

**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS OF
KARNS HILLSIDE ADDITION**

This Declaration of Covenants, Conditions and Restrictions regulating and controlling the use and development of certain real property as hereinafter described is made to be effective this 23 day of August, 1999, by Hillside LLC, a Wyoming Limited Liability Company, Homestead Partnership, a Wyoming General Partnership, Clifford A Martin and Donna K. Martin, Trustees under the Clifford A. Martin Living Trust dated May 23, 1996, a one-half undivided interest and Donna K. Martin and Clifford A. Martin, Trustees under the Donna K. Martin Living Trust, dated May 23, 1996 a one-half undivided interest, Peter Van Karns and Jeanine D. Karns, husband and wife, hereinafter referred to as "Declarant", the Owner or beneficial Owner of Lots 1 through 48 & 50, of KARNS HILLSIDE ADDITION in accordance with the plat filed thereof to be filed for record on the 26 day of August, 1999, in Teton County, Wyoming, as Plat No. 961, and immediately preceding the filing of these Covenants which shall hereinafter be referred to as the "Property". The Property contains significant wildlife habitat and is of high scenic and natural value, and Declarant is adopting the following Covenants, Conditions and Restrictions to preserve and maintain the natural character and value of the Property for the benefit of all Owners of the Property or any part thereof.

NOW, THEREFORE, Declarant hereby declares that all of the Property described shall be owned, held, sold, conveyed, encumbered, leased, used, occupied and developed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the Property and be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, successors and assigns and shall inure to the benefit of each Owner of any part thereof. The Townhouse Lot, as identified on the recorded Plat as Lot 49, shall be governed by a separate set of CC&R's and shall not be subject to these CC&R's.

RELEASED	<input type="checkbox"/>
INDEXED	<input checked="" type="checkbox"/>
ABSTRACTED	<input type="checkbox"/>
SCANNED	<input checked="" type="checkbox"/>

**ARTICLE I
DEFINITIONS**

Section 1. "Association" shall mean and refer to KARNS HILLSIDE ADDITION OWNERS ASSOCIATION, a Wyoming Non-Profit Corporation, and its successors and assigns.

Section 2. "Board" shall mean the Board of Directors of the Association, the non-profit corporation established to administer and enforce the terms and conditions of this Declaration as set forth herein.

Section 3. "Declarant" shall mean and refer to Hillside LLC.

Section 4. "Development" shall mean any alteration of the natural land surface, and all buildings, Structures or other site improvements on the Property.

Section 5. "Lot" shall mean and refer to any of the single family residential plots of land described above and shown upon that certain recorded subdivision plat of the Property filed by the Declarant in the Office of the Teton County Clerk.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, including contract buyers and Owners of a beneficial interest, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Pathway Easement" shall mean the non-motorized pathway easement within the Property which provides access to the Bridger-Teton National Forest as designated on the plat.

Section 8. "Principal Residence" shall mean the single family residential Structure, constructed on any Lot of the Property, which is the principal use of such Lot, and to which other authorized Structures on such Lot are accessory.

Section 9. "Property" shall mean and refer to that certain real property known as KARN'S HILLSIDE ADDITION, excluding the townhouse lot number 49, in accordance with the Plat to be filed for record on the 26th day of August, 1999, in Teton County, Wyoming, as Plat No. 961 and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 10. "Structure" shall mean anything built or placed on the ground, excluding fences.

**ARTICLE II
ASSOCIATION MEMBERSHIP AND VOTING RIGHTS**

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

Section 2. Voting Rights. The Association shall have one class of voting membership. All Owners shall be members and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

**ARTICLE III
STATUS OF OWNERS; BOARD OF DIRECTORS**

Section 1. Legal Status. The Owners do not constitute an association or entity of any kind, and the sole legal entity created hereunder is the Association. The name of the Association shall be the name in which contracts shall be entered into, title to Property shall be acquired, held, dealt in and disposed of. Bank accounts shall be opened and suit shall be brought and defended by the Association, through the Board of Directors or officers thereof on behalf of and as agents for the Owners in the manner specified in this Declaration, the charter, the Bylaws or by applicable law.

Section 2. Management of Association and Property. The management and maintenance of the Property and the business, Property and affairs of the Association shall be managed by a Board of Directors as provided in this Declaration and its articles and bylaws. All agreements and determinations with respect to the Property lawfully made or entered into by the Board of Directors shall be binding upon all of the Owners and their successors and assigns.

Section 3. Board of Directors of the Association. The Board of Directors (the "Board") of the Association shall consist of three (3) members, or such additional number as may be approved by the members in accordance with the Articles and Bylaws. The term of a member shall be three (3) years, except that the terms of the members of the initial Board shall be one, two and three years. Thereafter, all members shall serve for a term of three (3) years. The Board shall be elected by a majority vote of the members. All Board members shall be residents of Teton County, Wyoming.

Until 75 percent (75%) of the Lots have been sold and title transferred to Owners, the Declarant reserves the right to appoint and remove all members of the Board and to exercise the powers and responsibilities otherwise assigned by the Declaration to the Association. By express written declaration, Declarant shall have the option, at any time, to turn over to the Association the total responsibility for electing and removing members of the Board.

Section 4. Authority and Duties. The duties and obligations of the Board and rules governing the conduct of the Association shall be set forth in the Articles of Incorporation and the Bylaws of the Association as they may be amended from time to time.

Section 5. Limited Liability of Board of Directors, etc. Members of the Board and their officers, assistant officers, agents and employees acting in good faith on behalf of the Association:

(a) shall not be liable to the Owners as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or bad faith;

(b) shall have no personal liability in contract to an Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such;

(c) shall have no personal liability in tort to any Owner or any person or entity, except for their own willful misconduct or bad faith;

(d) shall have no personal liability arising out of the use, misuse or condition of the Property which might in any way be assessed against or imputed to them as a result of or by virtue of their capacity as such.

ARTICLE IV COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot (with the exception of unsold Lots retained by Declarant) by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to have consented to be subject to these Covenants and agrees to pay to the Association:

(a) Annual assessments or charges; and

(b) Special assessments for capital improvements, such assessments to be established and collected as hereinafter provided.

The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees shall also be the personal obligation of the entity or person who was the Owner of such Property at the time when the assessment fell due.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Property including but not limited to Association employees' wages, mailing costs and other related expenses incurred on behalf of the Association.

Section 3. Budget The Board shall prepare an annual budget estimate for Common Services and administration of the Association and fix the amount of the Annual Assessment based upon its estimate. Such annual budget shall be prepared and approved by the Board at least thirty (30) days in advance of each Annual Assessment period.

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 including fixtures and personal Property related thereto, provided that any such assessment shall have the assent of one-half (1/2) of the 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 thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (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 and may be collected on a monthly or other basis determined by the Board of Directors. Lots owned by the Declarant shall not be assessed or required to pay assessments until sold by either a deed or contract.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots subject to assessment on the first day of the month following the conveyance of the first Lot. The first annual assessment for Lots purchased thereafter shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors of the Association 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 Non-Payment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 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 Roads or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinated to the lien of any first mortgage or vendor's interest in an installment land contract. Sale or transfer of any Lot shall not affect the assessment lien.

**ARTICLE V
ARCHITECTURAL STANDARDS**

Section 1. Site Committee; Organization. There shall be a Site Committee organized as follows:

(a) The Site Committee shall consist of the Board of Directors of the Association for their respective terms of office.

Section 2. Initial Site Committee. The members of the initial Site Committee shall be:

Leidy Karns

Betty Terrill

Bruce Hawtin

Section 3. Site Committee; Duties. It shall be the duty of the Site Committee to consider and act upon such proposals for plans submitted to it from time to time, to adopt Site Committee rules pursuant to Section 5 of this Article, and to perform such other duties from time to time delegated to it by the Association.

Section 4. Site Committee; Meetings; Action; Expenses. The Site Committee shall meet from time to time as necessary to properly perform its duties hereunder. The vote or written consent of any two (2) members shall constitute an act by the Site Committee unless the unanimous decision of its members is otherwise required by the Covenants. The Site Committee shall keep and maintain a record of all action from time to time taken by the Site Committee at such meetings or otherwise. Unless authorized by the Association, the members of the Site Committee shall not receive any compensation for services rendered. All members shall be entitled to reimbursement for reasonable expenses incurred by them in connection with the performance of any Site Committee function.

Section 5. Site Committee Rules. The Site Committee may, from time to time, and in its sole discretion, adopt, amend and repeal by unanimous vote, rules and regulations, to be known as "Site Committee Rules". A copy of the Site Committee rules, as they may from time to time be adopted, amended or repealed, certified by any member of the Site Committee, shall be available for each Lot Owner requesting the same from any member of the Site Committee, and shall have the same force and effect as if they were a part of the Covenants. The Site Committee may record the same if deemed necessary.

Section 6. Non-Waiver. The approval by the Site Committee of any plans, drawings or specifications for any work done or proposed, or in connection with any other matter requiring the approval of the Site Committee under the Covenants, shall not be deemed to constitute a waiver of any right to withhold approval as to any similar plan, drawing, specification or matter whenever subsequently or additionally submitted for approval.

Section 7. Estoppel Certificate. Within thirty (30) days after written demand therefor is delivered to the Site Committee by any Owner, and upon payment therewith to the Association of a reasonable fee from time to time to be fixed by the Association, the Design Committee shall record an estoppel certificate executed by any two (2) of its members, certifying with respect to any Lot of said Owner, that as of the date thereof either (a) all improvements or other work made or done upon or with said Lot by the Owner, or otherwise, comply with the Covenants, or (b) such improvements and/or work do not comply, in which event the certificate shall also (1) identify the non complying improvements and/or work, and (2) set forth with particularity the cause or

causes for such noncompliance. Any purchaser from the Owner, or mortgagee or other encumbrances shall be entitled to rely on said certificate with respect to the matters therein set forth, such matters being conclusive as between the Association, Declarants and all Owners and such purchaser, mortgagee or other encumbrancer.

Section 8. Liability. Neither the Site Committee nor any member thereof shall be liable to the Association or to any Owner or project committee for any damage, loss or prejudice suffered or claimed on account of (a) the approval of any plans, drawings and specifications, whether or not defective, (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications, (c) the Development, or manner of Development, of any property within the Property, or (d) the execution and filing of an estoppel certificate pursuant to Section 7 above, of this Article, whether or not the facts therein are correct; provided, however, that such member has, with the actual knowledge possessed by him, acted in good faith. Without in any way limiting the generality of the foregoing, the Site Committee, or any member thereof, may, but is not required to, consult with or hear the Association or any Owner with respect to any plans, drawings or specifications, or any other proposal submitted to the Site Committee.

ARTICLE VI DESIGN STANDARDS

Section 1. General Standards. The following defined standards and restrictions are applicable to the construction, remodeling, alteration and exterior refinishing of any and all improvements and site preparation upon each Lot. In addition to these defined standards, all construction, remodeling, alteration on an exterior, refinishing of any and all improvements shall be subject to and designed to the greatest extent possible in accordance with Design Guidelines for the Karns Hillside Addition which may be modified from time to time. Copies of the current Design Guidelines will be available in the Town of Jackson Planning Office and/or from any member of the current Site Committee or member of the Board of Directors of the Owners Association.

Section 2. Design Character.

- (a) All improvements shall be of new construction. Pre-built, component, or modular construction shall not be permitted.
- (b) Exterior materials shall be new material except for architectural detailing which may utilize used materials.
- (c) Exterior finishes shall be semi-transparent or heavy bodied stains, or pigmented or clear non-glossy preservatives. Glossy painted finishes shall not be permitted. All exposed metals shall have a dull colored finish, or shall be flat color anodized or painted.
- (d) Exterior colors shall be subdued. Color samples, which clearly show the proposed final color shall be submitted to the Site Committee for approval.

Section 3. Building Design.

- (a) Not more than one single family residence shall be constructed on any residential site. Detached garage facilities and associated outbuildings, not to exceed a total of three (3) Structures, may be permitted if of similar design character to the Principal Residence. Accessory residential units are not allowed.
- (b) The minimum floor area of any single family residence shall not be less than 1,800 square feet, exclusive of a carport or enclosed porches or decks. The ground floor, first floor of the residence shall not be less than 1,200 square feet area exclusive of a carport or enclosed porches or decks. The maximum floor area ratio, as defined by the applicable Town of Jackson Land Development Regulations, shall not exceed 30% of the lot size. The maximum lot coverage, as defined by the applicable Town of Jackson Land Development

Regulations, shall not exceed 26% of the lot size. Each principal residential Structure shall have as a minimum an attached or detached two-car garage.

(c) The maximum building height of any Structure shall not exceed 28 feet when the roof pitch is 5:12 or greater and shall not exceed 24 feet when the roof pitch is less than 5:12. All heights shall be measured from the finished grade in accordance with the applicable provisions of the Town of Jackson Land Development Regulations. Minor projections such as chimneys or other Structures not enclosing habitable space, but not including solar collectors, shall be excluded in the total height but shall not exceed four feet in height.

(d) Roofs shall have a minimum pitch of four feet in twelve feet. All primary roofs shall have a minimum overhang of two feet. Solar collectors shall not be considered to be roofs. Roofs shall be shake shingle, slate, non reflective metal or architectural grade asphalt shingles or similar materials approved by the Site Committee. Roof colors shall be subdued earth tones of brown, gray or red.

(e) Exposed foundations of concrete or masonry construction shall not have an exposed surface which exceeds a height of 8" above finished grade, unless approved by the Site Committee.

(f) Solar collectors may be of any construction, materials or pitch required for efficient operation, but they shall not be placed on any Structure in a manner which causes objectionable glare to any neighboring residence. Solar collectors shall be integrated into the Structure of a residence, garage, carport or accessory building and shall not be free-standing. Solar collectors shall be permitted only upon specific approval of the Site Committee.

(g) Each lot has an identified building envelope. No structures other than driveways, sidewalks, and lighting may be built outside of the identified building envelopes.

(h) Some lots and portions of other lots in the subdivision are within the One Hundred Year Avalanche Zone as designated on the Plat. Building location and design must take into consideration the One Hundred Year Avalanche Zone and the Avalanche Hazard Report. Specific design recommendations related to the report are available from the Town of Jackson Planning Office and the Association. The planning and design of all structures impacted by the avalanche hazard area must consider the additional hazard. Planning with respect of such hazards shall be the sole responsibility and liability of the individual lot owner.

(i) All lot owners and prospective owners are advised that the improvements on each lot will be constructed in a hillside area. A Geotechnical Report has been prepared as a part of the subdivision approval and copies of the Geotechnical Report are available from the Town of Jackson Planning Office and the Association. It is the responsibility of the each lot owner to take into consideration the hillside location and the Geotechnical Report when designing any and all structures and improvements to be placed upon each individual lot.

Section 4. Site Design.

(a) **Building Envelope.** Building envelopes are designed for the purpose of allowing unrestricted movement of wildlife between structures. Landscaping shall be designed in a way which will not prohibit movement of wildlife between structures. On lots that have two sideyards, an additional 10' (ten foot) sideyard setback shall be imposed on one side of each building envelope. The side that the additional 10' is imposed shall be determined at the time the lot is proposed for development and shall be at the discretion of the lot Owner. (b) Finish grading on all buildings shall assure drainage of surface water from the buildings and avoid concentrating runoff onto adjacent properties.

(c) Fencing shall comply with the following requirements:

(1) No boundary fences around the exterior Lot lines of any Lot, or around the perimeter of any building site shall be permitted with the exception of post/single rail fences of wood construction not to exceed 32" in height along the east and south boundary lines of the subdivision perimeter boundary, along the

south boundary of Lot 14, and the north and east boundary of Lot 15, along the north boundary of Lot 24, the south boundary of Lot 25, the south boundary of Lot 49, and along the east boundary of Lot 52. No fences of any type may be built on or across any sewer main easements or storm drainage easements as identified on the Plat Map. The following are the only other fences permitted on any Lot, which shall be within the building envelope:

- (i) Privacy fences shall be permitted immediately adjacent and contiguous to Structures, provided that the construction and location shall have been approved by the Board.
- (ii) A dog run shall be permitted provided that the size, construction and location shall have been approved by the Board.
- (d) Exterior lighting fixtures shall not cause glare to any adjacent Lot.
- (e) Utilities shall be installed underground. No antenna shall be installed on any Structure. Satellite Dishes are allowed.
- (f) Driveways shall be hard surfaces such as asphalt, concrete, decorative pavers or other similar materials which may be approved by the Site Committee.

Section 5. Landscaping.

(a) Each lot shall be landscaped within one year of completion of construction of the primary structure with, as a minimum, the following trees and shrubs:

- 2 - 3" diameter Aspen
- 4 - 1" diameter Aspen
- 6 - 6' to 8' large shrubs or multistem trees
- 2 - 8' evergreens
- 4 - #5 container shrubs.

As an alternative, an owner may elect to use two plant units as defined by the applicable Town of Jackson Development Regulations - Landscape Requirements. However, Cottonwood, Golden Willow and other similar tall canopy trees shall not be allowed.

The approximate minimum visual screening of each structure, with plant material in full leaf, will be 40% of the outside surface area of the building within a five year period when viewed from the valley floor. All landscaping plans shall substantially comply with the "Typical Landscape Plan" dated August 23, 1999 in the Design Guidelines for the Karns Hillside Addition.

The landscape surface ratio shall be a minimum of 60% of the lot size.

Anything hereby above to the contrary notwithstanding the maximum number of evergreens trees which have the potential to reach a mature height in excess of twenty eight (28) feet shall be limited to not more than four (4). The location of all of such evergreen trees with a potential mature height exceeding twenty eight (28) feet shall be designed to maximum degree possible to prevent them from interfering with view corridors of adjacent residences.

The planting of large landscaping trees and shrubs and the building of any type of fences shall not be allowed within any of the sewer main easements, utility easements, or public storm drainage easements as identified on the Plat Map.

Any required landscaping which has not been completed within one year of the completion of construction of the primary residence may be completed by the Owners Association and the cost of installing the landscaping shall become a lien against the Owner's property.

Any existing trees which are preserved on site shall count toward the landscaping requirement.

ARTICLE VII LAND CLASSIFICATIONS, USES AND RESTRICTIVE COVENANTS

Section 1. Land Classifications. All land within the Property has been classified in to the following areas:

- (a) residential;
- (b) public roads;
- (c) public pathways;
- (d) wildlife migration corridor.

Section 2. General Restrictions. The following general restrictions shall apply to all land, regardless of classification:

(a) No building, Structure, sign, fence, refinishing or improvement of any kind shall be erected, placed or permitted to remain on any Structure, Lot or tract, and no excavation or other work which in any way alters any Lot from its natural or improved state existing on the date such Lot was first conveyed in fee by Declarants to an Owner shall be erected, placed, done or permitted to remain on any Structure, Lot or tract until the plans, specifications and exterior material samples and color selections therefor and landscape plan have been approved in writing and a building permit has been issued by the Site Committee and Town of Jackson. Plans for buildings for the refinishing or improvement of the same shall include scaled floor plans, exterior elevations indicating height, a list of exterior materials, a site plan and landscape plan. Plans and elevations shall clearly show all external features and materials for all Structures. They shall show garages, porches, decks, stoops, chimneys, vents, doors and windows, trim and special architectural features. Site plans shall show the elevations of finished floors and existing and finished grades, existing trees or shrubs, and shall show the entire site and the location of all rights-of-way, easements, buildings, decks, driveways, parking areas, fences and utilities. The landscape plan shall show tree and shrub plantings, lawn areas, areas to be irrigated, berming, and other features. Specifications shall describe all exterior finishes.

(b) The sum of One Hundred Dollars (\$100.00) for each residential Lot payable to the Owners Association shall be submitted, along with the proposed building, site or alteration plans to the design committee to cover the expenses of reviewing said plans. Said amount may be increased from time to time by the Site Committee rules.

(c) Two copies of any proposed plans and related data shall be furnished to the Site Committee, one of which may be retained by the Site Committee for its records. Any approval given by the Site Committee shall not constitute a warranty, express or implied, of compliance with any applicable building or safety codes or for any other purposes other than the authority for the person submitting the plan to commence construction.

(d) All building construction must be completed within 2 years from the issuance of Building Plan approval by the Site Committee and the Town of Jackson.

Section 3. Residential Area; Uses; Restrictions.

(a) Each residential Lot shall be used exclusively for residential purposes, and no more than one family (including its servants and transient guests) shall occupy such residence; provided, however, that nothing in this

subparagraph (a) shall be deemed to prevent:

(1) Any artist, artisan or craftsman from pursuing his artistic calling upon the Lot or dwelling unit owned or leased by such artisan if such artist, artisan or craftsman also used such Lot or dwelling unit for residential purposes, is self-employed and has no employees working on such Lot or in such dwelling unit, and does not advertise any product or work or art for sale to the public upon such Lot or dwelling unit;

(2) The leasing of any Lot from time to time by the Owner thereof, subject, however, to all of the restrictions as may be adopted from time to time by the Association and Town of Jackson. However in no event shall any property be leased for less than a one month time period.

(b) Each residential Lot, and any and all improvements from time to time located thereon, shall be maintained by the Owner thereof in good condition and repair, and in such manner as not to create a fire hazard, all at such Owner's sole cost and expense.

(c) No noxious or offensive activity shall be carried on upon any Lot, 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 in the enjoyment of their Lots.

(d) No domestic animals or fowl shall be maintained on any Lot other than not more than two generally recognized house or yard pets, provided, however, that such animals shall at all times be restrained or leashed and subject to the provisions of subparagraphs (a) and (c) above, and subject to such limitations as may from time to time be set forth in the Bylaws of the Association, which may reduce the allowable number, restrict the type of pet, or require that such pets be confined indoors. Pets shall be fed indoors or, if fed outdoors, shall be fed in a manner as not to become a wildlife attractor. If any animals are caught or identified chasing or otherwise harassing livestock, wildlife or people, the Board shall have the authority to have such animal or animals impounded at any available location, and shall assess a penalty against the Owner of such animal or animals of not more than One Hundred Dollars (\$100.00) plus all costs of impoundment. If any such animal or animals are caught or identified chasing or harassing wildlife, livestock or people on a second occasion, the Board shall have the authority to have such animal or animals impounded or destroyed, the determination of disposition being at the sole discretion of the Board. In the event that such animal or animals are not destroyed, the Board shall assess a penalty of not more than Two Hundred Dollars (\$200.00) per animal, plus costs of impoundment. If any such animal or animals are caught or identified chasing or harassing wildlife, livestock or people on a third occasion, the owner shall be required to permanently remove such animal from the subdivision. No Owner of any animal or animals impounded or destroyed for chasing or harassing livestock, wildlife or people shall have the right of action against the Board or any member thereof, for the impoundment, destruction, or permanent removal of any such animal or animals.

(e) No signs whatsoever, including but without limitation, commercial, political and similar signs, visible from neighboring Property, shall be erected or maintained upon any Lot, except:

(1) Such signs as may be required by legal proceedings;

(2) Standardized residential identification signs of a combined total face area of three (3) square feet or less for each residence, and signs used in connection with facilities of a directory, informational or instructional nature;

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

(4) 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 signs for the use of Owners such signs shall be used; and

(5) Such residential identification signs to be placed in

common areas associated with each living unit area, as the homeowners within that area determine appropriate and feasible.

(f) No house trailer, mobile home, recreational vehicle, tent, teepee or similar facility or Structure shall be kept, placed or maintained upon any Lot at any time; provided, however, that the provisions of this subparagraph shall not apply to children's tents, tee-pees or play Structures, or to temporary construction shelters maintained during, and used exclusively in connection with, the construction of any work or improvement permitted by these covenants. No person shall reside in or live in such temporary construction shelters or facilities unless application is made therefor and approved by the Site Committee.

(g) No trailer of any kind, recreational vehicle, truck camper, snowmobiles or boat shall be kept, placed or maintained upon any Lot in such a manner that such trailer, recreational vehicle, truck camper, snowmobile, or boat is visible from neighboring Property, unless the same is approved as a temporary construction facility as provided above. In no event shall any trailer, recreational vehicle, truck camper, snowmobiles or boat be stored in the front yard setback.

(h) No accessory Structures, buildings, garages or sheds shall be constructed, placed or maintained upon any Lot prior to the construction of the main Structure of the residence; provided, however, that the provisions of this subparagraph shall not apply to temporary construction shelters used exclusively in connection with the construction of the main Structure.

(i) All garbage and trash shall be placed and kept in covered (bear-proof) containers which shall be maintained so as not to be visible from neighboring Lots or become an attractant to wildlife. The collection and disposal of garbage and trash shall be in strict compliance with such rules as may be adopted by the Association, which may provide for common collection points and for routines and procedures to minimize conflicts with bears. The maintenance of accumulated waste plant materials is prohibited. The cost of garbage and trash collection shall be paid by each Owner, in accordance with the billing of the collector.

(j) Outside clothes lines or other outside clothes drying or airing facilities shall be prohibited.

(k) There shall be no exterior fires whatsoever except barbecue fires contained within receptacles therefor and such fires as may from time to time be permitted by the Association rules. The burning of trash, organic matter, or miscellaneous debris shall be prohibited whether in the open or in trash burning receptacles, except where approved and authorized by the Association rules.

(l) An Owner shall not permit designated parking spaces to be used for purposes other than to park vehicles. The Board shall have full power and authority to regulate the parking and storage of cars and any and all motor homes, recreational vehicles, boats, bicycles, motorbikes, motorcycles, trailers and other similar vehicles and equipment, all with full power and authority to impose and enforce (by special assessments hereunder or otherwise) fines and other penalties for violations of such regulations. As a minimum all parking spaces for such vehicles and equipment shall be screened in a manner approved by the Site Committee for the purpose of limiting to the maximum degree reasonably possible the visibility from adjacent properties.

(m) No mining or other mineral extraction or Development activities shall be permitted on any Lot, including the removal of gravel; provided that excavation for construction, or landscape purposes may be permitted with the prior written approval of the Board.

(n) Lot Owners shall take all actions necessary to control noxious weeds as defined by the Teton County Weed and Pest Control Board and/or the Board. Because the timing for effective control of noxious weeds is very critical, if a Lot Owner fails to respond immediately to a written request for weed control from the Site Committee, the Board shall have the right to contract for such control services and the company so contracted shall have the right to enter upon any such Lot to treat noxious weeds without any liability for trespass. In the event that the Board provides for noxious weed treatment as described

herein, the Owner of a Lot treated for noxious weed control shall pay all costs incurred by the Board. Only herbicides approved by the Teton County Weed and Pest Control may be used and all efforts should be taken to avoid herbicides which may be harmful to wildlife.

(o) The discharge of firearms, firecrackers or fireworks is forbidden.

(p) No snowmobile, motorcycle, or any other similar device shall be operated on any Lot for recreational purposes. Snowmobiles, motorcycles or similar vehicles may be used for access to and from residential Structures.

(q) It is recognized by the Declarant and the purchasers or Owner of any Lot within the Property, that many wildlife species live on or migrate through the Property during various times of the year. The following limitations on use and Development are intended, in addition to all other requirements of these Covenants, to protect, preserve and maintain the existing wildlife habitat on the Property and to minimize the adverse effects of Development on wildlife habitat:

(1) No Owner of any Lot shall remove or alter or allow others to remove or alter any of the existing vegetation thereon, except as is absolutely necessary for the clearing and preparation of that portion of the building envelope necessary for the purposes of constructing authorized Structures or drives thereon.

(2) Dogs and other domestic animals shall be controlled and restrained at all times, and shall not be allowed to run at large on any portion of any Lot, except within an enclosed improvement area.

(3) No hunting or shooting of guns or discharge of explosives shall be allowed on any Lot.

(4) The Owner of every Lot, as well as guests and invitees, shall comply with all State and Federal laws prohibiting the harassment, injury or killing of any wildlife species on the Property comprising the Subdivision to which these Covenants are applicable.

(5) No deer or other big game animals shall be fed hay or any other food on the Property. In addition, all new planting of shrubs and trees shall be limited to those species which will not unduly attract browsing animals.

ARTICLE VIII GENERAL PROVISIONS

Section 1. Lot Splitting; Consolidation. Two or more contiguous Lots within the Property may be combined, provided notice of intention to consolidate such Lots is filed with the Site Committee. Such consolidated Lots may thereafter be treated as one building site, and such site may be subjected to these restrictions the same as a single Lot except for the purpose of levying and collecting assessments.

Section 2. Assignment of Powers. Any and all of the rights and powers vested in Declarant pursuant to the Covenants may be delegated, transferred, assigned, conveyed or released by Declarants to the Association, and the Association shall accept the same, effective upon the recording by the Declarants of a notice of such delegation, transfer, assignment, conveyance or release.

Section 3. Notices; Documents; Delivery. Any notice or other document permitted or required by the Covenants shall be delivered either personally or by mail. If delivery is made by mail, it 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 Site Committee, at; if to an Owner, then at any Lot within the Subdivision owned by the Owner; if to Declarant, at; provided, however, that any such address may be changed from time to time by an Owner, by the Site Committee, or by Declarant by notice in writing, delivered to Association member.

Section 4. Town of Jackson Restrictions. The lots are subject to restrictions which are imposed by the TOWN OF JACKSON. Where restrictions vary between these Covenants and the TOWN OF JACKSON REGULATIONS, the more restrictive regulations shall apply.

ARTICLE IX ENFORCEMENT, DURATION AND AMENDMENT

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any Covenant or Restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Town of Jackson shall have the right to enforce the landscaping requirements included in Article VI, Section 5 contained herein.

Section 2. Duration of Restrictions. All of the Covenants, Conditions and Restrictions set forth in these Covenants shall continue and remain in full force and effect at all times against said Property and the Owners thereof, subject to the right of amendment or modification provided for in this Article, for a term of twenty (20) years, after which time they shall be automatically extended for successive periods of twenty (20) years.

Section 3. Amendment. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners, and thereafter by an instrument signed by not less than sixty-six and two-thirds percent (66 2/3%) of the Lot Owners, which instrument must be recorded in the Office of the County Clerk of Teton County, Wyoming. The Declarants shall have the right, during such time as it owns not less than thirty-five percent (35%) of the Lots, in number, to change or modify these Covenants, and all Lots within the Subdivision including those previously sold shall be subject to such changes. No Amendment shall be allowed that modifies the Conditions of Approval and supporting documents for the Final Development Plan, approved by the Jackson Town Council on April 5, 1999 or the Final Plat, approved by the Town Council on July 21, 1999 unless approved by the Town of Jackson. Such amendments shall be duly executed by the Declarant and placed of record in the Office of the County Clerk of Teton County, Wyoming.

Section 4. Annexation. Additional residential Property and common area may be annexed to the Property by Declarant at any time, provided only that all of such additional Property and Property Owners shall be subject to these Covenants.

Section 5. Violation Constitutes Nuisance. Every act or omission, whereby any Covenant, Condition or Restriction in this Declaration set forth, if violated

in whole or in part, is declared to be and shall constitute a nuisance and may be abated by Declarants or their successors in interest and/or by any Lot Owner; and such remedies shall be deemed cumulative and not exclusive.

Section 6. Construction and Validity of Restrictions. 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 Restrictions, or any part thereof, shall be thereby affected or impaired; and the Declarants, grantor and grantee, their heirs, successors and assigns, shall be bound by each Article, Section, subsection, paragraph, 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.

Section 7. 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 terms, 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.

Section 8. Modification/Adjustments. The design committee may allow reasonable modification/adjustments of the foregoing Covenants, Conditions and Restrictions in order to overcome practical difficulties and prevent unnecessary hardships in the application of the Covenants contained herein, or to grant modifications/adjustments in regard to the requirements contained herein, for the purpose of enhancing views, utilizing a Lot to better advantage, preventing the removal of trees, and enhancing the placement of improvements on the Property, provided this may be done in conformity with the intent and purposes thereof, and also provided in every instance that such grants or adjustments shall not be materially detrimental or injurious to other Property or improvements in the neighborhood. Any modification from the requirements contained herein which may be in violation of the applicable Town of Jackson Land Development Regulations shall also require approval by the Town of Jackson. Any modifications/adjustments of these Covenants, Conditions, and Restrictions granted by the design committee, or any acquiescence or failure to enforce any violation of the conditions and restrictions herein, shall not be deemed to be a waiver of any of the conditions and restrictions in any other instance.

DATED this 23 day August, 1997.

Hillside LLC

Peter Van Karns
Peter Van Karns, Manager

Homestead Partnership



Frances L. McNally
Notary Public

My Commission Expires: 2-24-03

STATE OF Wyoming)
) ss.
COUNTY OF Teton)

The foregoing instrument was acknowledged before me by Peter Van Karns, General Partner, Homestead Partnership, this 23rd day of August, 1999.

Witness my hand and official seal.



Frances L. McNally
Notary Public

My Commission Expires: 2-24-03

STATE OF Wyoming)
) ss.
COUNTY OF Teton)

The foregoing instrument was acknowledged before me by Betty Terrill, General Partner, Homestead Partnership, this 23rd day of August, 1999.

Witness my hand and official seal.



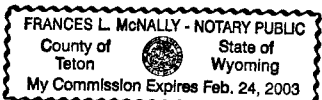
Frances L. McNally
Notary Public

My Commission Expires: 2-24-03

STATE OF Wyoming)
) ss.
COUNTY OF Teton)

The foregoing instrument was acknowledged before me by Diana K. Brown, General Partner, Homestead Partnership, this 23rd day of August, 1999.

Witness my hand and official seal.



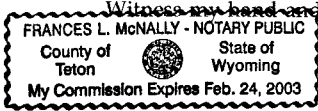
Frances L. McNally
Notary Public

My Commission Expires: 2-24-03

STATE OF Wyoming)

COUNTY OF Teton) ss.

The foregoing instrument was acknowledged before me by Donna K. Martin, General Partner, Homestead Partnership, this 23rd day of August, 1999.



Frances L. McNally
Notary Public

My Commission Expires: 2-24-03

STATE OF Wyoming)
COUNTY OF Teton) ss.

The foregoing instrument was acknowledged before me by Clifford A. Martin and Donna K. Martin, Trustees of the Clifford A. Martin Living Trust this 23rd day of August, 1999.

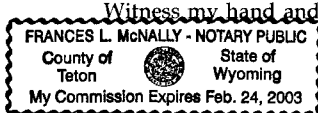


Frances L. McNally
Notary Public

My Commission Expires: 2-24-03

STATE OF Wyoming)
COUNTY OF Teton) ss.

The foregoing instrument was acknowledged before me by Donna K. Martin and Clifford A. Martin, Trustees of the Donna K. Martin Living Trust this 23rd day of August, 1999.



Frances L. McNally
Notary Public

My Commission Expires: 2-24-03

STATE OF Wyoming)
COUNTY OF Teton) ss.

The foregoing instrument was acknowledged before me by Peter Van Karns this 23rd day of August, 1999.



Frances L. McNally
Notary Public

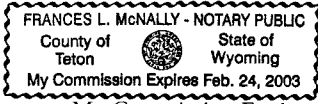
My Commission Expires: 2-24-03

STATE OF Wyoming)

COUNTY OF Teton) ss.

The foregoing instrument was acknowledged before me by Jeanine D. Karns this 23rd day of August, 1999.

Witness my hand and official seal.



My Commission Expires: 2-24-03

Frances L. McNally
Notary Public