



DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
THE TVDC CONDOMINIUMS AND TOWNHOMES
ADDITIONS TO THE TOWN OF JACKSON

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 Grantee: THE PUBLIC
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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
THE TVDC CONDOMINIUMS AND TOWNHOMES
ADDITIONS TO THE TOWN OF JACKSON**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR TVDC TOWNHOMES FIRST ADDITION TO THE TOWN OF JACKSON AND TVDC CONDOMINIUMS FIRST ADDITION TO THE TOWN OF JACKSON ("Declaration") is made this 18 day of MAY, 2005, by Teton Valley Development Co., LLC, a Wyoming limited liability company ("Declarant").

RECITALS

A. Declarant is the owner of land located in Jackson, Teton County, Wyoming, described as follows:

A parcel of land located in the SW1/4NE1/4, Section 34, T.41 N., R.116 W., 6th P.M., Town of Jackson, Teton County, Wyoming, being more particularly described as follows:

Lot 2 (the "Condominium") shown on Plat No. 1148, entitled "TVDC Condominiums First Addition to the Town of Jackson," filed of record on 5-25-2005, 2005 in the office of the Teton County, Wyoming Clerk.

Lots 1, 3, 4 and 5, shown on Plat No. 1147, entitled "TVDC Townhomes First Addition to the Town of Jackson," filed of record on 5-25-2005, 2005 in the office of the Teton County, Wyoming Clerk (hereinafter the "Townhome Plat").

All of the above-described real property, and any additional real property that may be added to the TVDC Townhomes and Condominium Development by Declarant in the future, together with all improvements thereon, shall hereafter be referred to in this Declaration as "the Property".

B. Declarant desires and intends that the Property shall be held, sold and conveyed subject to the covenants, conditions, restrictions and easements in this Declaration, which:

- i. Are for the purpose of protecting the value, desirability, attractiveness and character of the Property;
- ii. Shall run with all of the real property, appurtenances, and structures comprising the Property;
- iii. Shall be binding on all parties having any right, title, or interest in the Property, or any part thereof; and
- iv. Shall inure to the benefit of the aforementioned parties and their successors and assigns.

C. Declarant shall form a Wyoming nonprofit corporation ("the Association") as hereinafter defined, for the purposes of, among other things:

- i. The efficient preservation of the values and amenities of the Property, in regard to which the Association will be delegated certain powers and duties of administering and maintaining Improvements and Common Elements, and enforcing this Declaration and Rules adopted pursuant hereto; and
- ii. Establishing, collecting, disbursing and enforcing the Assessments created herein.

ARTICLE I - DEFINITIONS

As used in this Declaration, the following terms shall have the following meanings:

1.1 Articles

Articles of Incorporation of the Association, as they may be amended from time to time.

1.2 Assessments

Common Expense Assessment and Special Assessments levied and assessed against each Townhome and Condominium Unit pursuant to Article X of this Declaration.

1.3 Assessment Lien

The charge and continuing servitude and lien against a Townhome or a Unit for payment of Assessments, fees, and other charges pursuant to this Declaration as more particularly described in Section 10.1 of this Declaration.

1.4 Association

The "TVDC Town Homes & Condominiums Owners Association," a Wyoming nonprofit corporation organized by the Declarant to administer and enforce this Declaration and the related Townhome Documents and Condominium Documents, and to exercise the rights, powers and duties set forth therein, and its successors and assigns.

1.5 Board of Directors or Board

The Board of Directors of the Association.

1.6 Building

Any structure designated as a building on the Townhome Plat or the Condominium Plat.

1.7 Bylaws

The Bylaws of the Association, as they may be amended from time to time.

1.8 Common Elements

Those portions of the Property designated "GC" and "LC" on the Townhome Plat and the Condominium Plat, including yards, walkway areas, parking areas, stairwells, and landings, if any. In addition to the foregoing, Common Elements shall also include all portions of the Condominium Building that are not a Unit, whether or not designated "GC" or "LC" on the Condominium Plat.

1.9 Common Element Interest

For purposes of determining Assessments, an undivided interest of each Townhome and each Unit in the Common Elements, shown on Exhibit A to this Declaration, which is allocated equally among the Townhomes and the Units based upon a ratio, the numerator of which is the square footage of a Townhome or a Unit, and the denominator of which is the combined square footage of all Townhomes and all Units in the TVDC Townhomes and Condominium Development. In no event shall the cumulative interests of all Townhomes and all Units exceed or be less than a total of one hundred percent (100%).

1.10 Common Expenses

Expenditures made by, or financial liabilities incurred or to be incurred by the Association, together with required allocations to reserves, including but not limited to expenditures incurred in the enforcement of provisions of this Declaration and the related Townhome Documents and Condominium Documents.

1.11 Common Expense Assessment

Any assessment levied against the Property pursuant to Section 10.4 of this Declaration.

1.12 Common Expense Liability

That amount equal to the product of a Townhome's Common Element Interest or a Unit's Common Element Interest times the total amount of estimated Common Expenses pursuant to Article 10.4 of this Declaration.

1.13 Condominium

Lot 2 of the TVDC Townhomes and Condominium Development, as depicted on the Condominium Plat filed of record in the Office of the Teton County Clerk.

1.14 Condominium Documents

This Declaration, the Condominium Plat, and the Articles, Bylaws, and Rules.

1.15 Condominium Plat

The plat for the TVDC Condominiums, First Addition to the Town of Jackson, recorded in the office of the County Clerk, Teton County, Wyoming, and any amendments, supplements, or corrections thereto.

1.16 Declarant

Teton Valley Development Co., LLC, a Wyoming limited liability company, and its successors or assigns who have in writing been designated as a successor to the rights of Declarant hereunder. As the context may require, each entity separately constituting the Declarant shall separately enjoy all special rights, privileges, exemptions, powers and immunities hereunder.

1.17 Declaration

This Declaration of Covenants, Conditions and Restrictions for TVDC Condominiums and Townhomes First Addition to the Town of Jackson, as it may be amended from time to time, together with the exhibits, and where appropriate by context, the Townhome Plat, the Condominium Plat, and any amendments thereto.

1.18 Development Rights

Any right or combination of rights reserved by or granted to the Declarant in this Declaration.

1.19 First Mortgage

Any mortgage or deed of trust on a Townhome or Unit with first priority over any other mortgage or deed of trust.

1.20 First Mortgagee

The holder of any First Mortgage.

1.21 Improvements

All physical structures including, but not limited to, residential Buildings and, if any, parking stalls, parking areas, driveways, recreational areas, yards, laundry facilities, storage areas, fences and walls, maintenance areas, planters, trash receptacles, and all landscaping, including, but not limited to, hedges, plantings, trees and shrubs of every type and kind.

1.22 Limited Common Elements

Those portions of the Common Elements designated "LC" followed by a lot number of a lot shown on the Townhome Plat or the Condominium Plat, and which are limited to and reserved for the exclusive use of the Townhomes or the Units located on such designated lot.

1.23 Member

A Unit Owner or a Townhome Owner who, by reason of ownership of a Unit or Townhome, is entitled to automatic membership in the Association.

1.24 Owner

A Unit Owner and/or a Townhome Owner, as the context requires.

1.25 Period of Declarant Control

The time period commencing on the date this Declaration is recorded in the office of the County Clerk, Teton County, Wyoming, and ending on the earlier of:

A. Ninety (90) days after the conveyance of eighty-five percent (85%) of the Townhomes and Units to Persons other than the Declarant; or

B. Four (4) years after Declarant has ceased to offer Townhomes and Units for sale in the ordinary course of business.

1.26 Person or Persons

A natural person, corporation, business trust, estate, trust, partnership, association, limited liability company, joint venture, government, government subdivision or agency, or other legal or commercial entity.

1.27 Purchaser

Any Person, other than the Declarant, who by means of a voluntary transfer becomes an Owner except for:

A. A Person who purchases a Unit or a Townhome and then leases it to the Declarant for use as a model, sales or leasing office, fitness facility or business support center in connection with the sale of other Units or Townhomes; or

B. A Person who, in addition to purchasing a Unit or Townhome, is assigned any Special Declarant Right.

1.28 Rules

The rules and regulations adopted by the Association, as they may be amended from time to time.

1.29 Special Declarant Rights

Any right or combination of rights reserved by or granted to the Declarant in this Declaration.

1.30 Townhomes

The individual buildings constructed on Lots 1, 3 and 4, as depicted on the Townhome Plat, and described in this Declaration.

1.31 Townhome Documents

This Declaration, the Townhome Plat, and the Articles, Bylaws, and Rules.

1.32 Townhome Owner

A. The record owner, whether one or more Persons, of beneficial or equitable title (and legal title if the same has merged with the beneficial or equitable title) to the fee simple interest of a Townhome. A Townhome Owner shall not include:

i. Persons having an interest in a Townhome merely as security for the performance of an obligation; or

ii. A lessee or tenant of a Townhome. Townhome Owner shall include a Purchaser under a contract for the conveyance of real property, a contract for deed, a contract to convey, an agreement for sale or any similar contract through which a seller has conveyed to a Purchaser equitable title to a Townhome under which the seller is obligated to convey to the Purchaser the

remainder of seller's title in the Townhome, whether legal or equitable, upon payment in full of all monies due under the contract.

B. The term "Townhome Owner" shall not include a Purchaser under a purchase contract and receipt, escrow instructions or similar executory contract which is intended to control the rights and obligations of the parties to the executory contract pending the closing of a sale or purchase transaction. In the case of Townhomes the fee simple title to which is vested in a trustee, the Trustor shall be deemed to be the Townhome Owner.

1.33 Townhome Plat

The plat for the TVDC Townhomes First Addition to the Town of Jackson, recorded in the office of the County Clerk, Teton County, Wyoming, and any amendments, supplements, or corrections thereto.

1.34 TVDC Townhomes and Condominium Development

The larger development of real property by Declarant, consisting of condominiums Units and Townhomes, as shown on the Townhome Plat and the Condominium Plat, as same may be amended from time to time and specifically including additional developments by Declarant on adjoining properties to the east and west, as the same shall be platted into additional Townhomes and/or Condominium Units and annexed by Declarant into the properties shown on the existing plats referenced herein.

1.35 Unit

An individual air space unit as defined in that certain Declaration of Condominium for TVDC Condominiums, First Addition to the Town of Jackson (and any amendments thereto), filed of record in the Office of the Teton County, Wyoming Clerk.

1.36 Unit Owner

A. The record owner, whether one or more Persons, of beneficial or equitable title (and legal title if the same has merged with the beneficial or equitable title) to the fee simple interest of a Unit. Unit Owner shall not include:

i. Persons having an interest in a Unit merely as security for the performance of an obligation; or

ii. A lessee or tenant of a Unit. Unit Owner shall include a Purchaser under a contract for the conveyance of real property, a contract for deed, a contract to convey, an agreement for sale or any similar contract through which a seller has conveyed to a Purchaser equitable title to a Unit under which the seller is obligated to convey to the Purchaser the remainder of seller's title in the Unit, whether legal or equitable, upon payment in full of all monies due under the contract.

B. The term "Unit Owner" shall not include a Purchaser under a purchase contract and receipt, escrow instructions or similar executory contract which is intended to control the rights and obligations of the parties to the executory contract pending the closing of a sale or purchase transaction. In the case of Units the fee simple title to which is vested in a trustee, the Trustor shall be deemed to be the Unit Owner.

**ARTICLE II - ALLOCATION OF INTERESTS AND VOTING RIGHTS;
ALLOCATION OF PARKING SPACES**

2.1 Allocation of Common Element Interest

The Common Element Interests are as described in **Exhibit A** attached to this Declaration.

2.2 Allocation of Common Expense Liabilities

The Common Expense Liability of the Association shall be allocated equally among the Townhomes and the Units in the same ratio as the Common Element Interest assigned to each are set forth in Section 2.1.

2.3 Allocation of Limited Common Elements

The following portions of the Common Elements are Limited Common Elements and are allocated to the exclusive use of one or more Townhomes and one or more Units as follows:

A. Each Townhome is allocated its proportionate share of the General Common Elements shown on the Townhome Plat. In addition, the Limited Common Elements are allocated as follows:

The Townhomes constructed on Lot 1: All areas on the Townhome Plat designated "LC-1".
The Townhomes constructed on Lot 3: All areas on the Townhome Plat designated "LC-3".

The Townhomes constructed on Lot 4: All areas on the Townhome Plat designated "LC-4".

B. Each Unit is allocated its proportionate share of the General Common Elements shown on the Condominium Plat. In addition, the Limited Common Elements are allocated as follows:

The Units constructed on Lot 2: All areas on the Condominium Plat designated "LC-2".
In addition, the Units constructed on Lot 2 are allocated the parking area designated "LC-2" within Lot 5 shown on the Townhome Plat.

C. The driveway and parking space designated as General Common Elements on Lot 5 of the Townhome Plat may be used by each Townhome and each Unit on a "first-come, first-served" basis. The Association may adopt Rules governing parking spaces and, in the event of conflicts, the Declarant or the Association may convert General Common Elements to Limited Common Elements. The intent of this section is to allow the Association both the authority and flexibility to address issues relating to the parking of vehicles on the property that may hereinafter arise with the goal of achieving as many parking spaces as the property reasonably allows.

2.4 Reallocation of Limited Common Elements

A. Limited Common Elements may be reallocated by an amendment to this Declaration and to the Townhome Plat or the Condominium Plat, if required. The Declarant shall have the sole authority during the Period of Declarant Control to assign and reallocate parking spaces. During the Period of Declarant Control, any proposed reallocations must be submitted to the Declarant, and the Declarant shall have sole authority to approve or reject any and all reallocations of a Limited Common Element sought to be accomplished by amendment to the Declaration.

B. Subsequent to expiration of the Period of Declarant Control, the Board of Directors shall have the right, without a vote of the Members, to allocate as a Limited Common Element any portion of the Common Elements not previously allocated as a Limited Common Element. Any such allocation by the Board of Directors shall be made by an amendment to this Declaration and an amendment to the Townhome Plat or the Condominium Plat, if required.

ARTICLE III - DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS

3.1 Development Rights of Declarant

The Declarant reserves to itself, its successors and assigns, the following Development rights:

A. To create and/or construct easements, Townhomes, Units, Common Elements or Limited Common Elements within the Property, including but not limited to constructing additional structures for parking, storage or other amenities deemed, in Declarant's sole discretion, necessary or desirable for the Property;

B. To amend the Townhome Documents or the Condominium Documents during the Period of Declarant Control to comply with applicable law or to correct any error or inconsistency in the Townhome Documents or the Condominium Documents.

C. Notwithstanding any other provisions of the Townhome Documents or the Condominium Documents, to annex additional land contiguous to the Property within ten (10) years of the date of recording this Declaration, for the purpose of developing additional condominium Units and Townhomes in additional buildings as part of the TVDC Townhomes and Condominiums Development. In the event of such annexation, all Owners of such additional condominium Units and Townhomes within said annexed land shall also become Members of the Association, and additional Common Areas may be conveyed to and allocated by the Association.

3.2 Special Declarant Rights

The right or rights or combination thereof known as "Special Declarant Rights" reserved to the Declarant are the following:

A. To construct Improvements provided for in this Declaration or shown on the Townhome Plat or the Condominium Plat;

B. To exercise any Development Right identified in Article 3.1 of this Declaration;

C. To maintain sales offices, management offices, model Townhomes or Units, and signs advertising the sale of same so long as they comply with applicable zoning ordinances;

D. To use easements through the Common Elements for the purpose of making Improvements within the Property;

E. To appoint or remove any officer of the Association or any member of the Board of Directors during the Period of Declarant Control.

3.3 Time Limits

Exercise of Development Rights and Special Declarant Rights by Declarant are not limited in any manner as to time and extend beyond the Period of Declarant Control unless stated to the contrary herein, or as otherwise limited by law.

3.4 Transfer of Special Declarant Rights

A Special Declarant Right created or reserved by this Declaration may be transferred or assigned.

ARTICLE IV - EASEMENTS

4.1 Existing Easements

If any Townhome, Unit or Common Element (including Limited Common Element) is encumbered by an access or utility easement as shown on the Townhome Plat or the Condominium Plat or provided for in this Declaration, then by accepting a deed to such Townhome or Unit and Common Element, the Owner acknowledges and consents to such easement.

4.2 Utility Easements

In addition to any special easements shown on the Townhome Plat or the Condominium Plat, or otherwise provided for in this Declaration, there is hereby created an easement upon, across, over and under the Common Elements for reasonable ingress, egress, installation, replacing, repairing or maintaining of all utilities, including, but not limited to, gas, water, sewer, telephone, cable television and electricity. By virtue of this easement, it shall be expressly permissible for the utility company providing such service to erect and maintain the necessary equipment on the Common Elements, but no sewers, electrical lines, water lines, or other utility or service lines may be installed or located on the Common Elements except as initially designed and installed or as thereafter approved and constructed by the Board of Directors. This easement shall in no way affect any other recorded easements on the Common Elements. In no event shall any portion of the above mentioned easements for utilities be construed to authorize the placing or installing of sewers, electrical lines, water lines or other utilities under any permanent building structure constructed on the Property. The location of any future utilities shall be specifically identified and set forth in a recorded instrument.

4.3 Easements for Ingress and Egress

There are hereby created easements for ingress and egress for pedestrian traffic over, through and across sidewalks, paths, walks, stairwells, and lanes that from time to time may exist upon the Common Elements. There is also created an easement for ingress and egress for pedestrian and vehicular traffic, including, without limitation, emergency access and utility repair vehicles and snow plowing vehicles and equipment, over, through and across such driveways and parking areas except that such easements shall not extend to any Limited Common Elements or assigned parking spaces, if any, except easements to allow for repair and maintenance and snow removal services retained by the Association on behalf of all Owners and occupants, their guests, families, tenants, and invitees. Such easements shall run in favor of and be for the benefit of the Owners and occupants of the Townhomes and Units, and their guests, families, tenants and invitees.

4.4 Owners' Easements of Enjoyment

A. Every Townhome Owner and Unit Owner shall have a right and easement of enjoyment in and to the Common Elements, except for the Limited Common Elements assigned to individual Townhomes or Units, which right and easement shall be appurtenant to and shall pass with the title to every Townhome and Unit, subject to the following provisions:

i. The right of the Association to adopt reasonable Rules governing the use of the Common Elements and the Limited Common Elements;

ii. The right of the Association to suspend the voting rights of an Owner: (a) for any period during which any Assessment against his Townhome or Unit remains unpaid more than thirty (30) days after its due date and (b) for a period not to exceed sixty (60) days for any other infraction or violation of the Townhome Documents or the Condominium Documents;

iii. The right of the Association to convey the Common Elements or subject the Common Elements to a mortgage, deed of trust, or other security interest, subject to the vote or written assent of those Townhome and Unit Owners representing at least eighty percent (80%) of the votes in the Association, and with the consent of Declarant during the Period of Declarant Control; and, in all events, subject to an Owner's easement for ingress and egress if access to such Owner's Townhome or Unit is through the Common Elements to be conveyed or mortgaged

iv. All rights and easements set forth in this Declaration, including, but not limited to, the rights and easements granted to the Declarant by Sections 4.5 and 4.6 of this Declaration.

B. If a Townhome or Unit is leased or rented, the lessee and the members of Lessee's family residing with the lessee and all guests and invitees shall have the right to use the Common Elements during the term of the lease, subject to rules and regulations of the Association.

C. An Owner's right and easement of enjoyment in and to the Common Elements shall not be conveyed, transferred, alienated or encumbered separate and apart from a Townhome or a Unit. Such right and easement of enjoyment in and to the Common Elements shall be deemed to be conveyed, transferred, alienated or encumbered upon the sale of any Townhome or Unit, notwithstanding that the description in the instrument of conveyance, transfer, alienation or encumbrance may not refer to such right and easement.

4.5 Declarant's Use for Sales and Leasing Purposes

A. Declarant shall have the right and an easement to maintain sales or leasing offices, management offices and model Townhomes and Units throughout the Property and to maintain one or more advertising, model and directional signs on the Common Elements while the Declarant is selling or preparing to sell Townhomes or Units in the Property as long as such activities comply with local zoning and other applicable law. Declarant reserves the right to place models, management offices and sales and leasing offices in any Townhomes or Unit owned by Declarant and on any portion of the Common Elements in such number, of such size and in such locations as Declarant deems appropriate.

B. Declarant may from time to time relocate model Townhomes or Units, management offices and sales and leasing offices to different locations within the Property. Without limiting the foregoing, during Declarant's pre-sale and sales period, Declarant may relocate any recreational and business facilities including a sales center, business office, model Townhomes, Units and the like on any portion of the Property, including on the Common Elements or within any Townhome or Unit owned by Declarant. Upon the relocation of a model Townhome, Unit, management, business, sales or leasing office constituting a Common Element, Declarant may remove all personal property and fixtures therefrom.

C. So long as Declarant is marketing Townhomes or Units in the Property, Declarant shall have the right to reserve parking spaces in the Property not allocated as Limited Common Elements or otherwise assigned to particular Townhomes or Units for use by prospective Townhome or Unit Purchasers, Declarant's employees and others engaged in sales, leasing, maintenance, construction or management activities.

D. The Declarant reserves the right to retain all personal property and equipment used in the sales, management, construction and maintenance of the Property that has not been represented as property of the Association. The Declarant reserves the right to remove from the Property any and all goods and Improvements used in development, marketing and construction.

4.6 Declarant's Easements

A. Declarant shall have the right, and an easement on and over the Common Elements, including all Limited Common Elements, to repair, maintain, alter or improve the Common Elements and the Townhomes shown on the Townhome Plat and the Condominium Plat and all other Buildings and Improvements as the Declarant may deem necessary and to use the Common Elements and any Townhomes or Units owned by Declarant for construction or renovation-related purposes, including for the storage of tools, machinery, equipment, building materials, appliances, supplies and fixtures and for the performance of work respecting the Property.

B. Declarant shall have the right and an easement on, over and under those portions of the Common Elements not located within Buildings for the purpose of maintaining and collecting drainage of surface, roof or storm water and for snow removal and storage. The easement created by this subsection expressly includes the right to cut any trees, bushes, or shrubbery, to grade the soil or to take any other action reasonably necessary.

C. The Declarant shall have the right and an easement on, over, and through the Common Elements as may be reasonably necessary for the purpose of discharging its obligations and exercising Special Declarant Rights.

4.7 Common Elements Easement in Favor of the Association

All Common Elements, including Limited Common Elements, shall be subject to an easement in favor of the Association, its Board and officers and the agents, employees and independent contractors of the Association for the purpose of the inspection, upkeep, maintenance, snow removal, repair and replacement of the Common Elements.

4.8 Easement in Favor of Association.

The Townhomes, Units and the Common Elements are hereby made subject to the following easements in favor of the Association and its directors, officers, agents, employees and independent contractors:

A. For inspection of the exterior of the Townhomes and all Limited Common Elements in order to verify the performance by Owners of all items of maintenance and repair for which Owners are responsible.

B. For inspection, maintenance, repair and replacement of the Common Elements or the Limited Common Elements.

C. For correction of emergency conditions in, or casualties to one or more Townhomes, Units or the Common Elements.

D. For the purpose of enabling the Association, the Board of Directors or any committees appointed by the Board of Directors to exercise and discharge their respective rights, powers and duties under the Townhome Documents or the Condominium Documents.

E. For inspection, at reasonable times and upon reasonable notice to Townhome Owners or Unit Owners, of the Townhomes, Units and all Limited Common Elements to verify that the provisions of the Townhome Documents and Condominium Documents are being complied with by Owners, their guests, tenants, invitees and the other occupants of the Townhomes or Units.

4.9 Easement for Unintended Encroachments

To the extent that any Townhome, Unit or Common Element encroaches on any other Townhome, Unit or Common Element as a result of original construction, alteration or restoration authorized by this Declaration, settling or shifting, or any reason other than the intentional encroachment on the Common Elements or any Townhome or Unit by an Owner, a valid easement for the encroachment, and for the maintenance thereof, exists.

ARTICLE V - USE AND OCCUPANCY RESTRICTIONS

5.1 Plat Notes

In addition to the use restrictions contained herein, the Property is subject to any restrictions and limitations set forth in the Townhome Plat or the Condominium Plat, and any amendments thereto.

5.2 Residential Use

A. All Townhomes, Units and Common Elements shall be used, improved and devoted exclusively to residential use.

B. No gainful occupation, profession, trade or other nonresidential use shall be conducted on or in any Townhome, Unit or Common Element; provided however, that an Owner or other resident may conduct a business activity within a Townhome or Unit so long as:

i. The existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Townhome or Unit;

ii. The business activity conforms to all applicable zoning ordinances or requirements for the Property;

iii. The business activity does not involve the door-to-door solicitation of Owners or other residents in the Property;

iv. The trade or business conducted by the Owner or resident shall not require more than one (1) employee working in or from such Townhome or Unit who is not a lawful resident thereof;

v. The volume of vehicular or pedestrian traffic or parking generated by such trade or business does not result in congestion or parking violations;

vi. The trade or business does not use flammable liquids or hazardous materials in quantities not customary for residential use; and

vii. The business activity is consistent with the residential character of the Property and does not constitute a nuisance or a hazardous or offensive use or threaten security or safety of Owners or other residents in the Property, as may be determined from time to time in the sole discretion of the Board of Directors.

C. The terms "business" and "trade" as used in this section shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether:

i. Such activity is engaged in full or part time;

ii. Such activity is intended or does generate a profit; or

iii. A license is required for such activity.

D. The leasing of a Townhome or Unit by the Owner thereof shall not be considered a trade or business within the meaning of this section.

5.3 Improvements and Alterations

Any Owner may make nonstructural additions, alterations and improvements within his Townhome or Unit without the prior written approval of the Board, but such Owner shall, to the extent permitted under Wyoming law, be responsible for any damage to other Townhomes, Units and to the Common Elements which results from any such alterations, additions or improvements. No Person shall make any structural additions, alterations or improvements within a Townhome or Unit, unless prior to the commencement of each addition, alteration or improvement, the Owner receives the prior written approval of the Board and the Owner retains an engineer licensed in Wyoming who certifies in writing that such addition, alteration or improvement will not impair the structural integrity of the Building or any other Townhome or Unit within which such addition, alteration or improvement is to be made. The Owner shall, to the extent permitted by Wyoming law, be responsible for any damage to other Townhomes, Units and to the Common Elements which results from any such additions, alterations or improvements. Notwithstanding the foregoing, no addition, alteration or improvement within a Townhome or Unit, whether structural or not, which would be visible from the exterior of the Building in which the Townhome or Unit is located, shall be made without the prior written consent of the Board, which approval shall only be granted if the Board affirmatively finds, in its sole discretion, that the proposed addition, alteration or improvement is aesthetically pleasing and in harmony with the surrounding Improvements.

5.4 No Partition and Subdivision

No Townhome or Unit shall be partitioned or subdivided.

5.5 Machinery and Equipment

No Owner may place, operate or maintain machinery or equipment of any kind upon the Property other than usual and customary machinery and equipment used in connection with the Owner's permitted uses of his Townhome or Unit and Limited Common Elements. This section shall not apply to any such machinery or equipment which Declarant or the Association may require for the construction, improvement, operation and maintenance of the Common Elements.

5.6 Environmental Restrictions

All residents of the Property shall be responsible for complying with all federal and state environmental and health laws. Without limiting the foregoing, no Owner or other resident may dispose of, transport, or store "hazardous materials" in his Townhome or Unit or elsewhere in the Property other than small amounts of ordinary household non-combustible cleaning agents maintained in the Townhome, Unit or Limited Common Element storage areas and in no event may any Owner or resident dispose of any hazardous materials, including without limitation, motor oil, hydrocarbons, or other petroleum products, in or down a dry well on or adjacent to the Property, or in trash receptacles located within the Property.

5.7 General Restrictions Regarding Parking of Vehicles

No vehicle (other than a Family Vehicle defined below), or mobile home, mini or standard size motor home, travel trailer, tent trailer, trailer, all-terrain vehicle, bus, camper shell, detached camper, recreational vehicle, boat, boat trailer, snowmobile, snowmobile trailer, or

other similar equipment or vehicle may be parked, kept, or maintained on any part of the Property. A "Family Vehicle" means any domestic or foreign car, station wagon, sport wagon, pick-up truck of 3/4 ton capacity or less with camper shells not exceeding eight (8) feet in height measured from ground level, mini-van, jeep, sport utility vehicle, motorcycle and similar non-commercial and non-recreational vehicles that are used by an Owner or his family members, tenants, guests or invitees for family and domestic purposes and which are used on a regular and recurring basis for basic transportation.

5.8 Parking Spaces

Family Vehicles shall only park in parking spaces designated on the Townhome Plat and the Condominium Plat. No parking space in the Property may be used for storage or for any purpose other than the parking of Family Vehicles, as defined in Article 5.7.

5.9 Motor Vehicle Repair and Towing of Vehicles

Other than temporary emergency repairs, no Family Vehicle or any other vehicle or equipment shall be constructed, reconstructed, serviced (including but not limited to oil changes) or repaired, and no inoperable vehicle may be stored on any portion of the Property. The Board of Directors shall have the right to have any vehicle parked, kept, maintained, constructed, reconstructed or repaired in violation of the Townhome Documents or the Condominium Documents removed at the sole cost and expense of the owner of the vehicle or equipment, and without recourse or liability to the Association or the Board of Directors for damages or costs incurred by the owner of such vehicle. Any expense incurred by the Association in connection with the removal of any vehicle or equipment shall be paid to the Association, upon demand, by the owner of the vehicle or equipment. Any amounts payable to the Association under this Article 5.9 shall be secured by an Assessment Lien, and the Association may enforce collection of suit amounts in the same manner provided for in this Declaration for the collection of Assessments.

5.10 Signs

Other than an Owner's or occupant's name and address identification sign not exceeding 6 x 12 inches in size on the door of a Townhome or Unit, no emblem, logo, sign or billboard of any kind, including, but not limited to, "For Sale" or "For Rent" signs, shall be displayed so that it is visible from the exterior of any Townhome, Unit or Building or any other portion of the Property without the prior written approval of the Board; except for:

- i. Signs used by the Declarant to advertise the Townhomes or Units for sale or lease;
- ii. Signs on the Common Elements as may be placed or approved by the Declarant during the Period of Declarant Control, or by the Board, thereafter;
- iii. Any signs as may be required by legal proceedings; and
- iv. Such signs as are approved by the Board.

5.11 Lawful Use.

No improper, offensive, or unlawful use shall be made of any part of the Property. All valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction over the Property shall be observed. Any violation of such laws, zoning ordinances or regulations shall be a violation of this Declaration.

5.12 Nuisances and Offensive Activity

No nuisance shall be permitted to exist or operate upon the Property, and no activity shall be conducted upon the Property which is offensive or detrimental to any portion of the TVDC Townhomes and Condominium Development or any Townhome Owner or Unit Owner or other occupant of the TVDC Townhomes and Condominium Development. No exterior speakers, horns, whistles, bells or other sound devices, except security or other emergency devices used exclusively for security or emergency purposes, shall be located, used or placed on the Property.

5.13 Window Coverings

No reflective materials, including, without limitation, aluminum foil, reflective screens or glass, mirrors or similar items, shall be installed or placed upon the outside or inside of any windows of a Townhome or Unit without the prior written approval of the Board.

5.14 Limitation on Leasing

A Townhome Owner or Condominium Owner may lease his entire Townhome or Unit or less than his entire Townhome or Unit for a period of not less than thirty (30) days; provided, however, that in no event shall there be more than three (3) adults residing in any Townhome or Unit. All leases shall be in writing and shall provide that the terms of the lease shall be subject in all respects to the provisions of the Townhome Documents or the Condominium Documents, and any failure by the lessee to comply with the terms thereof shall be a default under the lease. Upon leasing his Townhome or Unit, an Owner shall promptly notify the Association of the commencement date and termination date of the lease, and the names and mailing addresses of each lessee and other people who will be occupying the Townhome or Unit during the term of the lease. Nothing contained in this paragraph shall be construed as limiting or in any way affecting any leasing program operated by Declarant in the Property with regard to Declarant's Townhomes or Units.

5.15 Community Privacy Measures

Each Owner understands and agrees that neither the Association (nor its officers, directors, employees, and agents) nor the Declarant (nor its officers, directors, employees and agents) is responsible for the acts and omissions of any third parties or of any other Owner or Owner's family members, guests, tenants and invitees resulting in damages or injury to person or property. Any entry/privacy gate features or common privacy measures that may be used in the Property (as installed by the Declarant, at its option, or by the Board on behalf of the Association) will be maintained by the Association, and each Owner understands that any entry/privacy gate features that are in effect at the time he becomes an Owner may be abandoned, terminated and/or modified by a majority vote of the Board. The commencement of any such devices or controls shall not be deemed to be an assumption of any duty on the part of the Association or the Declarant with respect to the Property and neither the Declarant, the Board (nor any committee thereof) make any representation or warranty concerning the efficacy of such devices relating to security or the ease of entry of fire, police or other emergency personnel.

5.16 Variances

The Board may authorize a variance from compliance with any of the provisions of this Declaration, including this Article V, from time to time, when circumstances such as hardship, aesthetic or environmental considerations may require. Any such variance shall be memorialized in writing, signed by a majority of the Board and kept as part of the Association's official records. If such variance is granted, no violation of the covenants, conditions and restrictions contained in this Declaration shall be deemed to have occurred with respect to the specific matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular

provision hereof covered by the variance, and only for so long as the special circumstances warranting the variance exist, nor shall it affect in any way an Owner's obligation to comply with all governmental laws and regulations affecting the use of his Townhome or Unit. The Board shall have the right to condition the granting of a variance as it may determine in the Board's sole discretion, including, without limitation; making a variance temporary or permanent; or requiring the removal or replacement of a non-permanent or semi-permanent structure upon the sale or other conveyance of a Townhome or Unit. Moreover, the granting of a variance in one instance or under certain terms and conditions shall not mandate the granting of a variance under similar or related circumstances, terms or conditions.

5.17 Pets

A. An Owner may have one cat or one dog on the Property, or within the confines of his Townhome or Unit.

B. Any cat or dog allowed outside the Owner's Townhome or Unit shall be restrained by a leash at all times.

C. Each Owner of a cat or dog shall physically pick up any animal droppings left by their animal and dispose of same in a proper receptacle. The Association may levy an Assessment upon any Owner who is found to have violated the rules regarding pets described above. The amount of said Assessment shall be \$50.00 for the first violation, and \$100.00 for each subsequent violation.

D. Any such Assessment shall be due to the Association upon written notice to the Owner that a charge has been levied. Any Assessment unpaid when due shall become an Assessment Lien against the Owner's Townhome or Unit and the Association shall have the right to collect said lien in the same manner as other charges and assessments pursuant to Article VIII of this Declaration.

E. The Board of Directors may adopt other rules or regulations governing the presence of dogs and cats and other pets within the Property.

5.18 Obstructing Common Areas

Owners shall not obstruct Common Areas, nor shall Owners place or store anything within the Common Areas without prior written consent of the Board or except in facilities specifically designed and designated for storage on the Townhome Plat or the Condominium Plat.

5.19 Prohibited Items In Limited Common Area

Hot tubs, charcoal grills, and clotheslines are prohibited in the Limited Common Areas. Storage of hazardous materials including but not limited to fireworks, explosives, paint or related products, fuels (including camping fuels), and weapons or ammunitions of any sort are not permitted in any storage units. Use of the Limited Common Areas shall be further governed by the rules and regulations of the Association.

ARTICLE VI – MAINTENANCE, REPAIR, AND CONTROL OF COMMON ELEMENTS AND TOWNHOMES

6.1 Duties of the Association and Board

A. The Association shall maintain, repair and make necessary improvements to the exterior of all Buildings and to all Common Elements and all Limited Common Elements.

Without limitation, the Association shall be responsible for maintaining residential Building exteriors (including doors and porch and deck exteriors), all portions of the parking areas, parking canopies, laundry facilities (if any), maintenance areas, planters, storage closet units (if any), stairwells, the private streets and drives, sidewalks, landscaping, irrigation systems, lighting and light fixtures in the Common Elements and the Limited Common Elements. The Board shall be the sole and absolute judge as to the appropriate maintenance of the Common Elements, the Limited Common Elements and the Property.

6.2 Duties of Owners

A. Each Owner shall maintain, repair, replace and restore, at his own expense, all portions of his Townhome or Unit not otherwise identified in the Townhome Documents or Condominium Documents as being the responsibility of the Association.

6.3 Repair or Restoration Necessitated by Owner

Each Owner shall be liable to the Association, to the extent permitted by Wyoming law, for any damage to the Common Elements, Limited Common Elements, or the Improvements, or equipment thereon, which results from the negligence or willful misconduct, by act or omission, of the Owner or that Owner's family members, tenants, guests, invitees and pets. The cost to the Association of any such repair, maintenance or replacement required by such act or omission of an Owner shall be paid by the Owner, upon written demand, to the Association. The Association may enforce collection of any such amounts in the same manner and to the same extent as provided for in this Declaration for the collection of Assessments.

6.4 Owner's Failure to Maintain

If an Owner fails to maintain in good condition and repair his Townhome or Unit and the required maintenance, repair or replacement is not performed within thirty (30) days after written notice has been given to the Owner by the Association, the Association shall have the right, but not the obligation, to perform the required maintenance, repair or replacement. The cost of any such maintenance, repair or replacement shall be assessed against the non performing Owner and may be collected as provided for in Article VIII of this Declaration.

6.5 Right to Reasonable Access

On reasonable notice, each Owner shall afford the Association and other Owners, and to their agents or employees, access through his Townhome or Unit reasonably necessary for purposes required under this Article.

6.6 Emergency Access

In an emergency, if an Owner or the Owner's tenant is not present to open and permit entry into a Townhome or Unit when an entry is necessary to investigate and/or take measures to protect a Common Element, the Association or its agents may enter the Townhome or Unit by key without first providing notice to or obtaining the permission of the Owner or the Owner's tenant. Each Owner or the Owner's tenant shall provide the Association with a key to a Townhome or Unit if the Owner or their tenant change the locks. If no key has been provided as required above, the Association and its agents shall have the right to enter the Townhome or Unit by force in the event of an emergency, and the Owner shall pay all such cost of repair due to such forcible entry. The Association's or its agents' emergency entrance into a Townhome or Unit shall not render the Association or such agents liable for any damage to the Owner or Owner's tenant, nor to the Owner's or the Owner's tenant's property, if during such entry the Association or its agents take reasonable care to not damage the Owner's or Owner's tenant's property.

ARTICLE VII - THE ASSOCIATION; RIGHTS AND DUTIES; MEMBERSHIP

7.1 Rights, Powers and Duties of the Association

No later than the date on which title to the first Townhome or Unit is conveyed to a Purchaser, the Association shall be organized as a nonprofit Wyoming corporation. The Association shall be the entity through which all of the Owners in the TVDC Townhome and Condominium Development, shall act. Every Townhome Owner and every Unit Owner, shall be a Member of the Association.

The Association shall have such rights, powers and duties as are prescribed by law and as are set forth in the Townhome Documents and the Condominium Documents, together with such rights, powers and duties as may be reasonably necessary to effectuate the objectives and purposes of the Association as set forth in this Declaration. The Association shall adopt and may from time to time, amend written bylaws ("Bylaws") consistent with the Townhome Documents and the Condominium Documents, which Bylaws shall describe the workings of the Association.

The Association shall have the right to finance capital improvements in the Property by Assessments if such action is approved by the written consent or affirmative vote of Members representing more than fifty percent (50%) of the votes in the Association and, during the Period of Declarant Control, by Declarant.

Unless the Townhome Documents or the Condominium Documents, or the Bylaws specifically requires a vote of the Members, approvals or actions to be given or taken by the Association shall be valid if given or taken by the Board.

The Association shall make available to the Declarant, and the Members current copies of the Townhome Documents and the Condominium Documents and other books, records and financial statements of the Association as may be requested from time to time by such parties. Such requests shall be in writing, and the Association shall have the right to charge for copying expenses and the reasonable cost of postage, shipping or transmission of the information requested.

7.2 Directors and Officers

A. During the Period of Declarant Control, the Declarant shall have the right to appoint and remove the members of the Board of Directors and the officers of the Association, and such appointed members and officers do not have to be Members of the Association.

B. Upon the termination of the Period of Declarant Control, the Members of the Association shall elect the Board of Directors which shall consist of at least three (3) Members of the Association. The Board of Directors elected by the Members shall then elect the officers of the Association.

C. The Declarant may voluntarily surrender his right to appoint and remove the members of the Board of Directors and the officers of the Association before termination of the Period of Declarant Control, and in that event, the Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Association or the Board of Directors, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

7.3 Rules

The Board of Directors, from time to time and subject to the provisions of this Declaration, may adopt, amend, and repeal rules and regulations. The Rules may, among other things, restrict and govern the use by any Owner, by the family of such Owner, or by any invitee,

licensee or lessee of such Owner, of any area within the Property subject to the Association's jurisdiction and control; provided, however, that the Rules may not unreasonably discriminate among Owners and shall not be inconsistent with the applicable federal and state Fair Housing Acts, this Declaration, the Articles or Bylaws. A copy of the Rules, as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner and may be recorded in the land records of Teton County, Wyoming.

7.4 Composition of Members

Each Townhome Owner and each Unit Owner shall be a Member of the Association. The membership of the Association at all times shall consist exclusively of all the Owners. Membership in the Association is mandatory and such Membership and the Common Element Interests thereof are appurtenant thereto, and may not be separated from, ownership of a Townhome or a Unit as the case may be; provided, however, the Common Element Interests of Townhomes or Units from time to time may be modified or changed as expressly permitted in this Declaration. No Owner during his ownership of a Townhome or Unit shall have the right to relinquish or terminate his membership in the Association.

7.5 Non-Liability of Officials and Indemnification

To the fullest extent permitted by law, neither Declarant, the Board, nor any committees of the Association nor any member thereof, nor any officers, directors or employees of the Declarant or of the Association, shall be liable to any Owner or to the Association or any other person for any damage, loss or prejudice suffered or claimed on account of any decision, course of action, act, inaction, omission, error, negligence or the like made in good faith and which Declarant, the Board, or such committees or officers reasonably believed to be within the scope of their respective duties or rights.

To the fullest extent permitted by law, Declarant and every director, officer or committee member of the Association and/or the Declarant (to the extent a claim may be brought by reason of Declarant's appointment, removal or control over members of the Board or its control over the Association or any committee thereof) shall be indemnified by the Association. Every other person serving as an employee or direct agent of the Association, or otherwise acting on behalf of, and at the request of, the Association, may, in the discretion of the Board, be indemnified by the Association.

Any such indemnification shall be limited to all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon such person in connection with any proceeding to which he may be a party or in which he may become involved, by reason of his being or having served in such capacity on behalf of the Association (or in the case of Declarant by reason of having appointed, removed, controlled or failed to control members of the Board, or controlled or failed to control the Association), or incurred in any settlement thereof, whether or not he is a director, officer or member of a committee or serving in such other specified capacity at the time such expenses are incurred.

ARTICLE VIII - ASSESSMENTS

8.1 Creation of the Lien and Personal Obligation to Pay Assessments

A. Each Owner of a Townhome and Unit, by acceptance of a deed to any Townhome or Unit, whether or not it shall be so expressed in such deed, agrees and is deemed to covenant and agree to pay to the Association:

- i. Annual assessments or charges;
- ii. Special assessments for capital improvements;

- iii. Individual repair and maintenance assessments;
- iv. Assessment for charges or fees due to the Association, such assessments to be established and collected as herein provided; and
- v. Such other assessments created by the Townhome Documents and the Condominium Documents.

B. All Assessments levied by the Association, together with interest at 18% per annum, and all costs incurred by the Association, including reasonable attorney's fees, shall be a charge on each Townhome and Unit, and shall be a continuing lien upon each Townhome and Unit against which each Assessment is made from the date such Assessment is due to the Association. Notice of the lien of the Association for such assessments may be recorded in the land records of Teton County, Wyoming.

C. Delinquent assessments, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Townhome or Unit at the time when the assessment was levied. The personal obligation for delinquent assessments shall not pass to successors in title unless expressly assumed by them. The sale or transfer of a Townhome or Unit shall not relieve the prior Owner thereof from personal liability to pay delinquent assessments, plus interest, costs and attorney's fees. Such obligation shall remain the personal obligation of the defaulting Owner.

8.2 Purpose of Assessments

Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Members and their guests, for the improvement and maintenance of the Common Elements and for all purposes set forth in the Articles, Bylaws and this Declaration. The Board of the Association may provide that assessments include a reserve fund for maintenance, repairs and replacement of those elements of the Common Elements and of property and equipment owned by the Association for the common use and enjoyment of the Members.

8.3 Preparation of Budget

A. At least sixty (60) days (or soon thereafter as feasible) before the beginning of the first full fiscal year of the Association after title to the first Townhome or Unit is conveyed to a Purchaser and each fiscal year thereafter, the Board of Directors shall adopt a budget for the Association containing an estimate of the total amount of funds which the Board of Directors believes will be required during the ensuing fiscal year to pay all Common Expenses including, but not limited to:

- i. The amount required to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements and those parts of the Property and Improvements which the Association has the responsibility of maintaining, repairing and replacing;
- ii. The cost of wages, materials, insurance premiums, services, supplies and other expenses required for the administration, operation, maintenance and repair of the Property;
- iii. The amount required to render to the Owners all services required to be rendered by the Association under the Townhome Documents and the Condominium Documents; and
- iv. Such amounts as are necessary to provide general operating reserves and reserves for contingencies and replacements.

B. The budget shall separately reflect any Common Expenses to be assessed against less than all of the Townhomes or Units pursuant to Subsections D and E of Section 8.4 and must include an adequate allocation to reserves as part of the Common Expense Assessment.

C. Within thirty (30) days after the adoption of a budget, the Board of Directors shall send to each Owner a summary of the budget and a statement of the amount of the Common Expense Assessment assessed against each Townhome and Unit in accordance with Section 8.4 of this Declaration. The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of an Owner's obligation to pay his allocable share of the Common Expenses as provided in Section 8.4 of this Declaration and each Owner shall continue to pay the Common Expense Assessment against his Townhome or Unit as established for the previous fiscal year until notice of the Common Expense Assessment for the new fiscal year has been established by the Board of Directors.

D. The Board of Directors is expressly authorized to adopt and amend budgets for the Association, and no ratification of any budget by the Owners shall be required.

8.4 Common Expense Assessment

A. For each fiscal year of the Association commencing with the fiscal year in which title to the first Townhome or Unit is conveyed to a Purchaser, the total amount of the estimated Common Expenses set forth in the budget adopted by the Board of Directors (except for the Common Expenses which are to be assessed against less than all of the Townhomes or Units pursuant to Subsections D and E of this section) shall be assessed against each Townhome and Unit in the proportion of such Townhome's or Unit's Common Expense Liability. If the Board of Directors determines during any fiscal year that its funds budgeted or available for that fiscal year are, or will, become inadequate to meet all Common Expenses for any reason, including, without limitation, nonpayment of Assessments by Members, it may increase the Common Expense Assessment for that fiscal year and the revised Common Expense Assessment shall commence on the date designated by the Board of Directors.

B. The Common Expense Assessments shall commence as to all Townhomes and Units sold to Purchasers in the Property on the first day of the month following the conveyance of title to the first Townhome or Unit to a Purchaser. The first Common Expense Assessment shall be adjusted according to the number of months remaining in the fiscal year of the Association. The Board of Directors may require that the Common Expense Assessments or Special Assessments be paid in installments. Unless otherwise directed by the Board, Common Expense Assessments shall be paid in monthly installments and shall be due and payable on the first day of each month.

C. Except as otherwise expressly provided for in this Declaration, all Common Expenses, including, but not limited to, Common Expenses associated with the maintenance, repair and replacement of a Limited Common Element, and reserves for Common Expenses shall be assessed against all of the Townhomes and Units in accordance with Subsection A of this section.

D. If any Common Expense is caused by the negligence or willful conduct, whether by act or omission, of any Owner, lessee, guest, or invitee, the Association shall assess that Common Expense exclusively against the Townhome or Unit owned by that Owner.

E. Assessments to pay a judgment against the Association may be made only against the Townhomes and Units in the Property at the time the judgment was entered, in proportion to their Common Expense Liability.

8.5 Special Assessments

In addition to Common Expense Assessments, the Association may levy, in any fiscal year of the Association, a special assessment applicable to that fiscal 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 of the Common Elements, including fixtures and personal property related thereto, or for any other lawful Association purpose, provided that any Special Assessment shall have first been approved by Owners representing two-thirds (2/3) of the votes in the Association and who are voting in person or by proxy at a meeting duly called for such purpose, and, during the Period of Declarant Control approved by Declarant. Unless otherwise specified by the Board of Directors, Special Assessments shall be due thirty (30) days after they are levied by the Association and notice of the Special Assessment is given to the Owners.

8.6 Notice and Quorum for Any Action Authorized Under Section 8.5

Written notice of any meeting called for the purpose of obtaining the consent of the Members for any action for which the consent of Members is required under Section 8.5 shall be delivered to all Members not less than thirty (30) days nor more than fifty (50) 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 in the Association 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 fifty (50) days following the preceding meeting.

8.7 Effect of Nonpayment of Assessments; Remedies of the Association

A. Any Assessment, or any installment of an Assessment, which is not paid within ten (10) days after the Assessment or any installment of an Assessment first became due, shall be deemed delinquent and shall bear interest from the date of the delinquency at the rate of eighteen percent (18%) per annum. In addition, the Board of Directors may establish a reasonable late fee to be charged to an Owner and assessed against his Townhome or Unit as part of the Assessment Lien for each installment of an Assessment that is deemed delinquent.

B. All Assessments, fees, and other charges imposed or levied against any Townhome or Unit or Owner shall be secured by the Assessment Lien as provided for in this Declaration. The recording of this Declaration constitutes record notice and perfection of the Assessment Lien and no further recordation of any claim of lien shall be required. Although not required to perfect the Assessment Lien, the Association shall have the right, but not the obligation, to record a notice setting forth the amount of any delinquent Assessments, fees, or other charges imposed or levied against the Townhome or Unit or Owner which are secured by the Assessment Lien.

C. The Association shall have the right, at its option, to enforce collection of any delinquent Assessments and all other fees and charges owed to the Association in any manner allowed by law, including, but not limited to:

i. Bringing an action at law against the Owner personally obligated to pay the delinquent amounts which came due at the time he was the Owner thereof, which action may be brought without waiving the Assessment Lien securing any such delinquent amounts; provided, however, that the personal obligation to pay delinquent Assessments which came due prior to the transfer of ownership shall not pass to successors in title;

ii. Foreclosing its Assessment Lien against the Townhome or Unit in the manner provided by law for the foreclosure of a realty mortgage, including foreclosure by advertisement and sale; and

iii. Suspending voting rights as provided in the Bylaws.

D. The Association shall have the power to bid in the indebtedness owed to the Association at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any and all Town or Unit Homes purchased at such sale.

8.8 Subordination of Assessment Lien to Mortgages

The Assessment Lien shall be subordinate to the lien of any First Mortgage. Any First Mortgagee or any other party acquiring title or coming into possession of a Townhome or Unit through foreclosure of a First Mortgage, purchase at a foreclosure sale or trustee sale, or through any equivalent proceedings, such as, but not limited to, the taking of a deed in lieu of foreclosure, shall acquire title free and clear of any claims for unpaid Assessments and other charges and fees against the Townhome or Unit which became payable prior to such sale or transfer. Following foreclosure or sale, the Association's Assessment Lien shall be a continuing lien on any proceeds distributable or payable directly or indirectly to the previous Owner/obligor. Any delinquent Assessments, fees and other charges which are extinguished pursuant to this section may be reallocated and assessed to all Townhomes and Units as a Common Expense. Any Assessments, fees and other charges against the Townhome or Unit which accrue prior to such sale or transfer shall remain the personal obligation of the defaulting Owner.

10.9 Exemption of Owner

No Owner may exempt himself from liability for payment of Assessments, fees, and charges levied pursuant to the Townhome Documents or the Condominium Documents by waiver and/or nonuse of any of the Common Elements or by the abandonment of his Townhome or Unit.

8.10 Certificate of Payment

The Association, on written request, shall furnish to a lien holder, an Owner or Person designated by an Owner, a recordable statement setting forth the amount of unpaid Assessments against his Townhome or Unit. The statement shall be furnished within twenty (20) business days after receipt of the request and is binding on the Association, the Board of Directors, and every Owner. The Association may charge a reasonable fee in an amount established by the Board of Directors for each such statement.

8.11 No Offsets

All Assessments and other fees and charges shall be payable in accordance with the provisions of this Declaration, and no offsets against such Assessments and other fees and charges shall be permitted for any reason, including, without limitation, a claim that the Association is not properly exercising its duties and powers as provided in the Townhome Documents and Condominium Documents.

8.12 Surplus Funds

Surplus funds of the Association remaining after payment of or provisions for Common Expenses and any prepayment of reserves may in the discretion of the Board of Directors either be returned to the Owners pro rata in accordance with each Owner's Common Expense Liability or be credited on a pro rata basis to the Owners to reduce each Owner's future Common Expense Liability.

8.13 Monetary Charges And Assessments

In accordance with the procedures set forth in the Bylaws, the Board of Directors shall have the right to levy reasonable monetary charges, fees, and assessments against an Owner for violations of the Townhome Documents or Condominium Documents.

8.14 Reserves Fund

Upon the closing of every sale of each Townhome and Unit, each Purchaser shall pay to the Association an amount equal to one-sixth (1/6) of the Common Expense Assessment for the Townhome or Unit for the twelve months following such closing (the "Reserves Fund Contribution") to establish a reserves fund to meet unforeseen expenditures, to purchase any additional equipment or services by or for the Association, or, on a temporary basis, to pay Association expenses such as insurance as they come due in the ordinary course in the event there are not sufficient funds in the Association's general accounts at the time of the due date to pay such expenses; provided, however, that the Board in its discretion shall reimburse the reserves fund for such expenses incurred from Annual Assessments as they are paid by Members. A Reserves Fund Contribution shall continue to be payable upon each subsequent sale of a Townhome or Unit. Funds paid to the Association pursuant to this Section may be used by the Association for payment of operating expenses or any other purpose permitted under this the Townhome documents or Condominium Documents. The amounts paid to the Association pursuant to this Section shall be nonrefundable and shall not be considered an advance payment of any Assessments levied by the Association pursuant to this Declaration.

ARTICLE IX - INSURANCE

9.1 Scope of Coverage

A. Commencing not later than the date of the first conveyance of a Townhome or Unit to a Purchaser, the Association shall maintain, to the extent reasonably available, the following insurance coverage:

i. Property insurance on the Common Elements insuring against all risks of direct physical loss commonly insured against, in an amount determined by the Board of Directors; provided, however, that the total amount of insurance shall not be less than one hundred percent (100%) of the current replacement cost of the insured property, exclusive of land, excavations, foundations and other items normally excluded from a master or blanket hazard and multi-peril property insurance policy;

ii. To the extent available, property insurance on Townhomes, Units or portions thereof, as determined by the Board to be included in the insurance maintained under subsection (A), paragraph (i), however, such insurance need not include improvements installed by Owners or the personal property of Owners;

iii. Comprehensive General Liability insurance, for a limit to be determined by the Board, but not less than \$1,000,000.00 for any single occurrence and \$2,000,000.00 general aggregate. Such insurance shall cover all occurrences commonly insured against for personal injury, death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements;

iv. Workmen's compensation insurance to the extent necessary to meet the requirements of the laws of Wyoming,

v. Directors' and officers' liability insurance covering all the directors and officers of the Association in such limits as the Board of Directors may determine from time to time;

vi. Blanket fidelity bonds for all officers, directors and employees of the Association and all other persons handling, or responsible for, funds of or administered by the Association; and

vii. Such other insurance as the Association shall determine from time to time to be appropriate to protect the Association, the members of the Board of Directors, and/or the Owners.

B. The insurance policies purchased by the Association shall, to the extent reasonably available, contain the following provisions:

i. Each Owner shall be an insured under the policy with respect to liability arising out of his ownership of an undivided interest in the Common Elements or his membership in the Association.

ii. There shall be no subrogation with respect to the Association, its agents, servants, its Board of Directors or officers thereof, and/or employees against Owners and members of their household.

iii. No act or omission by any Owner, unless acting within the scope of his authority on behalf of the Association, shall void the policy or be a condition to recovery on the policy.

iv. The coverage afforded by such policy shall be primary and shall not be brought into contribution or proration with any insurance which may be purchased by Owners or their mortgagees or beneficiaries under deeds of trust.

v. A "severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner because of the negligent acts of the Association or other Owners.

vi. The Association shall be the insured for use and benefit of the individual Owners (designated by name if required by the insurer).

vii. For policies of hazard insurance, a standard mortgagee clause providing that the insurance carrier shall notify the Association and each First Mortgagee named in the policy at least ten (10) days in advance of the effective date of any substantial change in coverage or cancellation of the policy.

viii. Any Insurance Trust Agreement will be recognized by the insurer.

ix. Such coverage shall not be contingent upon action by the insurance carrier's board of directors, policyholders or members or permit claims for contribution or assessments to be made against Owners or their Mortgagees.

x. If the Townhome or Unit is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards, a "blanket policy" of flood insurance on the Property in the lesser of one hundred percent (100%) of the current replacement cost of the Buildings and any other property covered on the required form of policy or the maximum limit of coverage available under the National Insurance Act of 1968, as amended.

xi. "Agreed Amount," and "Building Ordinance or Law" endorsements, except where expressly not applicable or not available.

9.2 Payment of Premiums

Premiums for all insurance obtained by the Association pursuant to this Article and all deductibles thereunder shall be Common Expenses and shall be paid for by the Association.

9.3 Insurance Obtained by Owners/Non-Liability of Association

The issuance of insurance policies to the Association pursuant to this Article shall not prevent an Owner from obtaining insurance for his own benefit and at his own expense covering his Townhome or Unit, his personal property and providing personal liability coverage. Notwithstanding the obligation of the Association to obtain insurance coverage as stated in this Declaration, neither the Declarant nor the Association, or their respective officers, directors, employees and agents, shall be liable to any Owner or any other party if any risks or hazards are not covered by the insurance to be maintained by the Association or if the amount of the insurance is not adequate, and it shall be the responsibility of each Owner to ascertain the coverage and protection afforded by the Association's insurance and to procure and pay for any additional insurance coverage and protection that the Owner may desire. Each Owner or Lessee shall be solely responsible for securing insurance to protect their interest in their Townhome or Unit and its contents.

9.4 Payment of Insurance Proceeds

Any loss covered by property insurance obtained by the Association in accordance with this Article shall be adjusted with the Association and the insurance proceeds shall be payable to the Association and not to any mortgagee or beneficiary under a deed of trust. The Association shall hold any insurance proceeds in trust for Owners and lienholders as their interests may appear, and the proceeds shall be disbursed and applied in a fair and equitable manner.

9.5 Certificate of Insurance

An insurer that has issued an insurance policy pursuant to this Article of the Declaration shall issue certificates or memoranda of insurance to the Association and, on written request, to any Owner, mortgagee, or beneficiary under a deed of trust. The insurer issuing the policy shall not cancel nor refuse to renew it until thirty (30) days after notice of the proposed cancellation or non renewal has been mailed to the Association, each Owner, and each mortgagee or beneficiary under a deed of trust to whom a certificate or memorandum of insurance has been issued at their respective last known address.

ARTICLE X - EMINENT DOMAIN

10.1 Notice and Negotiations

In the event proceedings are initiated by any government or agency thereof, seeking to take by eminent domain the Common Elements, any part thereof or any interest therein, any improvement thereon, or any interest therein, with a value (including loss of value to the balance of the Common Elements and improvements thereof), as reasonably determined by the Association, in excess of Ten Thousand Dollars (\$10,000), the Association shall give prompt notice thereof, including a description of the part of or interest in the Common Elements or improvement thereon sought to be so condemned, to all First Mortgagees of Townhomes or Units, all Members, and to the Declarant. The Association shall have full power and authority to defend in said proceedings, and to represent the Owners in any negotiations, settlements, and agreements with a condemning authority for acquisition of the Common Elements or part

thereof, but the Association shall not enter into any such proceedings, settlement, or agreements, pursuant to which the Common Elements or any part thereof or any interest therein, or any improvement thereon or any part thereof or interest therein is relinquished, without giving all First Mortgagees of Townhomes or Units, all Members, and Declarant at least fifteen (15) days' prior written notice thereof.

10.2 Award Proceeds

In the event, following such proceedings, there is such a taking in condemnation or by eminent domain of a part or all of the Common Elements, the award made for such taking, shall be applied by the Association to such repair and restoration. If the full amount of such award is not expended to repair and restore the Common Elements, the Association shall disburse the net proceeds of such award to the Owners, the Owner of each Townhome and Unit to receive one (1) equal share, except that any portion of the award attributable to the acquisition of a Limited Common Element shall be equally divided among the Owners to which the Limited Common Element was allocated at the time of the acquisition, and provided that the Association shall first pay out of the share of each Owner the amount of any unpaid liens or encumbrances on his Townhome or Unit in the order of the priority of such liens or encumbrances. No provision of this Declaration or of any other document relating to the Properties shall be deemed to give an Owner or any other party priority over the rights of a First Mortgagee pursuant to a First Mortgage in the case of a distribution to an owner of insurance proceeds or condemnation award for losses to or taking of Townhomes, Units or Common Elements or any combination thereof.

ARTICLE XI - MANDATORY PROCEDURES

11.1 Consensus for Association Action

A. Except as provided in this Article, the Association may not commence a legal proceeding or an action without the approval of at least two-thirds of the votes of the Members eligible to vote. This Article shall not apply, however, to:

- i. Actions brought by the Association to enforce Townhome Documents or Condominium Documents, including, without limitation, the foreclosure of liens;
- ii. The imposition and collection of assessments;
- iii. Proceedings involving challenges to ad valorem taxation; or
- iv. Counterclaims brought by the Association in proceedings instituted against it.

B. Prior to the Association or any Member commencing any proceeding to which Declarant is a party, including but not limited to an alleged defect of any improvement, Declarant shall have the right to be heard by the Members, or the particular Member, and to access, inspect, correct the condition of, or redesign any portion of any improvement as to which a defect is alleged or otherwise correct the alleged dispute.

11.2 Alternative Method for Resolving Disputes

Except for certain claims described in Section 11.3, Declarant and its officers, directors, employees and agents; the Association, its officers, directors and committee members; all Persons subject to this Declaration, including all Members of the Association; and any Person not otherwise subject to this Declaration but who agrees to submit to this Article (each such entity being referred to as a "Bound Party") covenants and agrees to submit all claims, grievances or disputes described in 11.3 (singularly, "Claim," and collectively, "Claims") to the procedures set forth in 11.4.

11.3 Claims

A. Unless specifically exempted below, the following claims between any of the Bound Parties, regardless of how the same might have arisen or on what it might be based shall be subject to the provisions of 13.4:

i. Claims arising out of or relating to the interpretation, application or enforcement of the Townhome Documents and Condominium Documents, or the rights, obligations and duties of any Bound Party under the Townhome Documents and Condominium Documents,

ii. Claims relating to the design or construction of improvements; or

iii. Claims based upon any statements, representations, promises, warranties, or other communications made by or on behalf of any Bound Party, shall be subject to the provisions of 11.4.

B. Notwithstanding the above, the following shall not be Claims required to be resolved using the provisions described in Section 11.4:

i. Any suit by the Association against any Bound Party to enforce the provisions hereof pertaining to assessments;

ii. Any suit by the Association or Declarant to obtain a temporary restraining order or injunction (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to act under and enforce the provisions hereof;

iii. Any suit between or among Owners, which does not include the Declarant or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Townhome Documents and Condominium Documents; and

iv. Any suit in which any indispensable party is not a Bound Party.

With the consent of all parties hereto, any of the above identified in this Subpart B may be submitted to the alternative dispute resolution procedures set forth in 11.4.

11.4 Mandatory Procedures

A. Notice. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") (the Claimant and the Respondent referred to herein being individually, as a "Party" or, collectively, as the "Parties") shall notify each Respondent in writing and within thirty (30) days of the claims arising (the "Notice"), stating plainly and concisely:

i. The nature of the Claim; including the Persons involved and Respondent's role in the Claim;

ii. The legal basis of the Claim;

iii. The proposed remedy; and

iv. The fact that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

B. Negotiation and Mediation.

i. The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in

writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in negotiation.

ii. If the Parties do not resolve the Claim within thirty (30) days after the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), the Claim shall be determined by binding arbitration conducted pursuant to Subsection C of this Article 11.4.

C. Binding Arbitration.

i. If a Claim is not resolved through informal negotiation or mediation described in Subsection B above, Claimant shall thereafter be entitled to initiate final, binding arbitration of the Claim under the auspices of the AAA in accordance with the AAA's Commercial or Construction Industry Arbitration Rules, as appropriate. Such claims shall not be decided by or in a court of law. Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction over such Claim. If the claimed amount exceeds \$500,000, the dispute shall be heard and determined by three arbitrators. Otherwise, unless mutually agreed to by the parties, there shall be one arbitrator. Arbitrators shall have expertise in the area(s) of dispute, which may include legal expertise if legal issues are involved.

ii. Each Party shall bear its own costs and expenses and an equal share of the arbitrator's and administrative fees of arbitration. Notwithstanding the foregoing, if a Party unsuccessfully contests the validity or scope of arbitration in a court of law, the non-contesting party shall be awarded reasonable attorney's fees and expenses incurred in defending such contest. All decisions respecting the arbitrability of any Claim shall be decided by the arbitrator(s).

iii. The award of the arbitrator(s) shall be accompanied by detailed written findings of fact and conclusions of law. Except as may be required by law or for confirmation of an award, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties.

11.5 Amendment of Articles

Without the express prior written consent of Declarant this Article 11 may not be amended for a period of twenty years from the effective date of this Declaration.

ARTICLE XII - GENERAL PROVISIONS

12.1 Enforcement

The Association, or subject to limitations stated elsewhere in this Declaration, any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens or charges now or hereafter imposed by the provisions of the Townhome Documents and Condominium Documents. Provided, however, that any Owner or Owners shall first, in writing, request the Board of Directors of the Association to enforce the particular right or restriction and shall allow thirty (30) days from the date of the written request for the Board to act. Should the Board fail to act after the thirty days has passed, the Owner or Owners may proceed subject to the Townhome Documents and Condominium Documents. Failure by the Association or by any Owner to enforce any covenant or restriction contained in the Townhome Documents and Condominium Documents shall in no event be deemed a waiver of the right to do so thereafter.

12.2 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.

12.3 Amendment

A. Except as expressly provided elsewhere in this Declaration, the terms hereof may be amended by the Association; provided, however, that except as provided elsewhere in this Declaration, any amendments made by the Association shall be approved by at least sixty-seven percent (67%) of the total votes held by Owners and shall be made only by an instrument in writing signed by the President and Secretary of the Association and recorded with the office of the County Clerk, Jackson, Teton County, Wyoming, within thirty (30) days after adoption of the amendment. During the Period of Declarant Control, any amendment or attempted revocation hereof must be approved in writing by the Declarant.

B. An amendment to the Declaration shall not terminate or decrease any unexpired Development Right, Special Declarant Right or Period of Declarant Control unless the Declarant approves the amendment in writing.

C. Notwithstanding the above, during the Period of Declarant Control, Declarant shall have the right, without any vote or consent whatsoever, to amend this Declaration of its own volition and to make such changes as Declarant shall in its sole discretion deem proper, including changes to Common Elements.

12.4 Remedies Cumulative

Each remedy provided herein is cumulative and not exclusive.

12.5 Notices

A. All notices, demands, statements or other communications required to be given or served under this Declaration shall be in writing and shall be deemed to have been duly given and served if delivered personally or sent by United States mail, postage prepaid, addressed as follows:

i. If to an Owner, at the address of Owner maintained by the Teton County, Wyoming Assessor. An Owner may change his address on file with the Association for receipt of notices by delivering a written notice of change of address to the Association pursuant to this section.

ii. If to the Association or the Declarant at such address as shall be designated by notice in writing to the Owners pursuant to this section.

B. A notice given by regular U.S. mail, shall be deemed to have been received by the person to whom the notice was addressed three days after the notice is mailed. If a Townhome or Unit is owned by more than one person, notice to one of the Owners shall constitute notice to all Owners of the same Townhome or Unit. Every Owner shall notify the Association in writing of any subsequent change of address.

12.6 Binding Effect

By acceptance of a deed or by acquiring any ownership interest in any portion of a Townhome or Unit, each Person, for himself his heirs, personal representatives, successors, transferees and assigns, binds himself, his heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, easements, rules, and

regulations now or hereafter imposed by the Townhome Documents and Condominium Documents and any amendments thereof. In addition, each such Person by so doing thereby acknowledges that the Townhome Documents and Condominium Documents set forth a general scheme for the improvement and development of the Property and hereby evidences his interest that all the restrictions, conditions, covenants, easements, rules, and regulations contained in the Townhome Documents and Condominium Documents shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, and transferees thereof. Furthermore, each such Person fully understands and acknowledges that the Townhome Documents and Condominium Documents shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Owners. Declarant, its successors, assigns and grantees, covenants and agrees that the Townhomes, Units and the membership in the Association and the other rights created by the Townhome Documents and Condominium Documents shall not be separated or separately conveyed and each shall be deemed to be conveyed or encumbered with its respective Townhome or Unit even though the description in the instrument of conveyance or encumbrance may refer only to the Townhome or Unit.

12.7 Gender

The singular, wherever used in this Declaration, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions of this Declaration apply to either entities or individuals, or men or women, shall in all cases be assumed as though in each case fully expressed.

12.8 Topic Headings

The marginal or topical headings of the sections contained in this Declaration are for convenience only and do not define, limit or construe the contents of the sections or of this Declaration.

12.9 Survival of Liability

The termination of membership in the Association shall not relieve or release any such former Owner or Member from any liability or obligation incurred under, or in any way connected with, the Association during the period of such ownership or membership, or impair any rights or remedies which the Association may have against such former Owner or Member arising out of, or in any way connected with, such ownership or membership and the covenants and obligations incident thereto.

12.10 Construction

In the event of any discrepancies, inconsistencies or conflicts between the provisions of this Declaration and the Articles, Bylaws, or the Association Rules, the provisions of this Declaration shall prevail.

12.11 Joint and Several Liability

In the case of joint ownership of a Townhome or Unit, the liabilities and obligations of each of the joint Owners set forth in, or imposed by, the Townhome Documents and Condominium Documents shall be joint and several.

12.12 Guests and Tenants

Each Owner shall, to the extent permitted by Wyoming law, be responsible for compliance by his agents, tenants, guests, invitees, licensees and their respective servants,

agents, and employees with the provisions of the Townhome Documents and Condominium Document. An Owner's failure to ensure compliance by such persons shall be grounds for the same action available to the Association or any other Owner by reason of such Owner's own noncompliance.

12.13 Attorneys' Fees

In the event the Declarant, the Association or any Owner employs an attorney or attorneys to enforce an Assessment Lien or to collect any amounts due from an Owner or to enforce compliance with or recover damages for any violation or noncompliance with the Townhome Documents or Condominium Documents, the prevailing party in any such action shall be entitled to recover his reasonable attorneys' fees incurred in the action from the other party.

12.14 Number of Days

In computing the number of days for purposes of any provision of the Townhome Documents and Condominium Documents, all days shall be counted including Saturdays, Sundays and holidays; provided, however, that if the final day of any time period falls on a Saturday, Sunday or holiday, then the final day shall be deemed to be the next day which is not a Saturday, Sunday or holiday.

12.15 Declarant's Disclaimer of Representations

While Declarant has no reason to believe that any of the provisions contained in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any provisions of this Declaration. Any Owner acquiring a Townhome or Unit in reliance on one or more of the provisions in this Declaration shall assume all risks of the validity and enforceability thereof and by acquiring the Townhome or Unit agrees to hold Declarant harmless therefrom.

12.16 No Absolute Liability

No provision of the Townhome Documents or Condominium Documents shall be interpreted or construed as imposing on Owners absolute liability for damage to the Common Elements or a Townhome or Unit. Owners shall only be responsible for damage to the Common Elements or Townhomes or Units caused by the Owners' negligence or intentional acts, whether by act or omission.

12.17 Choice of Law, Venue, and Personal Jurisdiction

By acceptance of a deed or upon entering into a lease for a Townhome or Unit, a party hereby consents to the personal jurisdiction of the Courts of the State of Wyoming. This Agreement shall be governed by and construed in accordance with the laws of the State of Wyoming. The sole venue of any court action brought hereunder shall be in the District Court of Teton County, Ninth Judicial District, or the Circuit Court of Teton County, Wyoming, provided that this paragraph shall not, in any way, limit any proceedings taken to enforce a judgment.

12.18 Limitation Upon Liability of Declarant and Management Firm

The Association and Owners shall and do fully indemnify and hold the Declarant and any Management Company retained by the Declarant harmless from all loss, cost, and expense, including reasonable attorney's fees, for injury or damages, whether caused by any latent

condition of the property to be maintained and repaired by them, natural elements, other persons, or caused by any other reason whatsoever.

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

Declarant:

Teton Valley Development Co., LLC,
Wyoming limited liability company

By: Scott M. Shepherd
Scott M. Shepherd, Manager

STATE OF WYOMING)
) ss.
COUNTY OF TETON)

On this 18 day of MAY, 2005, before me personally appeared Scott M. Shepherd, to me personally known, who, being by me duly sworn, did say that he is the Manager of Teton Valley Development Co. LLC, and that said instrument was signed on behalf of said limited liability company, and said Manager acknowledged said instrument to be the free act and deed of said limited liability company.

Given under my hand and seal the date first above written.

SEAL

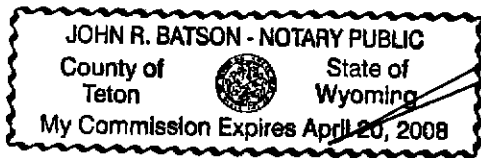


EXHIBIT A

COMMON AREA INTERESTS

Condominium Common Area Interest

Unit 1: $850/16970 = .05$

Unit 2: $850/16970 = .05$

Unit 3: $850/16970 = .05$

Subtotal Condominium Common Area Interest = .15

Townhome Common Interest

Townhome 1: $2060/16970 = .1215$

Townhome 2: $2060/16970 = .1215$

Townhome 3: $2060/16970 = .1215$

Townhome 4: $2060/16970 = .1215$

Townhome 5: $2060/16970 = .1215$

Townhome 6: $2060/16970 = .1215$

Townhome 7: $2060/16970 = .1215$

Subtotal Townhome Common Area Interest = .85