

DECLARATION

for

VIRGINIAN VILLAGE CONDOMINIUMS

Upon recording, please return to
Brenda Wylie
Wylie Law Firm LLC
Post Office Box 4574
Jackson, Wyoming 83001

RELEASED	<input checked="" type="checkbox"/>
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GRANTOR: BAETIS LLC
GRANTEE: THE PUBLIC
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**Declaration
for
Virginian Village Condominiums**

This DECLARATION FOR VIRGINIAN VILLAGE CONDOMINIUMS is made this 21st day of Dec., 2007, by Baetis, LLC, a Wyoming limited liability company (the "Declarant"), pursuant to the Condominium Ownership Act, Wyoming Statute § 34-20-101 et. seq. (the "Act").

PART ONE: INTRODUCTIONS TO THE COMMUNITY

BAETIS, LLC, as the developer of Virginian Village Condominiums has established this Declaration to provide a governance structure and a flexible system of standards and procedures for the overall development, administration, maintenance and preservation of Virginian Village Condominiums as a master planned residential condominium community.

ARTICLE I - CREATION OF THE COMMUNITY

1.1 Purpose and Intent. The Declarant, as the owner of the real property described on **Exhibit "A"** intends by the recording of this Declaration to create a general plan of development and Declaration for the planned community known as Virginian Village Condominiums. This Declaration provides for the overall development, administration and maintenance of the real property now or hereafter comprising Virginian Village Condominiums. An integral part of the development plan is the creation of Virginian Village Condominiums Homeowners Association, an association comprised of all owners of Units in Virginian Village Condominiums, to own, operate and/or maintain various Common Elements and community improvements and to administer and enforce this Declaration and the other Governing Documents referred to in this Declaration.

1.2 Declaration; Binding Effect; Enforceability. Declarant hereby declares that the property identified on **Exhibit "A"** hereto together with all improvements located thereon (the "Project") and every part thereof is held and shall be held, conveyed, devised, leased, rented, encumbered, used, occupied and improved subject to the provisions of this Declaration, each and all of which provisions are hereby declared to be in furtherance of the general plans and scheme of condominium ownership referred to in this Declaration and are further declared to be for the benefit of the Condominiums and every part thereof and for the benefit of each Owner. All provisions hereof shall be deemed to run with the land as covenants running with the land or as equitable servitudes as the case may be, and shall constitute benefits and burdens to the Declarant and its assigns and to all persons hereafter acquiring or owning any interest in a Condominium, however such interest may be obtained. This Declaration shall be binding upon all Persons having any right, title, or interest in any portion of the Properties, their heirs, successors, successors-in-title, and assigns. This Declaration shall be enforceable in perpetuity by the Declarant, the Association and any Owner, and their respective legal representatives, heirs, successors, and assigns, unless the Declaration is revoked as provided herein.

1.3 Governing Documents. The Governing Documents create a general plan of development for Virginian Village Condominiums which may be supplemented as set forth herein. In the event of a conflict between or among the Governing Documents and any such additional covenants or restrictions, the Governing Documents shall control. In the event of a conflict among provisions of the various Governing Documents, the following shall be the order of priority of the documents: (i) Articles; (ii) Declaration, and any amendments or supplements thereto; (iii) Bylaws; and (iv) Master Rules and Regulations. Any provision appearing in a document higher in priority to another document shall control. Any documents not

included in this list shall have the priority stated in such document, if any. Nothing in this Section shall preclude any Supplemental Declaration or other recorded covenants applicable to any portion of the Properties from containing additional restrictions or provisions that are more restrictive than the provisions of this Declaration. The Association may, but shall not be required to, enforce any such covenants, restrictions or other instruments. All provisions of the Governing Documents shall apply to all Owners as well as their respective family members, tenants, guests and invitees. If any provisions of this Declaration is determined by judgment or court order to be invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or applications.

ARTICLE II - DEFINITIONS

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

2.1 "Association". Virginian Village Condominiums Homeowners Association, a Wyoming non-profit corporation, its successors or assigns.

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

2.3 "Board of Directors" or "Board". The body responsible to the membership for operations of the Association, selected as provided in the Bylaws and generally serving the same role as the board of directors under Wyoming corporate law.

2.4 "Bylaws". The Bylaws of Virginian Village Condominiums Homeowners Association, as the same may be amended from time to time.

2.5 "Common Elements". "Common Elements" shall mean the General Common Elements, Limited Common Elements, Limited Common Elements – Deck, Limited Common Elements – Parking, Limited Common Elements - Storage and Limited Common Elements - Porch, in the aggregate, or a portion thereof. Each Owner shall own an undivided interest in the Common Elements as a tenant in common with all the other Owners in the proportions provided in **Exhibit "B"** attached hereto and incorporated herein, and, except as otherwise limited in this Declaration, shall have the right to use the Common Elements for all purposes incident to the use and occupancy of his Unit, which right shall be appurtenant to the Unit.

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

2.7 "Condominium" or "Unit" or "Condominium Unit". "Condominium" or "Unit" or "Condominium Unit" shall mean those certain individual air spaces as designated and delineated on the Final Plat. Each Unit shall consist of that part of each Condominium building as bounded by the interior surfaces of the perimeter walls, floors, ceilings, windows and window frames, doors and door frames, and trim, and the interior surfaces of built-in fireplaces, if any, as shown and numbered on the Final Plat. Each Condominium shall include all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of its finished surfaces and the exterior surfaces so described. All other portions of the walls, floors or ceilings (including common walls to separate Units) shall be a part of the General Common Elements. In addition, each Condominium shall include the following: (a) all spaces, nonbearing interior partitions and all other fixtures and improvements within the boundaries of the Unit; (b) all outlets, lines and ducts of utility service lines, including but not limited to power, light, gas, hot and cold water, heating and waste disposal, within the boundaries of the

Unit; and (c) all heating and hot water apparatus exclusively serving the Condominium. The interior surfaces of a perimeter window or door means at the points at which such surfaces are located when such windows or doors are closed; the physical windows and doors themselves are part of the General Common Element as herein defined. This Declaration provides a means for ownership in fee simple of separate interests in the Unit together with an undivided fee simple interest in the Common Elements, as those terms are herein defined.

2.8 “Declarant”. Baetis, LLC, or any successor or assign who takes title to any portion of the property described on **Exhibit “A”** for the purpose of development and/or sale and who is designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant.

2.9 “Final Plat”. Shall mean the Final Plat of Virginian Village Condominiums Addition to the Town of Jackson recorded in the Public Records contemporaneously with this Declaration, consisting of a plat of the Properties, showing a survey and legal description thereof, the location of the buildings with respect to the boundaries of the Properties, together with diagrammatic floor plans of the buildings showing the boundaries of each Unit within the buildings, including horizontal and vertical locations and dimensions of all boundaries of each Unit, Unit numbers identifying the Units and the General Common Elements and Limited Common Elements, together with such other information as may be included therein in the discretion of the Declarant.

2.10 “Governing Documents”. A collective term referring to this Declaration and any applicable Supplemental Declaration, the Bylaws, the Articles and the Master Rules and Regulations as they may be amended.

2.11 “General Common Elements”. “General Common Elements” means the entire Properties excepting all Units, all Limited Common Elements and all portions of the Properties to be dedicated to the Town of Jackson, if any, as designated herein. Without limiting the generality of the foregoing, the General Common Elements shall include: (i) the real property designated as General Common Elements and/or GC on the Final Plat; (ii) all appurtenances; (iii) all pipes, ducts, flues, chutes, conduits, wires and other utility installations to (but not at) the outlets; and (iv) such component parts of walls, floors, ceilings, columns, roofs and other structures and installations that are outside of the Unit boundaries as delineated or described on the Final Plat and herein. General Common Elements may be referred to herein and on the Final Plat as “General Common Element” or “GC”.

2.12 “General Common Elements – Entry/Stairs”. “General Common Elements – Entry/Stairs” means those General Common Elements for the use of all Condominium Units as an entry and/or stairs as designated by the Declarant herein, on the Final Plat and/or in one or more separately recorded instruments. General Common Elements – Entry/Stairs may also be referred to herein and on the Final Plat as “General Common Elements – Entry/Stairs”, “General Common Elements – Entry”, “General Common Elements- Stairs”, “GC – Entry/Stairs”, “GC – Entry”, “GC-Stairs” or “Entry/Stairs General Common Elements”.

2.13 “General Common Elements – Office”. “General Common Elements – Office” means those General Common Elements for the use of all Condominium Units as an office as designated by the Declarant herein, on the Final Plat and/or in one or more separately recorded instruments. General Common Elements – Office may also be referred to herein and on the Final Plat as “General Common Elements – Office”, “GC - Office”, or “Office General Common Elements”.

2.14 “General Common Elements – Storage”. “General Common Elements – Storage” means those General Common Elements for the use of all Condominium Units as storage as designated by the Declarant herein, on the Final Plat and/or in one or more separately recorded instruments. General Common

Elements – Storage may also be referred to herein and on the Final Plat as “General Common Elements – Storage”, “GC - Storage”, or “Storage General Common Elements”.

2.15 “Limited Common Elements”. “Limited Common Elements” means those portions of the Common Elements as described by Wyoming Statute Section 34-20-103 for the exclusive use of one or more but fewer than all of the Units, and any Limited Common Elements specifically allocated to specific Units as shown on the Final Plat and/or on **Exhibit “C”** attached hereto and incorporated herein. Limited Common Elements may be referred to herein or on the Final Plat as “Limited Common Element” or “LC”.

2.16 “Limited Common Elements – Deck”. “Limited Common Elements – Deck” means those Limited Common Elements for the exclusive use of one or more Condominium Unit(s) as a deck as designated by the Declarant herein, on the Final Plat and/or in one or more separately recorded instruments. Limited Common Elements – Deck may also be referred to herein and on the Final Plat as “Limited Common Elements – Deck”, “LC – Deck”, or “Deck Limited Common Elements”.

2.17 “Limited Common Elements – Parking”. “Limited Common Elements – Parking” means those parking spaces within Limited Common Elements for the exclusive use of one or more Unit(s) for parking as designated on **Exhibit “C”**, attached hereto and incorporated herein, whereupon a certain number of Units have been designated two separate Limited Common Elements-Parking as is shown by the symbol “(2)” after the description of the Unit. Limited Common Elements – Parking may also be referred to herein and/or on the Final Plat as “Limited Common Element – Parking”, “LCE – Parking”, “LCE – P” or “Parking Limited Common Elements”.

2.18 “Limited Common Elements – Porch”. “Limited Common Elements – Porch” means those Limited Common Elements for the exclusive use of one or more Condominium Unit(s) as a porch as designated by the Declarant herein, on the Final Plat and/or in one or more separately recorded instruments. Limited Common Elements – Porch may also be referred to herein and on the Final Plat as “Limited Common Element – Porch”, “LC – Porch”, or “Porch Limited Common Elements”.

2.19 “Limited Common Elements – Storage”. “Limited Common Elements – Storage” means those Limited Common Elements for the exclusive use of one or more Condominium Unit(s) as storage as designated by the Declarant herein, on the Final Plat and/or in one or more separately recorded instruments. Limited Common Elements – Storage may also be referred to herein and on the Final Plat as “Limited Common Element – Storage”, “LC – Storage”, “LC – S” or “Storage Limited Common Elements”.

2.20 “Lot”. A portion of the Properties designated on the Final Plat as a “Lot”.

2.21 “Master Rules and Regulations”. The Master Rules and Regulations are the rules and regulations adopted by the Board pursuant to Section 3.2 hereof.

2.22 “Member”. A Person subject to membership in the Association pursuant to Article VI.

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

2.24 “Owner”. One or more Persons who hold the record title to any Unit, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. The term “Owner” shall not refer to any Mortgagee, as herein defined, unless such Mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

2.25 **“Person”**. A natural person, a corporation, a partnership, a trustee, or any other legal entity.

2.26 **“Properties”**. The real property described on **Exhibit “A”**, together with all improvements affixed thereon.

2.27 **“Public Records”**. The official records of the Office of the Clerk of Teton County, Wyoming.

2.28 **“Special Assessment”**. Assessments levied in accordance with Section 8.3.

2.29 **“Specific Assessment”**. Assessments levied in accordance with Section 8.4.

2.30 **“Supplemental Declaration”**. An instrument filed in the Public Records pursuant to Article IX which subjects additional property to this Declaration, and/or imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument.

PART TWO: CREATION AND MAINTENANCE OF COMMUNITY STANDARDS

ARTICLE III - USE AND CONDUCT

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

3.2 Rule Making Authority.

(a) The Board shall adopt the initial Master Rules and Regulations. Thereafter, subject to the terms of this Article and the Board’s duty to exercise business judgment and reasonableness on behalf of the Association and its Members, the Board may modify, cancel, limit, create exceptions to, or expand the initial Master Rules and Regulations after sending notice by mail to all Owners concerning any such proposed action as least five (5) business days prior to the Board meeting at which such action is to be considered. Members shall have a reasonable opportunity to be heard at a Board meeting prior to such action being taken. Such action shall become effective after compliance with Section 3.2(c) below unless disapproved at a meeting of the Members by at least fifty percent (50%) of the total votes entitled to vote on the matter. The Board shall have no obligation to call a meeting of the Members to consider disapproval except upon receipt of a petition of the Members as required for special meetings in the Bylaws. Upon such petition of the Members prior to the effective date of any Board action under this Section 3.2(a), the proposed action shall not become effective until after such meeting is held, and then subject to the outcome of a vote of the Members at such meeting.

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

(c) At least thirty (30) days prior to the effective date of any action taken under subsections (a) or (b) of this Section, the Board shall send a copy of the new rule or explanation of any changes to the Master Rules and Regulations to each Owner specifying the effective date. The Association shall provide, without cost, a copy of the Master Rules and Regulations then in effect to any requesting Member or Mortgagee.

3.3 Owners' Acknowledgement and Notice to Purchasers. Each Owner is hereby given notice that use of their Unit is limited by the Master Rules and Regulations as they may be amended, expanded and otherwise modified hereunder. Each Owner, by acceptance of a deed for their Unit, acknowledges and agrees that the use, enjoyment and marketability of his or her Unit can be affected by this Declaration and that the Master Rules and Regulations may change from time to time. All purchasers of Units are on notice that changes may have been adopted by the Association that are not recorded in the Public Records. Copies of the current Master Rules and Regulations may be obtained from the Association

3.4 No Mining, Excavating or Drilling. No property within Virginian Village Condominiums shall be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing geothermal resources, oil, gas, or other hydrocarbons, minerals, rocks, stones, gravel, sand, top soil, or earth. Nothing contained herein shall be construed to limit the rights of the owner of mineral interests severed from the surface of any portion of the Properties prior to the recording of this Declaration and nothing herein shall prevent the Declarant from moving dirt, gravel rocks and other soils necessary for the development of the Properties.

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

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

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

(c) **Activities Within Dwellings.** No rule shall interfere with the activities carried on within the confines of dwellings, except that the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other Units, that generate excessive noise or traffic or parking, that create unsightly conditions visible outside the dwelling, or that create an unreasonable source of annoyance or regular foot-traffic through the Properties. This provision is specifically intended to prohibit any home office use that has regular comings and goings by customers of the Owner.

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

(e) **Allocation of Burdens and Benefits.** No rule shall alter the allocation of financial burdens among the various Units to the detriment of any Owner over that Owner's objection expressed in

The Owner of a Unit where a Household Pet is kept, as well as the legal owner of such pet (if not such Owner), shall be jointly and severally liable for any and all damage and destruction caused by the pet, and for any clean-up of driveways, walkways, Common Elements or other Units necessitated by such Household Pet.

All animals not considered to be a domestic Household Pet, including, but not limited to pigs, poultry, fowl, wild animals, cattle, sheep and goats, are prohibited from being maintained or cared for on the Properties or in a Unit thereof.

3.7 Vehicle Parking, Storage, Operation and Repair.

(a) "Permitted Vehicles" shall mean all passenger automobiles and one ton or smaller pick-up trucks. Only Permitted Vehicles may be parked on the LCE-Parking and/or Guest Parking. Except for the allowance of Permitted Vehicles on the LCE-Parking and/or Guest Parking, parking is prohibited on the Properties.

(b) No boats, trailers, buses, motor homes, campers (on or off road supporting vehicles), snowmobiles, go carts, recreational vehicles, golf carts, trucks, industrial or commercial vehicles (both cabs or trailers), abandoned or inoperable vehicles (as defined below), or any other similar vehicles (collectively, the "Prohibited Vehicles") shall be parked or stored in or upon the Properties, and no vehicle of any kind shall be maintained, repaired, repainted, serviced or rebuilt on the Properties. This restriction shall not prevent the non-commercial washing and polishing of vehicles and boats, together with activities normally incidental thereto.

(c) Notwithstanding the foregoing, Prohibited Vehicles may be temporarily parked on the Properties for loading, delivery or emergency purposes, but only for the time required to accomplish such purpose, and as necessary for the construction or maintenance of the Properties upon compliance with the Master Rules and Regulations.

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

(e) In the event that the Board shall determine that a vehicle is abandoned or inoperable, or is otherwise in violation of the provisions of this Section 3.7, a written notice of violation describing said vehicle shall be personally delivered to the vehicle owner (if such owner can be reasonably ascertained) or shall be conspicuously placed upon the vehicle (if the owner cannot be reasonably ascertained), and if the offending vehicle is not removed within seventy-two (72) hours thereafter, the Board shall have the right to remove and store the offending vehicle, or cause the vehicle to be removed and stored, at the sole expense of the Owner granted the exclusive right to the LCE- Parking on which the vehicle is located and to enter upon such Limited Common Element for such purpose, all without liability on the part of the Board. Notwithstanding the foregoing, if such offending vehicle is located in Guest Parking (as defined below) or in another portion of the GCE, the Board shall have the right to remove and store the offending vehicle, or cause the vehicle to be removed and stored, all without liability on the part of the Board.

3.8 Common Elements Use Restrictions. The Common Elements are defined and described on the Final Plat and shall be owned by and reserved for the benefit of the Association and its Members, their guests and invitees subject to the restrictions set forth in this Declaration and the Master Rules and Regulations and subject to the following prohibited uses:

(a) The construction or location of any buildings, structures or accessory structures within the Common Elements except for those improvements permitted by the Final Development Permit or on the Final Plat (including, but not limited to, garbage storage structures) and except for those improvements permitted within the Limited Common Elements as provided for in this Declaration.

(b) Off-road use of vehicles and off-trail use of any form of motorized transportation, except where needed for maintenance and upkeep of the Common Elements and except the use of vehicles to respond to emergencies.

(c) The dumping of offensive materials.

3.9 Development and Use Restrictions. All development of the Properties shall conform with any and all applicable land use regulations and municipal ordinances of the Town of Jackson, Wyoming, in addition to the requirements of this Declaration.

3.10 Guest Parking Spaces. Those certain parking spaces set forth on **Exhibit "C"** attached hereto and incorporated herein as "Guest" are hereby designated as General Common Elements (the "**Guest Parking**"). The Board may establish rules concerning the use of the Guest Parking.

ARTICLE IV – CONDOMINIUM DECLARATION

4.1 Estates of an Owner. The Project is hereby divided into Condominium Units, each consisting of a separate interest in a Condominium Unit and an undivided interest in common in the Common Elements in accordance with the Final Plat which sets forth the Common Elements appurtenant to each Condominium. The percentage of ownership interest in the Common Elements which is to be allocated to each Condominium for purposes of assessments and voting shall be the same as set forth on **Exhibit "B"**. Such undivided interests in the Common Elements are hereby declared to be appurtenant to the respective Condominium.

4.2 Title. Title to a Condominium Unit may be held or owned by an entity and in any manner in which title to any other real property may be held or owned in the State of Wyoming.

4.3 Inseparability. No part of a Condominium Unit or of the legal rights comprising ownership of a Condominium Unit may be separated from any other part thereof during the period of Condominium ownership prescribed herein, so that each Condominium and the undivided interest in the Common Elements shall always be conveyed, devised, encumbered, and otherwise affected only as a complete Condominium Unit. Every gift, devise, bequest, transfer, encumbrance, conveyance, or other disposition of a Condominium Unit shall be presumed to be a gift, devise, request, transfer, encumbrance, or conveyance, respectively, of the entire Condominium Unit, together with all appurtenant rights created by law or by this Declaration.

4.4 Partition Not Permitted. The Common Elements shall be owned in common by all owners of Units and no owner may bring any action for partition thereof.

4.5 Owner's Right to Common Elements and Limited Common Elements. Subject to the limitations contained in this Declaration, each Owner shall have the nonexclusive right to use and enjoy the General Common Elements shown on the Final Plat and defined herein. Each Owner shall have the exclusive right to use and enjoy the Limited Common Elements designated to such Owner on the Final Plat

4.6 Taxes and Assessments. Each Owner shall execute such instruments and take such actions as may reasonably be specified by the Association to obtain separate real property tax assessments of the interest of each Owner in each Condominium Unit. If any taxes or special district or other assessments may, in the opinion of the Association, become a lien on the Project or any part thereof, the Association shall pay the same and assess the same to the Owner or Owners responsible therefore. Each Owner shall pay the taxes or assessments assessed against her/his Condominium Unit, or interest therein, or his/her interest in the Common Elements or any part of any or all of the foregoing. Each Owner shall pay all taxes, rates, impositions, and assessments levied against the Project or any part of the Common Elements in proportion to her/his interest in the Common Elements, such payment to be made to the Association at least thirty (30) days prior to the delinquency of such tax or assessment. Each such unpaid tax or assessment shall bear interest at eighteen percent (18%) per annum from and after the time the same becomes payable by each Owner and shall be secured by the lien created by Section 8.8 hereof. Notwithstanding the foregoing, taxes, assessments, or other charges attributable to the Common Elements shall be apportioned among the Owners of Condominiums as provided in Article VIII hereof.

4.7 Owner's Rights with Respect to Interiors. Except as provided in this Declaration, each Owner shall have the exclusive right to paint, repaint, tile, wax, paper, or otherwise maintain, refinish, and decorate the interior surfaces of the walls, ceilings, floors, doors and clean the exterior and interior surfaces of the windows, all of which form the boundaries of his/her Condominium and all walls, ceilings, floors, and doors within such boundaries.

4.8 Declarant's Right Incident To Construction. Declarant, and persons it shall select, shall have the right to ingress and egress over, upon, and across the Common Elements, the right to store materials thereon and to make such other use thereof as may be reasonably necessary incident to complete development of the Project.

4.9 Legal Description. Every contract for the sale of a Condominium Unit and every other instrument affecting title to a Condominium Unit may describe that Condominium Unit by the number shown on the Final Plat and this Declaration as each appears on the records in the Office of the Teton County Clerk, in the following fashion:

Unit _____ as shown on the Final Plat of Virginian Village Condominiums Addition to the Town of Jackson, appearing in the Records in the Office of the Teton County Clerk as Plat No. _____ as defined and described in Declaration of the Virginian Village Condominium Addition to the Town of Jackson recorded in the Records in the Office of the Teton County Clerk, in Book _____ of Photo at Pages _____ to _____, and all amendments or supplements thereto.

Such description will be construed to describe the Condominium, together with the appurtenant undivided interest in the Common Elements and to incorporate all the rights incident to ownership of a Unit and all the limitations on such ownership as described in this Declaration.

ARTICLE V – MAINTENANCE AND REPAIR BY OWNER; RESTRICTIONS ON LIMITED COMMON ELEMENTS; PARKING

5.1 By each Owner. The responsibility of each Owner shall be to maintain, repair and replace, at his expense, the heating equipment, water heater, and any portion of any other utility service facilities or apparatus servicing his Unit exclusively.

5.2 Limited Common Elements – Storage. The following items are prohibited from being stored within a Limited Common Elements – Storage: paint, highly flammable materials, food products and any item that attracts vermin or produces an odor.

PART THREE: COMMUNITY GOVERNANCE AND ADMINISTRATION

ARTICLE VI – THE ASSOCIATION AND ITS MEMBERS

6.1 Function of Association. Every Owner shall be a member of the Association. If title to a Condominium Unit is held by more than one person, the membership related to that Condominium Unit shall be shared by all such persons in the same proportionate interests and by the same type of tenancy in which the title to the Condominium Unit is held. An Owner shall be entitled to one membership for each Condominium Unit owned by him. No person or entity other than an Owner may be a member of the Association, and the Association Bylaws always shall so state and shall in addition state that the memberships in the Association may not be transferred except in connection with the transfer of a Condominium Unit; provided, however, that the rights of membership may be assigned to a Mortgagee as further security for a loan secured by a lien on a Condominium Unit.

6.2 Voting. The Condominium owners shall have one equal vote for each Condominium Unit in which they hold the interest required for membership under Section 6.1. All votes shall be cast as provided in Section 6.2(a).

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

(b) **Commencement of Voting Rights.** Voting rights as to each Unit shall vest upon transfer of a deed of conveyance of a Unit to an Owner.

6.3 Transfer. Except as otherwise expressly stated herein, any of the rights, interests, and obligations of the Association set forth herein or reserved herein may be transferred or assigned to any other person or entity; provided, however, that no such transfer or assignment shall relieve the Association of any of the obligations set forth herein. Any such transfer or assignment shall not revoke or change any of the rights or obligations of any Owners as set forth herein.

6.4 Amplification. The provisions of this Article are amplified by the Association Bylaws, provided, however, that no present or future provision of such Bylaws shall substantially alter or amend any of the rights or obligations of the Owners set forth herein.

ARTICLE VII – ASSOCIATION POWERS AND RESPONSIBILITIES

7.1 Acceptance and Control of Association Property.

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

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

7.2 Maintenance of Common Elements.

(a) The Association shall maintain, in accordance with the Governing Documents, the General Common Elements as designated on the Final Plat, including but not limited to, the maintenance, repair and replacement of all siding, roofing, exterior windows, exterior doors, asphalt and sidewalks;

(b) The Association shall maintain and repair all wood decking, porches, concrete patios, driveways, balconies and exterior stairways located within the Limited Common Elements as designated on the Final Plat;

(c) The Association shall maintain and repair the doors located within the Limited Common Elements – Storage;

(d) The Association, acting through the Board, shall be obligated to maintain the landscaping located within the General Common Elements;

(e) The Association shall maintain and repair the roadways, the LCE-Parking and the Guest Parking.

The costs associated with maintenance, repair and replacement of the General Common Elements as set forth herein shall be a Common Expense; notwithstanding the foregoing, all expenses associated with the repair or replacement of General Common Elements which have been damaged or destroyed by reason of an Owner or any Occupant's act or neglect, or by the act or neglect of any invitee, licensee, occupant or guest of such Owner, shall be assessed as a Specific Assessment against the Unit of such Owner. Any Common Expense associated with the maintenance, repair or replacement of improvements within a Limited Common Element shall be assessed as a Specific Assessment against the Unit(s) to which the Limited Common Element is assigned.

7.3 Insurance.

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

(i) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all Units and insurable improvements within the Properties. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement costs of the insured improvements (including all Units) under current building ordinance and codes. The Declarant shall be named as an additional insured on all policies of insurance covering direct physical loss to any Unit;

(ii) Commercial general liability insurance on the Common Elements and Lots, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, such coverage (including primary and any umbrella coverage) shall have a limit of at least one million dollars (\$1,000,000.00) per occurrence with respect to bodily injury and personal injury and property damage; provided, should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall have the option to obtain such additional coverages or limits. If the policy does not contain "severability of interest" in its terms, the Association shall acquire an endorsement to preclude the insurer's denial of a Unit Owner's claim because of negligent acts of the Association or of other Unit Owners; and

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

Premiums for all insurance on the Common Elements and the Lots shall be assessed by the Board as a Common Expense. Premiums for all insurance on the Units shall be assessed against the Unit owners as a Specific Assessment the cost of which shall be divided pro-rata among the Unit Owners according to those percentages set forth on Exhibit "B".

(b) **Policy Requirements.** The Association shall arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the Town of Jackson, Wyoming area. All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Member insured. The policies may contain a reasonable deductible, and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 7.3(a). In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage except for the deductible attributable to the insured loss of an insured Unit the cost of which shall be a Specific Assessment as provided for in Section 7.3(a)(iii). However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with procedures adopted by the Board, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Unit as a Specific Assessment.

All insurance coverage obtained by the Board shall:

- (i) Be written with a company authorized to do business in the State of Wyoming;
- (ii) Be written in the name of the Association as trustee for the benefited parties, including the Declarant.
- (iii) Not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;
- (iv) Contain an inflation guard endorsement;
- (v) Include an agreed amount endorsement if the policy contains a co-insurance clause;
- (vi) Provide a waiver of subrogation under the policy against any Owner or family member of an Owner;
- (vii) Include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure;
- (viii) Include an endorsement precluding cancellation, invalidation, or condition to recovery under the policy on account of any act or omission of any one or more individual Owners, unless such Owner is acting within the scope of its authority on behalf of the Association;

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

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

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

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

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

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

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

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

Damaged improvements on the property shall be repaired or reconstructed unless the Board, using reasonable judgment and in reliance upon professional estimates and advice, determines either that i) such full repair and/or restoration is physically impossible; or ii) available insurance proceeds are less than eighty percent (80%) of the cost of such repair and/or restoration, and at least seventy-five percent (75%) of the Owners of damaged or destroyed Unit decide, within sixty (60) days after the determinations set forth in i) and ii) above have been made, not to repair or reconstruct. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the insured improvements shall be repaired or reconstructed.

If a decision is made not to restore the damaged improvements, then the insurance proceeds shall be paid to the Owners and Mortgagees as their interests are determined based upon the square footage size of each Unit and the insurance proceeds available. All mortgages, liens and other charges against the Units shall be paid out of the insurance proceeds before any proceeds are released to an Owner(s).

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

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

7.4 Compliance and Enforcement.

(a) Every Owner and occupant of a Unit shall comply with the Governing Documents. The Board may impose sanctions for violation of the Governing Documents after notice and a hearing in accordance with the procedures set forth in the Bylaws. Such sanctions may include, without limitation:

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

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

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

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

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

(vi) Requiring an Owner, at its own expense, to remove any structure or improvements in violation of Article III and to restore the Unit to its previous condition and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass. Any costs incurred by the Board in bringing a non-conforming Unit into compliance shall be assessed to such Owner as a Specific Assessment;

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

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

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

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

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

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

(b) The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case:

(i) the Association's position is not strong enough to justify taking any or further action;

(ii) the covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with applicable law;

(iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or

(iv) that it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

Such a decision shall not be construed a waiver of the Association's right to enforce such provision at a later time under other circumstances or preclude the Association from enforcing any other covenant, restriction, or rule.

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

The Association may enforce applicable city and county ordinances, if applicable, and permit Town of Jackson, Wyoming to enforce ordinances within the Properties for the benefit of the Association and its Members.

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

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

obligation to indemnify shall be limited to those actions for which liability is limited under Wyoming law and the Bylaws.

ARTICLE VIII – ASSOCIATION FINANCES

8.1 Budgeting and Allocating Common Expenses. At least sixty (60) days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses for the coming year, including any contributions to be made to a reserve fund pursuant to Section 8.2. The budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Units, and the amount to be generated through the levy of Base Assessments, Special Assessments and Specific Assessments against each Unit.

The Association is hereby authorized to levy Base Assessments against all Units subject to assessment under this Declaration in an amount proportionate to the ownership interests set forth on **Exhibit “B”** to fund the Common Expenses. In determining the Base Assessment, the Board may consider any assessment income expected to be generated from any additional Units reasonably anticipated becoming subject to assessment during the fiscal year.

The Declarant may, but shall not be obligated to, reduce the Base Assessment for any fiscal year by payment of a subsidy, which may be either a contribution, an advance against future assessments due from the Declarant, or a loan, in the Declarant’s discretion. The Board shall send a copy of the final budget, together with notice of the amount of the Base Assessment to be levied pursuant to such budget, to each Owner not less than forty-five (45) nor more than sixty (60) days prior to the effective date of such budget, provided, however, if the Base Assessment is increased from the previous year’s Base Assessment, the Board shall send notice of the increase by first class mail to the Owners not less than thirty (30) nor more than sixty (60) days prior to the increased Base Assessment becoming due. Such budget and assessment shall automatically become effective unless objected to in writing by an Owner within ten (10) days of the effective date of the budget.

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

The Board may revise the budget and adjust the Base Assessment from time to time during the year, subject to the notice requirements and the limitations on increases of assessments provided for in Section 8.5.

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

8.3 Special Assessments. In addition to other authorized assessments, the Board may, subject to the limitations of Section 8.5, levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against the entire membership if such Special Assessment is for Common Expenses or against an individual Unit or Units if such Special

Assessment is for an unbudgeted expense relating to less than all of the Units. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved. The Board shall provide notice by first class mail to all Owner(s) of the Unit(s) subject such Special Assessment not less than thirty (30) nor more than sixty (60) days prior to the Special Assessment becoming due.

8.4 Specific Assessments. The Board shall have the power to levy Specific Assessments against a particular Unit to cover costs incurred in bringing a nonconforming Unit into compliance with the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or occupants of a nonconforming Unit, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the nonconforming Unit Owner prior written notice and an opportunity for a hearing, in accordance with the Bylaws, before levying any Specific Assessment under this section.

8.5 Limitation of Increases of Assessments. Notwithstanding any provision to the contrary, and except for assessment increases necessary for emergency situations or to reimburse the Association, the Board may not impose a Base Assessment that is more than twenty percent (20%) greater than each of those assessments for the immediately preceding fiscal year, nor impose a Special Assessment which in the aggregate exceeds five percent (5%) of the budgeted Common Expenses for the current fiscal year, without a majority vote of a quorum of the Members who are subject to the applicable assessment at a meeting of the Association, or action without meeting by written ballot in lieu thereof signed by all of the Members of the Association.

For purposes of this Section, "quorum" means at least fifty percent (50%) of the total voting power of the Association subject to the applicable assessment. For purposes of this Section, the term "Base Assessment" shall be deemed to include the amount assessed against each Unit plus a pro rata allocation of any amounts the Association received through any subsidy or maintenance agreement, if any, in effect for the year immediately preceding the year for which the assessment is to be increased.

An emergency situation is any one of the following:

- (a) An extraordinary expense required by an order of a court;
- (b) An extraordinary expense necessary to repair or maintain the Properties or any part of them for which the Association is responsible where a threat to personal safety on the Properties is discovered; or
- (c) An extraordinary expense necessary to repair or maintain the Properties or any part of them for which the Association is responsible which could not have been reasonably foreseen by the Board in preparing and distributing the pro forma budget pursuant to Section 8.1. However, prior to the imposition or collection of such an assessment, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process. Such resolution shall be distributed to the Members with the notice of such assessment. In no event shall such resolution become effective against the Declarant so long as the Declarant owns any Unit(s) within the Properties unless the Declarant consents in writing by executing any such resolution.

8.6 Authority to Assess Owners; Date of Commencement of Assessments; Time of Payment. The Board is hereby authorized to levy assessments as provided for in this Article and elsewhere in the Governing Documents. Subject to Section 8.1 and 8.7, the obligation to pay the assessments provided for herein shall commence as to all Units on the first day of the month following the first conveyance of a

Unit to an Owner. The first annual assessment shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on the Unit.

Assessments shall be paid in such manner and on such dates as the Board may establish. The Board may require advance payment of assessments at closing of the transfer of title to a Unit and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, assessments may be paid in monthly installments. Unless the Board otherwise provides, the Base Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his or her Unit, the Board may require the outstanding balance on all assessments to be paid in full immediately.

8.7 Personal Obligation.

(a) Each Owner, by accepting a deed of conveyance or entering into a recorded contract of sale for any portion of the Properties, is deemed to covenant and agree to pay all assessments authorized in the Governing Documents. All assessments, together with interest (computed from its due date at a rate of eighteen percent (18%) per annum or such other rate as the Board may establish, subject to the limitations of Wyoming law), late charges as determined by Board resolution, costs, and reasonable attorneys' fees, shall be the personal obligation of each Owner and a lien upon each Unit until paid in full. Upon a transfer of title to a Unit, the grantee shall not be personally liable for any assessments and other charges due at the time of conveyance unless expressly assumed by him/her, but such transferred Unit shall remain subject to any liens imposed upon it pursuant to Section 8.8 herein. No first Mortgagee who obtains title to a Unit by exercising the remedies provided in its Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

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

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

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

(b) **Declarant's Obligations for Assessments.** The Declarant shall be exempt from the payment of assessments against Units which it owns. The Declarant shall also be exempt from the payment of that portion of any assessment which is for the purpose of defraying expenses and reserves directly attributable to the existence and use of the Common Elements and any Unit owned by the Declarant.

8.8 Lien for Assessments. Each Owner, by his or her acceptance of a deed of conveyance to a Unit, hereby vests in the Association and its agents the right and power to bring all appropriate actions

against such Owner personally for the collection as a debt of any unpaid and delinquent billings for Base Assessments, Special Assessments, Specific Assessments, interest, late fees, enforcement costs and other charges owing by such Owner in accordance with the terms hereof. Additionally, in order to secure payment of any billings for Base Assessments, Specific Assessments, Special Assessments, interest, late fees, enforcement costs and other charges due hereunder, Declarant hereby retains, and each Owner by his or her acceptance of a deed to a Unit, hereby grants the Association and its agents a lien for such Base Assessments, Specific Assessments, Special Assessments, interest, late fees, enforcement costs and other charges for which such Owner is responsible under the terms hereof. The Board, acting on behalf of the Association, is authorized to record a notice of any unpaid amounts secured by such lien in the Office of the County Clerk of Teton County, Wyoming, which shall include a description of the applicable Unit and the name of the Owner thereof and the basis for the amount of the lien. Said lien shall be enforceable by the Association or its agents through all appropriate methods available under applicable Wyoming law for the enforcement of such liens, including without limitation, non-judicial foreclosure pursuant to Wyoming Statutes (as amended from time to time), and the Declarant and each such Owner hereby expressly grant to the Association a power of sale in connection with said lien. The Association may designate a trustee in writing from time to time to post or cause to be posted the required notices and to conduct such foreclosure sale. The trustee may be changed at any time and from time to time by an instrument in writing and signed by the President or a Vice President of the Association and attested by the Secretary or any Assistant Secretary of the Association and filed for record in the Public Records. The lien herein retained and granted is and shall be expressly subordinate in all respects to any Mortgage predating the charge in question (as evidenced by the recording date of a notice of unpaid assessments in the Public Records). Any holder of a Mortgage that predates the date of the charge in question and who acquires title to a Unit through foreclosure of its Mortgage or acceptance of a deed in lieu of foreclosure thereunder, shall not be liable for the unpaid portion of any such charges relating to the Unit in question that arose prior to such acquisition. Additionally, after any such foreclosure or deed in lieu of foreclosure, such Unit shall remain subject to this Declaration and the above-described lien and the new Owner of such Unit shall thereafter be personally liable for all charges of the type described above which relate to such Unit and which become due after such new Owner acquires title to said Unit by foreclosure or by acceptance of a deed in lieu of foreclosure. Except as otherwise provided above as to holders of Mortgages or by applicable law, no sale or transfer of any Unit shall (a) relieve any Owner thereof from personal liability for any of such unpaid charges attributable to the applicable Unit which become due prior to the date of such sale or transfer or (b) satisfy or extinguish the above-described lien in respect of such unpaid charges.

PART FOUR: COMMUNITY DEVELOPMENT

ARTICLE IX – EXPANSION OF THE COMMUNITY

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

9.2 Additional Covenants and Easements. The Declarant may subject any portion of the Properties to additional covenants and easements, including covenants obligating the Association to maintain and insure such property and authorizing the Association to recover its costs through the various Assessments as provided for herein. Such additional covenants and easements may be set forth either in a

Supplemental Declaration subjecting such property to this Declaration or in a separate Supplemental Declaration referencing property previously subjected to this Declaration. If the property is owned by someone other than Declarant, then the consent of the Owner(s) shall be necessary and shall be evidenced by their execution of the Supplemental Declaration. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

9.3 Effect of Filing Supplemental Declarations. Any Supplemental Declaration filed pursuant to this Article shall be effective upon recording in the Public Records unless otherwise specified in such Supplemental Declaration. On the effective date of the Supplemental Declaration, any additional property subjected to this Declaration shall be assigned voting rights in the Association and assessment liability in accordance with the provisions of this Declaration.

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

ARTICLE X – ADDITIONAL RIGHTS RESERVED TO DECLARANT

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

10.2 Right to Approve Changes in Community Standards. No amendment to or modification of any Master Rules and Regulations shall be effective without prior notice to and the written approval of Declarant so long as the Declarant owns Units subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1.

10.3 Right to Transfer or Assign Declarant Rights. Any or all of the special rights and obligations of the Declarant set forth in this Declaration may be transferred in whole or in part to other Persons; provided, the transfer shall not reduce an obligation or enlarge a right beyond that which the Declarant has under this Declaration. No such transfer or assignment shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the Public Records. The foregoing sentence shall not preclude Declarant from permitting other Persons to exercise, on a one-time or limited basis, any right reserved to Declarant in this Declaration where Declarant does not intend to transfer such right in its entirety, and in such case it shall not be necessary to record any written assignment unless necessary to evidence Declarant's consent to such exercise.

10.4 Termination of Rights. Unless otherwise stated in this Article or unless Declarant elects to terminate such reservations at an earlier date, the rights contained in this Article shall not terminate until any real property that is subject to this Declaration or that may become subject to this Declaration pursuant to Article IX, has been sold or otherwise transferred to Owners not affiliated with Declarant. Declarant may from time to time relinquish and surrender one or more but less than all of the reserved rights, in which event the unrelinquished reserved rights shall remain fully valid and effective for the remainder of the term thereof. In the event Declarant fails to record such written statement relinquishing its reserved rights hereunder, such reserved rights shall nonetheless terminate when Declarant no longer owns any real property that is subject to this Declaration or that may become subject to this Declaration pursuant to Section 9.1.

PART FIVE: PROPERTY RIGHTS WITHIN THE COMMUNITY

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

ARTICLE XI - EASEMENTS

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

- (a) The restrictions, rules and regulations set forth in the Governing Documents and any other applicable covenants;
- (b) Any restrictions or limitation contained in any deed and/or easement agreement conveying such property and/or easement over such property to an Owner Association; and
- (c) The right of the Board to adopt rules regulating the use and enjoyment of the area of the General Common Elements.

Any Owner may extend his or her right of use and enjoyment of the General Common Elements to the members of his or her family, and social invitees, as applicable, subject to reasonable regulation by the Board.

11.2 Easements for Drainage and Utilities.

(a) All dedications, limitations, restrictions and reservations of easements, including those for storm water collection and drainage, shown on the Final Plat and any final map of the Properties are incorporated herein by reference and made a part of this Declaration for all purposes as if fully set forth in this Declaration.

(b) The Declarant reserves for itself, so long as the Declarant owns any property described on **Exhibit "A"** of this Declaration or any property made subject to this Declaration pursuant to Article IX, and grants to the Association and all utility providers, perpetual non-exclusive easements throughout all of the Properties (but not through a Unit) to the extent reasonably necessary for the purpose of:

- (i) Installing utilities and infrastructure, including without limitation, cable and other systems for sending and receiving data and/or other electronic signals; security and similar systems, walkways, pathways and trails; drainage systems and signage to serve the Properties;
- (ii) Inspecting, maintaining, repairing and replacing such utilities, landscaping and infrastructure to serve the Properties; and
- (iii) Access to read utility meters.

(c) Declarant also reserves for itself the non-exclusive right and power to grant and record in the Public Records such specific easements as may be necessary, in the sole discretion of Declarant, in connection with the orderly development of the Properties, or any portion thereof.

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

11.3 Easements for Maintenance, Emergency and Enforcement. The Declarant hereby grants to the Association an easement over the Common Elements to enable the Association to fulfill its maintenance responsibilities under Section 7.2. The Association shall also have the right, but not the obligation, to enter any Unit, for emergency, security, and safety reasons and to enforce the Governing Documents. Such right may be exercised by any member of the Board and its duly authorized agents and assignees, and all emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner.

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

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

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

11.7 Owner's Right to Ingress and Egress and Support. Each Condominium owner shall have the right to ingress and egress over, upon, and across the Common Elements necessary for access to her/his Condominium Unit and to the Limited Common Elements designated for use in connection with his/her Condominium, and shall have the right to the horizontal and lateral support of her/his Condominium, and such rights shall be appurtenant to and pass with the title to each Condominium Unit.

PART SIX: RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY

The growth and success of Virginian Village Condominiums as a community in which people enjoy living, working, and playing requires good faith efforts to resolve disputes amicably, attention to and understanding of relationship within the community and with our neighbors, and protection of the rights of others who have an interest in the community.

ARTICLE XII – DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

12.1 Consents for Association Litigation. Except as provided in this Section, the Association shall not commence a judicial or administrative proceeding without the approval of a majority of a quorum of the Members. This Section shall not apply, however, to (a) actions brought by the Association to enforce the Governing Documents (including, without limitation, the foreclosure of liens); (b) the collection of assessments; or (c) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided in this section.

12.2 Alternative Method for Resolving Disputes. The Declarant, the Association, its officers, directors, and committee members, if any, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, “Bound Parties”) agree to encourage the amicable resolution of disputes involving the Properties, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that those claims, grievances or disputes described in Section 12.3 shall attempt to be resolved in good faith using the procedures set forth in Section 12.4 in lieu of filing suit in any court.

12.3 Claims. Unless specifically exempted below, all claims arising out of or relating to the interpretation, application or enforcement of the Governing Documents, or the rights, obligations and duties of any Bound Party under the Governing Documents or relating to the design or construction of improvements on the Properties (collectively, the “Claims”), shall be subject to the provisions of Section 12.4.

Notwithstanding the above, unless all parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 12.4:

(a) Any suit by the Association against a Bound Party to obtain a temporary restraining order (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 enforce the provisions of Article III, Article IV and Article V;

(b) Any suit between Owners, which does not include Declarant or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents, if the amount in controversy exceeds five thousand dollars (\$5,000);

(c) Any suit in which any indispensable party is not a Bound Party; and

(d) Any suit as to which the applicable statute of limitations would expire within one-hundred twenty (120) days of the Request for Resolution pursuant to Section 12.4, unless the party or parties against whom the Claim is made agree to toll the statute of limitations for such periods as may be reasonably be necessary to comply with this Article;

With the consent of all parties thereto, any of the above may be submitted to the alternative dispute resolution procedures set forth in Section 12.4.

12.4 Mandatory Procedures.

(a) **Request for Resolution.** Any Bound Party having a Claim (“Claimant” against any other Bound Party (“Respondent”) (collectively, the “Parties”) shall notify each Respondent in writing (the “Request for Resolution”), stating plainly and concisely:

1. The nature of the Claim, including the Persons involved and Respondent;
2. The legal basis of the Claim (i.e., the specific authority out of which the Claim arises);
3. Claimant’s proposed remedy;
4. That Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim; and
5. That Respondent must respond to the Request for Resolution within thirty (30) days of its receipt or it will be deemed to have been rejected.

(b) **Negotiation and Mediation.**

1. 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 Request for Resolution, the Board may appoint a representative to assist the Parties in negotiation.

2. If the Respondent rejects the Request for Resolution, or Parties do not resolve the Claim within ninety (90) days of the date of acceptance of the Request for Resolution (or within such other period as may be agreed upon by the Parties) (“Termination of Negotiations”), Claimant shall have thirty (30) additional days to submit the Claim to mediation under the auspice of an independent mediation agency providing dispute resolution services in Wyoming.

3. If Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to any Person other than the Claimant.

4. Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the Parties. If the Parties do not settle the Claim within thirty (30) days after submission of the matter to the mediation, or within such time as determined by the mediator, the mediator shall issue a notice of termination of the mediation proceedings (“Termination of Mediation”). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.

5. Within five (5) days of the Termination of Mediation, the Claimant shall make a final written settlement demand (“Settlement Demand”) to the Respondent, and the Respondent shall make a final written settlement offer (“Settlement Offer”) to the Claimant. If the Claimant fails to make a Settlement Demand, Claimant’s original Request for Resolution shall constitute the Settlement Demand. If the Respondent fails to make a Settlement Offer, Respondent shall be deemed to have made a “zero” or “take nothing” Settlement Offer. In this event, the Mediator shall issue a final written decision within ten (10) days of the last offer. This decision shall be non-binding on the parties and the parties legal remedies are preserved. The Claimant shall thereafter be entitled to file suit or to initiate administrative proceedings on the Claim as appropriate.

12.5 Allocation of Costs of Resolving Claims.

(a) Subject to Section 12.5(b), each Party shall bear its own costs, including attorneys' fees, and each Party shall share equally all charges rendered by the mediator(s) ("Post Mediation Costs").

(b) Any award which is equal to or more favorable to Claimant than Claimant's settlement demand shall add Claimant's Post Mediation Costs to the Award, such costs to be borne equally by all Respondents. Any Award which is equal to or less favorable to Claimant than any Respondent's Settlement Offer shall award to such Respondent its Post Mediation Costs.

12.6 Enforcement of Resolution. After resolution of any Claim, if any Party fails to abide by the terms of any agreement or Award, then any other Party may file suit or initiate administrative proceedings to enforce such agreement or Award without the need to again comply with the procedures set forth in Section 12.4. In such event, the Party taking action to enforce the agreement or Award shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) at all costs incurred in enforcing such agreement or Award, including, without limitation, attorneys' fees and court costs.

12.7 Board Authorization. The Board may perform any act reasonably necessary to institute, defend, settle, or intervene on behalf of the Association in binding arbitration, non-binding arbitration, mediation, litigation, or administrative proceedings in matters pertaining to (a) enforcement of the Governing Documents, (b) damage to the Common Elements, (c) damage to the Units which arises out of, or is integrally related to, damage to the Common Elements, or (d) any other civil claim or action.

ARTICLE XIII – AMENDMENT OF DECLARATION

13.1 By Declarant. In addition to specific amendment rights granted elsewhere in this Declaration, until conveyance of the last Unit to an Owner unaffiliated with Declarant, Declarant may unilaterally amend or repeal this Declaration for any purpose. Thereafter, the Declarant may unilaterally amend this Declaration if such amendment is necessary to (i) bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) enable any institutional or Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make purchase, insure or guarantee mortgage loans on the Units; or (iv) to satisfy the requirements of any local, state or federal governmental agency. However, any such amendment shall not adversely affect the title to any Unit unless the Owner thereof shall consent in writing. No provision of this Declaration pertaining to the deed restricted permanent affordability of any Unit may be amended without the prior written consent of Teton County.

13.2 By Members. Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of at least fifty percent (50%) of the Members. This Declaration may be revoked only upon obtaining approval from Teton County and obtaining the affirmative vote or written consent, or any combination thereof, of at least fifty percent (50%) of the Members. Upon revocation, each Unit Owner shall own an undivided interest as tenants in common in and to the Properties as its interest is determined based upon the square footage size of its Unit compared to the total amount of square footage in the Properties. An affirmative vote of the Members to revoke this Declaration shall automatically authorize the Board to execute and record those documents deemed necessary, in the Board's sole discretion, to effectuate a revocation of the Declaration and the vacation of the Final Plat.

13.3 Validity and Effective Date. No amendment may remove, revoke, or modify any right or privilege of the Declarant without the written consent of the Declarant.

If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Any amendment shall become effective upon recording in the Public Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within thirty (30) days of its recordation, or such amendment shall be presumed to have been validly adopted.

13.4 Exhibits. The exhibits attached to this Declaration are incorporated by this reference and amendments of such exhibits shall be governed by this Article.

ARTICLE XIV - MECHANIC'S LIEN RIGHTS

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

ARTICLE XV - MISCELLANEOUS

15.1 Registration of Mailing Address. Each Owner shall register his/her mailing address with the Association and all notices or demands intended to be served upon any Owner shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered mailing address. All notices or demands intended to be served upon the Association shall be given by registered or certified mail, postage prepaid, to the address of the Association as designated in the Association Bylaws. Any notice referred to in this Section shall be deemed given when deposited in the United States mail in the form provided for in this Section.

15.2 Owner's Obligations Continue. The Owner of a Condominium Unit shall have no obligation for expenses or other obligations accruing after he/she sells his/her entire interest in such Condominium Unit.

15.3 Number and Gender. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

15.4 Severability. If any of the provisions of this Declaration or any clause, paragraph, sentence, phrase, or word or the application thereof in any circumstances be invalidated, such invalidity

shall not affect the validity of the remainder of the Declaration, and the application of any such provision, paragraph, sentence, clause, phrase, or word in any other circumstance shall not be affected thereby.

15.5 Construction by Declarant. Nothing in this Declaration, or any action taken by the Association, shall limit the right of Declarant to complete construction of improvements to the Common Elements and to Units owned by Declarant or to alter the foregoing, or to construct such additional improvements as Declarant deems advisable prior to completion and sale of the entire Project. Such right shall include, but shall not be limited to, erecting, constructing, and maintaining on the Project such structures and displays as may be reasonably necessary for the conduct of its business of completing the work and disposing of the same by sale, lease, or otherwise. This Declaration shall not limit, nor shall any action of the Association limit, the right of Declarant at any time prior to the sale of all Units by Declarant to establish on the Project additional easements, reservations and rights of way to itself, to utility companies, or to others as may from time to time be necessary to the proper development and disposal of the Project.

15.6 Statute. The provisions of this Declaration shall be in addition and supplemental to the Act and to all other provisions of law.

15.7 Obsolescence

(a) Adoption of a Plan. Owners representing an aggregate of three-fourths or more of the voting rights of the Association may agree that the Project is obsolete and adopt a written plan for the renewal and reconstruction. Written notice of adoption of such a plan shall be given to all Owners. Such plan shall be recorded in the records of the Clerk of Teton County, Wyoming.

(b) Payment for Renewal and Reconstruction. The expense of renewal or reconstruction shall be payable by all of the Owners as assessments against their respective Condominium Units. These assessments shall be levied in advance pursuant to this Declaration and shall be allocated and collected as provided for the allocation of expenses of Common Elements in Article VIII . Further levies may be made in like manner if the amounts collected prove insufficient to complete the renewal and reconstruction.

(c) Sale of Obsolete Units. The Owners representing an aggregate of three-fourths or more of the total voting rights of the Association may agree that the Condominiums are obsolete and that the Project should be sold. Such an agreement must have the additional approval of two-thirds of all first Mortgagees of record at the time such agreement is made. In such instance, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association the Project shall be sold by the Association as attorney-in-fact for all of the Owners free and clear of the provisions contained in this Declaration, the Condominium Plat and the Association Bylaws. The sale proceeds shall be apportioned among the Owners as their interests are determined based upon the square footage size of each Owner's Unit compared to the total amount of square footage in the Properties, and such apportioned proceeds shall be paid into separate accounts, each such account representing one Condominium Unit. Each such account shall remain in the name of the Association, and shall be further identified by the Condominium Unit designation and the name of the Owner. From each separate account the Association, as attorney-in-fact, shall use and disburse the total amount of such accounts without contribution from one account to the other, first to Mortgagees and other lienors in the order of priority of their mortgages and other liens and the balance remaining to each respective Owner.

(d) Distribution of Excess. In the event amounts collected are in excess of the amounts required for renewal and reconstruction, the excess shall be returned to the Owners by the Association by a distribution to each Owner in an amount proportionate to the respective amount collected from each such Owner.

15.8 Condemnation.

(a) **Consequences of Condemnation.** If, at any time or times during the continuance of the condominium ownership pursuant to this Declaration, all or any part of the Project shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof, the following provisions shall apply.

(b) **Proceeds.** All compensation, damages, or other proceeds therefrom, the sum of which is hereinafter called the "Condemnation Award," shall be payable to the Association.

(c) **Complete Taking.** In the event that the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership pursuant hereto shall terminate. The Condemnation Award shall be apportioned among the Owners as their interests are determined based upon the square footage size of each Owner's Unit compared to the total amount of square footage in the Properties, provided that if a standard different from the value of the Project as a whole is employed to measure the Condemnation Award in the negotiation, judicial decree, or otherwise, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable.

On the basis of the principle set forth in the preceding paragraph, the Association shall as soon as practicable determine the share of the Condemnation Award to which each Owner is entitled. Such shares shall be paid into separate accounts and disbursed as soon as practicable.

(d) **Partial Taking.** In the event that less than the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership hereunder shall not terminate. Each Owner shall be entitled to a share of the Condemnation Award to be determined in the following manner: As soon as practicable the Association shall, reasonably and in good faith, allocate the Condemnation Award between compensation, damages, or other proceeds, and shall apportion the amounts so allocated among the Owners as follows: (a) the total amount allocated to taking of or injury to the Common Elements shall be apportioned among Owners as their interests are determined based upon the square footage size of each Owner's Unit compared to the total amount of square footage in the Properties, (b) the total amount allocated to severance damages shall be apportioned to those Condominium Units which were not taken or condemned, (c) the respective amounts allocated to the taking of or injury to a particular Unit and/or improvements an Owner has made within her/his own Unit shall be apportioned to the particular Unit involved, and (d) the total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances. If an allocation of the Condemnation Award is already established in negotiation, judicial decree, or otherwise, then in allocating the Condemnation Award the Association shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be made in the same manner provided in this Declaration.

(e) **Reorganization.** In the event a partial taking results in the taking of a complete Unit, if appropriate in the determination of the Board, the Owner thereof automatically shall cease to be a member of the Association. Thereafter, the Board shall reallocate the Ownership, voting rights, and assessment ratio determined in accordance with this Declaration according to the same principles employed in this Declaration at its inception and shall submit such reallocation to the Owners of remaining Units for amendment of this Declaration as provided in this Declaration.

(f) **Reconstruction and Repair.** Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified above.

(g) Limitations in Action of Owners Association Notwithstanding any other provisions in this Article and except as provided by statute, in case of condemnation or substantial loss to the Units and/or Common Elements of the Project, unless at least three-fourths of Owners of the individual Units have given their prior written approval, the Association may not

- (1) By act or omission seek to abandon or terminate the Project,
- (2) Change the pro rata interest or obligations of any Unit in order to levy assessments or charges, allocate distribution of hazard insurance proceeds or condemnation awards or determine the pro rata share of ownership of each Unit in the Common Elements;
- (3) Partition or subdivide any Unit,
- (4) Seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements by act or omission, or
- (5) Use hazard insurance proceeds for losses to any Project property (whether Units or Common Elements) for other than the repair, replacement or reconstruction of the Project property.

[Signature and acknowledgement on following page]

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

Baetis, LLC, a Wyoming limited liability company

By: [Signature]
Name: ERIK BEDFORD
Title: MANAGING MEMBER

STATE OF WYOMING)
 ss.)
COUNTY OF TETON)

On 12-21, 2007, before me, Estela Torres, Notary Public, personally appeared Erik Bedford personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he ~~or she~~ executed the same in his ~~or her~~ authorized capacity, and that by his ~~or her~~ signature on the instrument, the person or entity upon behalf of which the person acted, executed the instrument

WITNESS my hand and official seal.

[Signature]
Notary Public

My commission expires:



EXHIBIT A

Tract 11 of the J.G. Scott and James R. Simon Subdivision Planning Map, recorded as Map No. T-39, in the Office of the Teton County Clerk, and located in the SW1/4 NW1/4 of Section 33, Township 41 North, Range 116 West, 6th P M, Town of Jackson, Teton County, Wyoming, and is more particularly described as follows:

Beginning at a Point on the southerly line of said SW1/4 NW1/4, said Point of Beginning being S88°57'30"E, 415 61 feet, from the W1/4 corner of said Section 33,

Thence along the southerly line of said SW1/4 NW1/4, S88°57'30"E, 415.36 feet, to a point on the westerly Right-Of-Way line of Virginian Lane, a Public Road described in Book 12 of Mixed Record, Page 81 and Page 85;

Thence departing the southerly line of said SW1/4 NW1/4, along the westerly Right-Of-Way line of said Virginian Lane, N0°16'33"E, 200.17 feet, to the southeast corner of Grand Teton Plaza Condominiums, recorded as Plat No 440 in the Office of the Teton County Clerk,

Thence departing said westerly Right-Of-Way line, along the southerly line of said Plat No. 440, N88°58'44"W, 415 75 feet, to the southwest corner of said Plat 440

Thence departing the southerly line of said Plat No 440, along the easterly line of Tract 16 of the J G Scott and James R. Simon Subdivision Planning Map, recorded as Map T-39 in the Office of the Teton County Clerk, S0°09'51"W, 200.02 feet, more or less, to the Point of Beginning.

Said Tract contains 1.91 acres, more or less, and is subject to rights-of-way, easements, restrictions, reservations, and conditions, of sight and/or of record

John R. Batson
Wyoming PLS 6193
Nelson Engineering
Project 07-086-1
Dec 12, 2007

EXHIBIT "B"
TO DECLARATION

Virginian Village Condominiums
Common Elements Ownership

Each Unit shall have a 1/56 percentage interest in and to the Common Elements

