997 the Town of Jackson establishes the number permitted as three unrelated adults.

Notwithstanding this provision, Owners may have house guests provided they do not occupy the premises for more than thirty (30) days per annum. In no event may any Owner or lessee permit any dwelling to be occupied on a regular basis by persons failing to meet the definition of "family" stated above. It is the intention of this clause to maintain a single-family residential atmosphere, within which long-term, stable residency is the norm, and these provisions shall be interpreted in light of such intention.

Section 2. On Site Storage. On site storage of personal property is prohibited. The following items, including but not limited to, boats, tents, trailers, recreational vehicles and snowmobiles may not be stored on or within any General or Limited Common Area. Nothing in this provision shall prevent any Owner from storing any item(s) of personal not property set forth above within Owner's Residential Unit or garage.

Section 3. Snow Removal and Storage. Snow must be removed from all General and Limited Common Areas in such a way that it does not restrict parking, traffic circulation or traffic visibility. Any snow stored in such a way must be removed from the site.

Section 4. Enforcement. The Declarant, the Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, the Bylaws, or the Rules and Regulations. They shall be enforceable by Declarant, a Lessor or the Association by a proceeding for a prohibitive or mandatory injunction or by a suit or action to

recover damages or to recover any amount due or unpaid. All expenses in connection with any such actions or proceedings, including court costs and attorney's fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the maximum legal rate, may be charged to and assessed against the person proceeded against. In the event of any such default by any Owner, the Board of Directors of the Association may authorize the Manager or Managing Agent of the Association to proceed on behalf of the Association. Failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

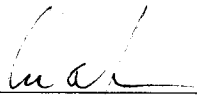
Section 5. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 6. Amendment. Declarant may, without the consent or concurrence of the Board, the Owners, or any other party, amend, modify or revoke this Declaration if reasonably necessary, in the sole discretion of Declarant, to conform to any requirement, law, ordinance, regulation or policy of any governmental agency, department or body of the United States or the State of Wyoming or local governmental authority or district, or in order to qualify for financing or insurance for mortgages under VA, FHA, FNMA, FHLMC, WCDA or other lending programs. In addition, Declarant is hereby vested with the right to amend and supplement this Declaration and the Plat as may be reasonably necessary or desirable to facilitate the practical, technical, administrative, or functional integration of any subsequent phase or the addition of additional land into the Project. In addition, subject to the requirements contained with the mortgagee protective provisions, the covenants and restrictions of this Declaration shall run with and bind the land for a term of ninety-nine (99) years from the date this Declaration is recorded, after which time they may be extended for successive periods of ninety-nine (99) years. This Declaration may be amended by an instrument signed by the Declarant or a Lessor with approval of the Declarant and Owners representing not less than sixty-seven percent (67%) of the lots. Any amendment must be recorded.

Section 7. Indemnification. The Declarant, the Board of Directors, officers or members of any committee, shall not be liable to any party for any action or inaction with respect to any provision of these Covenants, the Articles or Bylaws of the Association, provided such individual acted in good faith. All such individuals shall be indemnified and held harmless by the Owners from liability, damages and expense, including reasonable attorney's fees, for any decision or action or inaction they may have taken while acting within the scope and course of their duties.

Section 8. Agency Approval. Notwithstanding anything herein contained to the contrary, the provisions contained within the Articles of Incorporation regarding approval by certain agencies for certain actions shall govern in all cases.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused this instrument to be executed this 20 day of June, 1997.



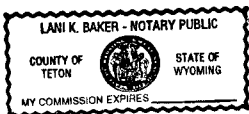
Arne O. Jorgensen
Chairman, Board of Directors
Jackson Hole Community Housing Trust

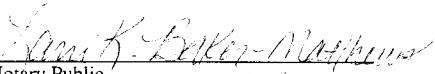
ACKNOWLEDGMENT

STATE OF WYOMING)
) ss.
COUNTY OF TETON)

The foregoing Declaration of Covenants, Conditions and Restrictions of Flat Iron Addition to the Town of Jackson was acknowledged before me by Arne O. Jorgensen this 20th day of June, 1997.

Witness my hand and official seal.





Notary Public
My Commission Expires: 6/30/98