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

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR TVDC TOWNHOMES FIRST ADDITION TO THE TOWN OF JACKSON AND TVDC CONDOMINIUMS FIRST ADDITION TO THE TOWN OF JACKSON ("Declaration") is made this 1st day of MAY, 2005, by Town Valley Development Co., LLC, a Wyoming limited liability company ("Declarant").

RECITALS

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

A parcel of land located in the SW1/4NE1/4, Section 34, T.40 N., R.116 W., 6th P.M., Town of Jackson, Teton County, Wyoming, being more particularly described as follows:

Lot 2 (the "Condominium") shown on Plat No. 243, entitled "TVDC Condominiums First Addition to the Town of Jackson," filed of record on 5-25-2005, 2005 in the office of the Teton County, Wyoming Clerk.

Lots 1, 3, 4 and 5, shown on Plat No. 243, entitled "TVDC Townhomes First Addition to the Town of Jackson," filed of record on 5-25-2005, 2005 in the office of the Teton County, Wyoming Clerk (hereinafter the "Townhome Plat").

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

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

i. Are for the purpose of protecting the value, desirability, attractiveness and character of the Property;

ii. Shall run with all of the real property, appurtenances, and structures comprising the Property;

iii. Shall be binding on all parties having any right, title, or interest in the Property, or any part thereof; and

iv. Shall inure to the benefit of the aforementioned parties and their successors and assigns.

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

i. The efficient preservation of the value and aesthetics of the Property, in regard to which the Association will be delegated certain powers and duties of administering and maintaining improvements and Common Elements, and enforcing this Declaration and Rules adopted pursuant hereto; and

ii. Establishing, collecting, disbursing and enforcing the Assessments created herein.

ARTICLE 1 - DEFINITIONS

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

1.1 Articles

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

1.2 Assessments

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

1.3 Assessment Lien

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

1.4 Association

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

1.5 Board of Directors or Board

The Board of Directors of the Association.

1.6 Building

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

1.7 Bylaws

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

1.8 Common Elements

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

1.8 Common Element Interest

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

1.10 Common Expenses

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

1.11 Common Expense Assessment

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

1.12 Common Expense Liability

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

1.13 Condominiums

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

1.14 Condominium Documents

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

1.15 Condominium Plat

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

1.16 Covenants

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

1.17 Declaration

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

1.18 Development Rights

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

1.19 First Mortgage

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

1.20 First Mortgage

The holder of any First Mortgage.

1.21 Improvements

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

1.22 Limited Common Elements

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

1.23 Member

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

1.24 Owner

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

1.25 Period of Declarant Control

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

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

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

1.26 Person or Persons

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

1.27 Purchaser

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

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

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

1.28 Rules

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

1.29 Special Decedent Rights

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

1.30 Townhome

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

1.31 Townhome Documents

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

1.32 Townhome Owner

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

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

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

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

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

1.13 Townhouse Plat

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

1.14 TVDC Townhouses and Condominium Development

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

1.15 Unit

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

1.16 Unit Owner

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

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

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

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

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

2.1 Allocation of Common Element Interest

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

2.2 Allocation of Common Expense Liabilities

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

2.3 Allocation of Limited Common Elements

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

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

The Townhomes constructed on Lot 1: All areas on the Townhome Plat designated "L.C.-1".
The Townhomes constructed on Lot 2: All areas on the Townhome Plat designated "L.C.-2".

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

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

The Units constructed on Lot 2: All areas on the Condominium Plat designated "L.C.-3".
In addition, the Units constructed on Lot 2 are allocated the parking area designated "L.C.-2" within Lot 2 shown on the Townhome Plat.

C. The driveway and parking space designated as General Common Elements on Lot 1 of the Townhome Plat may be used by each Townhome and each Unit on a "first-come, first-served" basis. The Association may adopt Rules governing parking spaces and, in the event of conflicts, the Declarant or the Association may convert General Common Elements to Limited Common Elements. The intent of this section is to allow the Association both the authority and flexibility to address issues relating to the parking of vehicles on the property that may hereinafter arise with the goal of achieving as many parking spaces as the property reasonably allows.

2.4 Redlocation of Limited Common Elements

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

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

ARTICLE III - DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS

3.1 Development Rights of Declarant

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

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

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

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

3.2 Special Declarant Rights

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

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

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

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

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

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

3.3 Time Limits

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

3.4 Transfer of Special Dedication Rights

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

ARTICLE IV - EASEMENTS

4.1 Existing Easements

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

4.2 Utility Easements

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

4.3 Easements for Ingress and Egress

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

4.4 Owner's Easements of Enjoyment

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

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

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

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

iv. All rights and easements set forth in this Declaration, including, but not limited to, the rights and easements granted to the Declarant by Sections 4.3 and 4.5 of this Declaration.

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

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

4.5 Declarant's Use for Sales and Leasing Purposes

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

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

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

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

4.6 Declarant's Easements

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

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

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

4.7 Common Elements Easement in Favor of the Association

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

4.8 Easement in Favor of Association

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

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

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

C. For correction of emergency conditions in, or conditions to use or reuse Townhomes, Units or the Common Elements.

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

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

4.9 Warranty for Unintended Encroachments

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

ARTICLE V - USE AND OCCUPANCY RESTRICTIONS

5.1 Flat Fees

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

5.2 Residential Use

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

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

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

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

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

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

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

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

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

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

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

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

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iii. A license is required for such activity.

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

3.3 Improvements and Alterations

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

3.4 No Partition and Subdivision

No Townhome or Unit shall be partitioned or subdivided.

3.5 Machinery and Equipment

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

3.6 Environmental Restrictions

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

3.7 General Restrictions Regarding Parking of Vehicles

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

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

5.8 Parking Spaces

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

5.9 Motor Vehicle Repair and Servicing of Vehicles

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

5.10 Signs

Other than an Owner's or occupant's name and address identification sign not exceeding 4 x 12 inches in size on the door of a Townhome or Unit, no emblem, logo, sign or billboard of any kind, including, but not limited to, "For Sale" or "For Rent" signs, shall be displayed so that it is visible from the exterior of any Townhome, Unit or Building or any other portion of the Property without the prior written approval of the Board, except for:

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

5.11 Landfill Use

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

3.12 Nuisance and Offensive Activity

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

3.13 Window Coverings

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

3.14 Limitation on Leasing

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

3.15 Community Privacy Measures

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

3.16 Variances

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

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

5.17 Pets

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

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

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

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

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

5.18 Obstructing Common Areas

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

5.19 Prohibited Items in Limited Common Areas

Flammable, chemical, gases, and other items are prohibited in the Limited Common Areas. Storage of hazardous materials including but not limited to fireworks, explosives, paint or related products, fuels (including camping fuels), and weapons or ammunition of any sort are not permitted in any storage units. Use of the Limited Common Areas shall be further governed by the rules and regulations of the Association.

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

6.1 Duties of the Association and Board

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

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

6.2 Duties of Owners

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

6.3 Repair or Restoration Required by Owner

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

6.4 Owner's Failure to Maintain

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

6.5 Right to Reasonable Access

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

6.6 Emergency Access

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

ARTICLE VI - THE ASSOCIATION; RIGHTS AND DUTIES; MEMBERSHIP

1.1 Rights, Powers and Duties of the Association

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

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

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

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

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

1.2 Directors and Officers

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

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

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

1.3 Rules

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

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

7.4 Composition of Members

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

7.5 Non-Liability of Officials and Indemnification

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

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

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

ARTICLE VIII - ASSESSMENTS

8.1 Creation of the Lien and Personal Obligation to Pay Assessments

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

1. Annual assessments or charges;
2. Special assessments for capital improvements;

- iii. Individual repair and maintenance assessments;
 - iv. Assessment for charges or fees due to the Association, such assessments to be established and collected as herein provided; and
 - v. Such other assessments created by the Townhome Documents and the Condominium Documents.
- B. All Assessments levied by the Association, together with interest at 18% per annum, and all costs incurred by the Association, including reasonable attorney's fees, shall be a charge on each Townhome and Unit, and shall be a continuing lien upon each Townhome and Unit against which such Assessment is made from the date such Assessment is due to the Association. Notice of the lien of the Association for such assessments may be recorded in the land records of Teton County, Wyoming.
- C. Delinquent assessments, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Townhome or Unit at the time when the assessment was levied. The personal obligation for delinquent assessments shall not pass to successors in title unless expressly assumed by them. The sale or transfer of a Townhome or Unit shall not relieve the prior Owner thereof from personal liability to pay delinquent assessments, plus interest, costs and attorney's fees. Such obligation shall remain the personal obligation of the defaulting Owner.

8.2 Purpose of Assessments

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

8.3 Preparation of Budget

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

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

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

C. Within sixty(60) days after the adoption of a budget, the Board of Directors shall send to each Owner a summary of the budget and a statement of the amount of the Common Expense Assessment assessed against each Townhome and Unit in accordance with Section 8.4 of this Declaration. The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of an Owner's obligation to pay his allocable share of the Common Expenses as provided in Section 8.4 of this Declaration and each Owner shall continue to pay the Common Expense Assessment against his Townhome or Unit as established for the previous fiscal year until notice of the Common Expense Assessment for the new fiscal year has been established by the Board of Directors.

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

8.4 Common Expense Assessment

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

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

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

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

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

8.5 Special Assessments

In addition to Common Expense Assessments, the Association may levy, in any fiscal year of the Association, a special assessment applicable to that fiscal year only for the purpose of

delaying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement of the Common Elements, including fixtures and personal property related thereto, or for any other lawful Association purpose, provided that any Special Assessment shall have first been approved by Owners representing two-thirds (2/3) of the votes in the Association and who are voting in person or by proxy at a meeting duly called for such purpose, and, during the Period of Declarant Control approved by Declarant. Unless otherwise specified by the Board of Directors, Special Assessments shall be due thirty (30) days after they are levied by the Association and notice of the Special Assessment is given to the Owners.

8.6 Notice and Quorum for Any Action Authorized Under Section 8.5

Written notice of any meeting called for the purpose of obtaining the consent of the Members for any action for which the consent of Members is required under Section 8.5 shall be delivered to all Members not less than thirty (30) days nor more than fifty (50) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes in the Association shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than fifty (50) days following the preceding meeting.

8.7 Effect of Nonpayment of Assessments, Fines of the Association

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

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

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

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

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

iii. Suspending voting rights as provided in the Bylaws.

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

8.8 Subordination of Assessment Lien to Mortgage

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

8.9 Exemption of Owner

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

8.10 Certificate of Payment

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

8.11 No Offset

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

8.12 Surplus Funds

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

8.13 Monthly Checks And Assessments

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

8.14 Reserve Fund

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

ARTICLE IX - INSURANCE

9.1 Scope of Coverage

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

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

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

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

iv. Worker's compensation insurance to the extent necessary to meet the requirements of the laws of Wyoming;

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

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

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

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

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

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

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

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

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

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

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

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

ix. Each coverage shall not be subject to set-off by the insurance carrier's board of directors, policyholders or members or permit claims for contribution or subrogation to be made against Owners or their Mortgagees.

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

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

9.2 Extent of Insurance

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

9.3 Insurance Obtained by Owners/Non-Liability of Association

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

9.4 Payment of Insurance Proceeds

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

9.5 Certificates of Insurance

An insurer that has issued an insurance policy pursuant to this Article of the Declaration shall issue certificates or memoranda of insurance to the Association and, at written request, to any Owner, mortgagee, or beneficiary under a deed of trust. The insurer issuing the policy shall not conditionally refuse to renew it until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association, each Owner, and each mortgagee or beneficiary under a deed of trust to whom a certificate or memorandum of insurance has been issued at their respective last known address.

ARTICLE X - EMINENT DOMAIN

10.1 Notice and Negotiations

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

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

10.2 Award Proceeds

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

ARTICLE XI - MANDATORY PROCEDURES

11.1 Consensus for Association Action

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

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

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

11.2 Alternative Method for Resolving Disputes

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

11.3 Claims

A. Unless specifically exempted below, the following claims between any of the Bound Parties, regardless of how the same might have arisen or on what it might be based shall be subject to the provisions of 11.4:

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

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

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

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

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

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

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

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

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

11.4 Mandatory Procedures

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

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

ii. The legal basis of the Claim;

iii. The proposed remedy; and

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

B. Harmonization and Mediation

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

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

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

C. Binding Arbitration

1. If a Claim is not resolved through informal negotiation or mediation described in Subsection B above, Claimant shall thereafter be entitled to initiate final, binding arbitration of the Claim under the auspices of the AAA in accordance with the AAA's Commercial or Construction Industry Arbitration Rules, as appropriate. Such claims shall not be decided by or in a court of law. Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction over such Claim. If the claimed amount exceeds \$700,000, the dispute shall be heard and determined by three arbitrators. Otherwise, unless mutually agreed to by the parties, there shall be one arbitrator. Arbitrators shall have expertise in the area(s) of dispute, which may include legal expertise if legal issues are involved.

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

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

11.5 Amendment of Article

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

ARTICLE XII - GENERAL PROVISIONS

12.1 Enforcement

The Association, or subject to limitations stated elsewhere in this Declaration, any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens or charges now or hereafter imposed by the provisions of the Townhouse Documents and Condominium Documents. Provided, however, that any Owner or Owners shall first, in writing, request the Board of Directors of the Association to enforce the particular right or restriction and shall allow thirty (30) days from the date of the written request for the Board to act. Should the Board fail to act after the thirty days has passed, the Owner or Owners may proceed subject to the Townhouse Documents and Condominium Documents. Failure by the Association or by any Owner to enforce any covenant or restriction contained in the Townhouse Documents and Condominium Documents shall be an event deemed a waiver of the right to do so thereafter.

11.2 Severability

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

11.3 Amendments

A. Except as expressly provided elsewhere in this Declaration, the terms hereof may be amended by the Association; provided, however, that except as provided elsewhere in this Declaration, any amendments made by the Association shall be approved by at least sixty-seven percent (67%) of the total votes held by Owners and shall be made only by an instrument in writing signed by the President and Secretary of the Association and recorded with the office of the County Clerk, Jackson, Teton County, Wyoming, within sixty (60) days after adoption of the amendment. During the Period of Declarant Control, any amendment or attempted revision hereof must be approved in writing by the Declarant.

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

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

11.4 Remedies Cumulative

Each remedy provided herein is cumulative and not exclusive.

11.5 Notice

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

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

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

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

11.6 Binding Effect

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

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

12.7 Gender

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

12.8 Topic Headings

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

12.9 Survival of Liability

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

12.10 Construction

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

12.11 Joint and Several Liability

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

12.12 Owners and Tenants

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

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

12.13 Attorneys' Fees

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

12.14 Number of Days

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

12.15 Declarant's Disclaimer of Representations

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

12.16 No Absolute Liability

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

12.17 Choice of Law, Venue, and Personal Jurisdiction

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

12.18 Limitation Upon Liability of Declarant and Management Firm

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

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

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

Declarant:

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

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

STATE OF WYOMING)
) ss.
COUNTY OF TETON)

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

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

SEAL

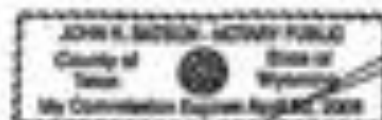


EXHIBIT A
COMMON AREA INTERESTS

Condominium Common Area Interest

Unit 1: 850/16970 = .25

Unit 2: 850/16970 = .25

Unit 3: 850/16970 = .25

Subtotal Condominium Common Area Interest = .75

Townhouse Common Interest

Townhouse 1: 2060/16970 = .1213

Townhouse 2: 2060/16970 = .1213

Townhouse 3: 2060/16970 = .1213

Townhouse 4: 2060/16970 = .1213

Townhouse 5: 2060/16970 = .1213

Townhouse 6: 2060/16970 = .1213

Townhouse 7: 2060/16970 = .1213

Subtotal Townhouse Common Area Interest = .85

2

RESULTS:

C. **Timber Valley Development Co., LLC** has obtained real property that is contiguous to the Property, and intends to erect said real property to the TVDC Townhomes and Condominiums Development as a second addition to the TVDC Townhomes and Condominiums Development, for the purpose of developing additional Townhomes as part of the greater TVDC Townhomes and Condominiums Development;

HOW THEREFORE, in consideration of the foregoing recitals, Titus Valley Development Co., LLC hereby exercises its rights under Article III of the First Declaration, and hereby subjects all of that additional real property, and all improvements to be located thereon, described in that plat entitled "TVDC Townhouses, Second Addition to the Town of Jackson" (hereinafter the "TVDC Townhouses Second Addition Plat"), recorded contemporaneously herewith in the Office of the Clerk of Travis County as Plat No. _____, to the terms, conditions and restrictions of the First Declaration, thereby asking the Owners of each Townhouse in said additional property Members of the Association and making each additional Owner's Townhouse and any Common Area or Common Elements associated therewith subject to the responsibility of the Association to provide services to all members of the Association, as more specifically provided in the First Declaration.

Upon recitation of this Second Addition Supplemental Declaration and the TVDC Townhomes Second Addition Plat, the additional Townhomes shall be incorporated into the TVDC Townhomes and Condominiums Development, and shall be subject to the First Declaration, as amended hereby, as if the same were originally described as part of the Townhomes in the First Declaration.

Upon resubmission of this Second Addition Supplemental Declaration and the TVDC Tyrethanes Second Addition Fiat, the Common Element Interest apportionment in each Unit and Townhome in the TVDC Tyrethanes and Condominium Development shall be as set forth in the revised Exhibit "A" which is appended to this Second Addition Supplemental Declaration.

(Source: 1998 Value Adjustment for
 Owners and Public
 Use. Based on the 1997-1998 Census at 11:00 on 10/01/98)
 County 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828

EXHIBIT A

**COMMON AREA INTERESTS FOR UNITS AND TOWN HOMES
IN THE TVDC TOWNHOMES AND CONDOMINIUMS DEVELOPMENT**

First Addition - Townhome Common Area Interest

Lot 1: 2060/16970 = .1214

Lot 2: 2060/16970 = .1214

Lot 4: 2060/16970 = .1214

Subtotal First Addition Townhome Common Area Interest = .3642

First Addition - Condominium Common Area Interest

Lot 3:

Unit 1: 850/16970 = .05

Unit 2: 850/16970 = .05

Unit 3: 850/16970 = .05

Subtotal First Addition Condominium Common Area Interest = .15

Second Addition - Townhome Common Area Interest

Lot 6: 2060/16970 = .1214

Lot 7: 2060/16970 = .1214

Lot 8: 2060/16970 = .1214

Lot 9: 2060/16970 = .1214

Subtotal Second Addition Townhome Common Area Interest = .4856

Total Common Area Interest = .9998

Capitalized terms not otherwise defined in this Second Addition Supplemental Declaration shall have the meanings specified for such terms in the First Declaration.

WITNESS my hand effective the day and year written above.

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

By: Scott Shepherd Manager
Scott Shepherd, Manager

STATE OF WYOMING)
) ss.
COUNTY OF TETON)

On this 26th day of SEPT, 2008, the foregoing instrument was acknowledged before me by Scott Shepherd, Manager of Teton Valley Development Co., LLC, under the authority and on behalf of said Company as its free act and deed.

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

(Seal)

My commission expires 4/24/12

Notary Public



5

**SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS &
RESTRICTIONS FOR TVDC CONDOMINIUMS, SECOND ADDITION TO THE
TOWN OF JACKSON
(Unit 1 Affordable Housing Restrictions)**

RELEASED	
INDEXED	
ABSTRACTED	
SCANNED	

KNOW ALL MEN BY THESE PRESENTS that Scarlet Ridge Development Company, LLC (hereinafter "Declarant"), as assignee of the development rights of Teton Valley Development Co., LLC pursuant to that certain Assignment of Grantor/Declarant's Rights recorded in the Office of the Teton County, Wyoming Clerk, and as owner of Unit 1 of TVDC Condominiums, Second Addition to the Town of Jackson, Wyoming as shown on Plat No. _____, recorded in the Office of the Clerk of Teton County, Wyoming concurrently herewith, adopts these Supplemental Declaration of Covenants, Conditions & Restrictions for TVDC Condominiums, Second Addition to the Town of Jackson - Affordable Housing Restrictions (the "Supplemental Restrictions") and hereby declares that said Unit 1 of the TVDC Condominiums, Second Addition to the Town of Jackson shall be held, sold, leased, and conveyed subject to the following restrictions, covenants, and conditions affecting all dwellings, appurtenances, and improvements, associated with the condominium property described (hereinafter referred to individually as a "Unit") and shall be in addition to all other covenants, conditions or restrictions of record affecting such Unit, and shall be enforceable by the TETON COUNTY HOUSING AUTHORITY, a duly constituted Housing Authority established by Teton County, Wyoming pursuant to W. S. §15-10-116, as amended, (hereinafter referred to as "TCHHA"), and the TOWN OF JACKSON, WYOMING (herein referred to as "TOJ").

RECITALS:

WHEREAS, Declarant as a condition of its Development Approval for TVDC Condominiums Second Addition development (Development Application No. PD7-023 1P65-140) by the Jackson Town Council agreed to provide for or make available, affordable housing units in furtherance of the Town's goal of making the purchase of a Unit or residential housing unit realistically attainable by full time working middle income residents in the County who will occupy the dwelling as their primary residence and not for unauthorized rental or speculation; and

WHEREAS, Declarant in furtherance of the goals, objectives and requirements of the Development Approval agreed to restrict the initial and subsequent purchase and transfer of each affordable Unit to "Qualified Buyers" as that term is defined in these Supplemental Restrictions, who fall within employment, asset and income guidelines as maintained by the TCHHA from time to time; and

WHEREAS, "Qualified Buyers" are natural persons meeting the income, asset and all other qualifications as set forth herein at the time of the closing of the sale from Declarant to the Qualified Buyer, and who agree pursuant to these Supplemental Restrictions to occupy the Unit as their primary place of residence, not to purchase the Unit for speculation or engage in any unpermitted business activity on the Unit, or to rent the dwellings in violation hereof, and to otherwise comply with the terms and conditions of these Supplemental Restrictions; and

WHEREAS, an "Owner" is a person or persons who is/are a Qualified Buyer who acquires an ownership interest in a Unit in compliance with the terms and provisions of these Supplemental Restrictions; it being understood that such person or persons shall be deemed an "Owner" hereunder only during the period of this Declaration, or their ownership interest in the Unit and shall be obligated hereunder for the full and complete performance and observance of all covenants, conditions and restrictions contained herein during such period.

NOW, THEREFORE, Declarant, in consideration of the approval of such Development Application, covenants and agrees for itself and each and every person acquiring ownership of each such Unit, that each Unit shall be held, used, occupied, transferred and conveyed subject to the following special covenants, conditions and deed restrictions;

1. **Purchase By Qualified Buyers Only.** The purchase of each Unit shall be limited to natural persons who meet the following definition of "Qualified Buyers" at the time of

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COUNTY: TETON
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FILED AT: 11/15/24 10:45 AM
BY: JESSICA R. HARRIS, Deputy Clerk

the sale. In the event there is more than one Qualified Buyer, preference shall be given as described in the Teton County Housing Authority's Guidelines:

a. **County Employment Requirement.** The Qualified Buyer must be currently employed in Teton County on substantially a full-time basis. For the purposes of this paragraph, "substantial full-time" means employment for at least 10 months each year, and for a minimum of 30 hours each week so employed; and

b. **Sole Residence Requirement.** The buyer may not own any interest in residential property. At the time of purchase, buyer must demonstrate to the satisfaction of the TCHA that any other owned residential property has been sold or that such property is listed for sale at or below the demonstrated market value and is being actively marketed. The Owner shall further provide notice to TCHA of the sale of the former owned residential property immediately following the closing of the sale, which notice shall include the name, address and telephone number of the buyers and the date of the sale. TCHA shall require an affidavit confirming this commitment as an eligibility condition in writing prior to closing.

c. **Income Eligibility Requirement for Affordable Unit:**

i. **Category II:** The Qualified Buyer, and all such other persons comprising the household buying or occupying Unit 1, shall have a combined gross income no greater than 100% of the "Area Median Income" for a family the size of said household, as published by the US Department of Housing and Urban Development (HUD). The Area Median Income shall be adjusted each year in an amount determined by TCHA, based upon published changes in the Teton County Area Median Income as prepared by HUD.

d. **Household Asset Limitation for Affordable Units:** The Qualified Buyer, and such other persons comprising the household buying or occupying the Unit, shall have combined net assets having a fair market value no greater than the maximum value as outlined in the TCHA Guidelines in effect at the time the Qualified Buyer submits his/her application through the time the Qualified Buyer closes on the Unit and thereby becomes an Owner of the Unit. "Net assets" are defined as total assets minus liabilities.

e. The Executive Director of the TCHA shall be the sole judge of whether a person qualifies as a Qualified Buyer. Such determination shall be based upon such written applications, representations, information and verification as are deemed by the Executive Director to be reasonably necessary under the circumstances to establish and substantiate legitimate eligibility. In the absence of fraud or misrepresentation, the written statement of qualification as a Qualified Buyer, signed by such Executive Director, shall be conclusive evidence of a person being a Qualified Buyer for purposes of these Supplemental Restrictions. No prospective buyer or other party shall have the right to sue or bring other legal process against Declarant, Town of Jackson, TCHA or any person affiliated with any of them arising out of this instrument, and neither the Declarant, Town of Jackson, or TCHA shall have any liability whatsoever to any person aggrieved by the decision of the Executive Director regarding qualification of a prospective purchaser or any other matter relating to this agreement.

f. The restrictions recited in paragraphs 1.c and 1.d above apply only to a Qualified Buyer's acquisition of the Unit. Once a buyer qualifies as a Qualified Buyer, closes on the Unit and thereby becomes an Owner, any changes in the said Owner's employment, income or net assets shall have no force or effect upon the Owner's continued ownership of such Unit.

2. **Owner Restriction On Use of Property.** An owner of the Unit ("Owner"), in connection with the use of the Unit, shall:

a. Occupy the dwelling on the Unit as his or her sole residence at least 10 months out of each year, except in cases of illness, short-term leaves of absence (less than one-year) for education or training purposes, or other exigent circumstances with the advance written approval of, and according to conditions as specified by, the TCHA;

b. Not engage in any business activity in such dwelling, other than any home occupation use permitted in that zoning district and subject to the issuance of the necessary

permits as described in the Declaration of Covenants, Conditions and Restrictions affecting the Unit;

c. Not permit any adult guests over the age of 18 for periods in excess of 30 days at a time.

d. Not rent any dwelling, garage, any portion of the Unit, or any room within said dwelling, without the prior written approval of the TCHRA, nor permit any use or occupancy of such dwelling except in compliance with these Supplemental Restrictions;

e. If any person other than the Owner, his/her spouse and/or children or other legal dependants occupies the Unit for more than 30 days without concurrent occupancy by the Owner, such occupancy shall be considered a violation of the terms of these Supplemental Restrictions unless and until the Owner provides the necessary authoritative information required by TCHRA and affirmatively establishes to the satisfaction of the TCHRA that there is no violation of these Supplemental Restrictions; and

f. Occupy the dwelling in full compliance with the Declaration of Covenants, Conditions and Restrictions affecting this property and any other Rules and Regulations of the HOA as adopted from time to time.

In the event an Owner changes domicile or ceases to utilize the Unit in accordance with Section 2, above, the Unit will be offered for sale pursuant to the provisions of Section 3 for Non-qualified Transferee.

3. **Resale Limitations.** So long as the restrictions, contained herein remain in effect, no Unit may be sold or otherwise transferred to anyone who is not a Qualified Buyer at the time of sale or transfer; provided that, in the case of the death of an Owner, such Owner's interest may be passed, by right of survivorship, descent or distribution under a will, to the co-Owner, heirs, successors, devisees or beneficiaries of such deceased Owner, subject to the ongoing effectiveness of the provisions of these Supplemental Restrictions.

Any purported sale, transfer, or other disposition to any person or entity in contravention of these Supplemental Restrictions shall be null and void, shall confer no title whatsoever upon the transferee and shall be grounds for the TCHRA to exercise its purchase rights as contained herein.

In the event that title to the Unit vests upon the death of an Owner to individuals and/or entities who are not Qualified Buyers or Owners as that term is defined herein (hereinafter a "Non-qualified Transferee"), the Unit shall immediately be listed for sale as provided by these Supplemental Restrictions and the TCHRA Guidelines. In this case, the highest bid received by a Qualified Buyer, for not less than 95% of the Maximum Resale Price shall be accepted. Should all bids by Qualified Buyers fall below the 95% of the Maximum Resale Price, the Unit shall continue to be listed for sale until a bid is received in accordance with this Section and the TCHRA Guidelines or until such time as the Owners accept a lower bid;

A Non-qualified Transferee shall join in any sale, conveyance or transfer of the Unit to a Qualified Buyer and shall execute any and all documents necessary to do so; and

a. A Non-qualified Transferee shall specifically agree not to:

i. Occupy the Unit;

ii. Rent all or any part of the Unit, except in strict compliance with TCHRA advance written approval and conditions;

iii. Engage in any business activity in the Unit; or

iv. Sell or otherwise transfer the Unit except in accordance with these Special Supplemental Restrictions and TCHRA Guidelines.

b. The TCHRA or its assigns shall have the irrevocable right and first option to purchase the Unit, exercisable within a period of 15 business days following its determination

that the hair, devices, joint tenant, etc., is not a Qualified Buyer in compliance with these provisions for maximum resale price calculation.

c. The TCHA or its assigns may require the Owner to rent the Unit during the course of the sales and bidding process according to conditions as it would determine appropriate.

4. **Sale By Owner.** Upon written notice by Owner to TCHA of the Owner's intent to sell, TCHA will timely inspect the home to examine its condition and the improvements thereon for purposes of determining the Maximum Resale Price as defined below. Upon agreement by TCHA and Owner on the calculated Maximum Resale Price, as described below, Owner shall execute a standard listing contract with TCHA providing for a 270 day listing period, or such other time period as required by TCHA under its currently adopted Policies and Procedures for Affordable Housing Resales. The TCHA shall promptly advertise the Unit for sale at the price stated in the listing contract to Qualified Buyers. The TCHA may offer to sell the property by competitive bid if necessary and according to its adopted Policies and Procedures. In its discretion, the TCHA may also list the property with a licensed real estate agent or broker in order to accomplish a timely sale for Owner. In the event that one qualified offer is received equal to the listing price, the Unit and improvements shall be sold to such person making the offer, at that price. In the event TCHA receives applications from two or more Qualified Buyers whose offers are equal to the listing price, the buyer shall be selected according to the priorities as set forth in the TCHA Affordable Guidelines and its Policies and Procedures. This may include a lottery process. Selected Qualified Buyers shall be provided with a certification and opportunity for site visit according to the TCHA's adopted Guidelines and/or adopted policies and procedures. The sales contract shall provide for a maximum of a \$1,000 earnest money payment, to be refundable if the Qualified Buyer cannot obtain financing according to the contract terms, equally shared closing costs to Buyer and Owner, Owner's required title insurance in the amount of the purchase price at Owner's expense, a 15 day Buyer's inspection period, and a 30 day closing period. Should Owner elect not to sell for any reason, Owner shall pay all fees associated with TCHA's costs for advertising, agent contract, legal expenses if any, and/or other costs associated with selection of applicants. The Owner shall pay, upon closing, a fee to the TCHA in an amount equal to 2% of the maximum resale price for its facilitation services. Qualified Buyers shall be required to execute an acknowledgment of deed restrictions at the time of sale on a form to be provided by TCHA.

5. **Maximum Resale Price.** On or prior to the date of initial sale, the TCHA and/or the original developer caused improvements to be made by the construction of a single family residence thereon, with the result that no additional improvements are required in order for the Unit to be used for its intended purpose as a single family residence. Accordingly, to further the TCHA's goal of providing permanently affordable housing in Trion County, the Unit, together with all improvements currently existing thereon and as may be made thereto in the future, may not be sold for an amount in excess of the "Maximum Resale Price" calculated in accordance with the requirements of this Section 5. Maximum Resale Price shall be determined by first calculating a "Base Amount" and then applying certain adjustments thereto, all as described in this Section 5. The Base Amount shall be calculated in accordance with the following formula:

BASE AMOUNT	=	Owner's Original Purchase Price	+	2.5 % adjustment compounded annually for each full year of ownership.
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The final Maximum Resale Price shall be determined by applying, to the extent applicable, the following adjustments to the Base Amount without compounding:

a. **Capital Improvements.** The Base Amount may be increased by an amount of up to 10% of the Owner's original purchase price to reflect permitted capital improvements made by the Owner to the Unit. For purposes of this calculation, permitted capital improvements shall include only those proposed capital improvements by the Owner that: Have been described in a writing and submitted to TCHA; have been approved by TCHA in writing prior to the Owner's initiation of such improvements; and that have also been documented by the Owner by the submission of certain written information to TCHA following completion of the capital improvements as described below. The Owner's written proposal shall also provide an estimate

of the costs associated with expenses and labor, copies of the proposed improvement drawings as appropriate, and an estimated schedule. Promptly following completion of the capital improvements, the Owner shall provide TCHA with the following information:

i. Original or duplicate receipts which identify the actual costs expended by the Owner, the party to whom paid and the date of payment;

ii. Owner's affidavit verifying that the receipts are valid and correct receipts rendered at the time of purchase; and

iii. True and correct copies of final building permits and certificate(s) of occupancy/inspection required to be issued by the Town of Jackson Building and Planning Department and/or subdivision architectural committee with respect to such capital improvements.

Owner's failure to provide TCHA with the above-described information within three (3) months after the completion of the capital improvements shall, without exception or possibility of waiver, act to automatically and unconditionally disqualify any related costs as adjustments for purposes of calculating the Maximum Resale Price.

Capital improvements shall be evaluated by TCHA's Executive Director under the Affordable housing program intent that only those items to be considered useful by a majority of low-income households for habitable space and as a non-luxury improvement (rather than maintenance or repair expenses) shall be eligible. Owners are discouraged from over improving the residence rather than building a maintenance reserve, paying off the outstanding debt, and building equity in their investment. Capital improvements pre-authorized by the Executive Director may include a depreciation factor based on the estimated useful life of the improvement but not to exceed a ten (10) year period. In no case will decks, landscaping, sprinkler systems, hot tubs, new appliances, tile, carpeting, or wood or faux wood flooring be eligible. All improvements which have been affixed to the property either by planting, nailing, screwing, caulking or other significant attachment shall remain permanently with the property for the remainder of its life and shall not be removed on sale.

b. Government Required Improvements. The Base Amount may be increased to reflect the actual cost of capital improvements made to the Lot as a result of any requirement imposed by any governmental agency; provided, that no such adjustment shall be allowed unless Owner provides TCHA with the information identified in items 5(a)(i) to 5(a)(iii), above, along with written documentation evidencing the applicable governmental requirement necessitating the improvement.

c. Actual Expense and Street Equity. In calculating adjustments made to the Base Amount to reflect improvements made to the Unit in accordance with this Section 5, only the Owner's actual out-of-pocket costs and expenses paid to unrelated third parties shall be eligible for inclusion, and no amounts shall be included to reflect the input of the Owner's time and labor unless the amount of such time and labor, and a dollar amount to be assigned thereto, has been approved in advance by TCHA in its sole and absolute discretion, which approval may be withheld for any or no reason.

d. Assumption of Owner's Costs. To ensure that the sale price of the Unit is limited to the Maximum Resale Price, no purchaser of the Unit shall assume any obligation of the Owner existing at the time of the sale of the Unit, nor shall such purchaser pay to the Owner any other form of consideration in connection with the sale of the Unit. Prior to any sale of the Unit, and as a condition precedent to such sale, the Owner and the proposed purchaser of the Unit shall each provide TCHA with a certificate, signed under penalty of perjury, stating that the purchase price of the Unit does not exceed the Maximum Resale Price and that the Owner has not and will not receive from the purchaser any other consideration in connection with the sale of the Unit.

Given the unique nature of Teton County, the value of real property located in the County has historically appreciated at a rate that greatly exceeds the rate of increase experienced regionally and nationally and at a rate that is generally unrelated to economic activity in the County. In light of such appreciation trend, which is expected to continue indefinitely, the value of the Unit

is also expected to appreciate dramatically, regardless of the condition of the Unit and the improvements thereon, and even if such condition is allowed to deteriorate to a state which makes the improvements on the Unit uninhabitable. To prevent an unintended windfall, Owner shall not be entitled to the full amount of the Maximum Resale Price to the extent the Owner does not maintain the Unit and the improvements thereon or adequately contribute to a homeowners' association capital maintenance reserve account. Accordingly, based on its inspection, TCHA shall reduce the Maximum Resale Price by the amount, determined by TCHA in its sole and absolute discretion, that would be required to restore the Unit and its improvements to a properly-maintained state or provide for the necessary capital reserve budget; provided that the Maximum Resale Price may not be reduced to an amount below the Owner's original purchase price.

6. Default. The following shall be considered a default by the Owner, namely:

a. A violation of these Supplemental Restrictions including TCHA's adopted Guidelines;

b. A violation of the Declaration of Covenants & Conditions; and

c. Default in payment or other obligations due or to be performed under a promissory note secured by a qualified mortgage encumbering the Unit; materialman's lien, or other liens for non-payment of debt recorded against the Property.

d. In the event that the TCHA and/or the TOJ has reasonable cause to believe the Owner is violating or has violated the provisions of these Supplemental Restrictions, or failed to make payment as set forth above, the TCHA, by its authorized representative, may inspect the Unit, at any time, after providing the Owner with adequate notice.

7. Violation And Hearing.

a. In the event that the TCHA or the TOJ deems the Owner to have violated any of the requirements in Section 6.a thru 6.e above, the TCHA shall send a notice of violation to the Owner detailing the nature of the violation and allowing the Owner 15 days to cure such violation as well as provide any information required by the TCHA, or to request a hearing within the 15 day period in the event owner has not cured the default. In the event that the Owner timely requests a hearing, the Commissioners of the TCHA shall hear and decide the matter as a contested case under the Wyoming Administrative Procedures Act to determine the merits of the allegations. The TCHA Commissioners, or a hearing officer appointed by the Commissioners, shall conduct the hearing. In cases where the Commissioners conduct the contested case hearing, they shall do so within 30 days of the request. In cases where a hearing officer conducts the hearing, the hearing officer shall do so within a reasonable time. The decision of the TCHA based on the record of such hearing shall be final for the purpose of determining if a violation has occurred. If the Owner does not timely request a hearing and the violation is not cured within the 15 day period, the Owner shall be considered in violation of these Supplemental Restrictions.

b. Owner must notify the TCHA, in writing, of any notification received from a lender, lien holder, or their assigns, of past due payments or default in payment or other obligations due or to be performed under a promissory note or other debt, described herein, within 5 calendar days of Owners notification of said default or past due payments. Upon notification from Owner, or other notice of such default, TCHA may offer loan counseling or distressed loan services to Owner, if any of these services are available. Additionally, the TCHA may require Owner to sell the Property, if Owner will not be financially able to timely perform the obligations required under any agreements or contracts and these Supplemental Restrictions. In the event that TCHA determines that the sale of the Property is necessary, Owner shall immediately execute a standard sale and purchase contract with TCHA or its assigns. After the payment of all mortgages, unpaid taxes, assessments, claims and liens on the Unit and the payment of the usual closing costs, the net proceeds shall be paid to Owner. In all sales events, the Unit shall remain subject to these Supplemental Restrictions. The costs of any sale shall be assessed against the proceeds of the sale with the balance being paid to the Owner.

8. **Alternate Remedies.** Nothing in the preceding paragraph shall preclude the TCHA, its successor or assigns, from pursuing an alternate legal or equitable remedy against the Owner for any alleged violation of these Supplemental Restrictions.

9. **Limitation on Listed Purchase Price In Event of Default Or Fraud.** In the event of an uncured breach of any of these Supplemental Restrictions by the Owner, the Owner's heirs, successors or assigns, the TCHA, effective upon the beginning date of any such breach and until such breach is cured, shall not add to the "base amount" the 2.5 percentage compounded annually for each full year of ownership as set forth in Section 5 pertaining to Maximum Resale Price.

10. **Option To Purchase In The Event Of Fraud, Misrepresentation, Or Uncured Violation Of Supplemental Restrictions.** In addition to any other remedies under law or the terms of this instrument, in the event of fraud or misrepresentation whereby the purchaser of a Unit is not a Qualified Buyer, or in the event of any other uncured breach of the terms of these Supplemental Restrictions, TCHA or its assignee shall have the option to purchase the Unit. In the case of fraud or misrepresentation whereby the purchaser of a Unit is not a Qualified Buyer, TCHA or its assignee shall have the option to purchase the Unit at a price equal to the greater of 90% of the appraised deed restricted value of the Unit as determined by a licensed appraiser engaged by TCHA or the full amount owed on a Qualified Mortgage encumbering the Unit. In all other cases, TCHA or its assignee shall have the option to purchase the Unit at a price equal to the greater of the full amount owed on a qualified mortgage encumbering the Unit, or the appraised deed-restricted value of the house. In either event, such price shall be payable to Owner in cash, to the extent the purchase price exceeds the amount of Owner's mortgage if it is assumed or fully paid and satisfied, less any costs or attorneys fees to which TCHA is entitled as the result of such breach.

a. **Notice.** If TCHA shall elect to exercise the purchase option set forth herein it shall: notify Owner of its election to purchase, and exercise (or assign this option and have its assignee exercise such rights) the foregoing option to purchase not less than 30 days nor more than 180 days from the date of said notice.

b. **Request for Contested Case Hearing.** Not later than 15 days after the date of TCHA's notice to the Owner of its election to so purchase, the Owner may request a contested case hearing under the Wyoming Administrative Procedures on the issue of the TCHA's right to exercise its option to purchase under this Section 10. In such event, the request shall stay TCHA's exercise of its option to purchase pending resolution of the contested case. The TCHA Commissioner, or a hearing officer appointed by the Commissioner, shall conduct the hearing.

c. **TCHA As Attorney-In-Fact.** In the event TCHA exercises its option to purchase as set forth above, Owner hereby irrevocably appoints TCHA its attorney-in-fact to effect such sale on Owner's behalf and to execute any and all deeds of conveyance or other instruments necessary to fully effect such sale and conveyance.

d. **Cost of Sale.** The costs of such sale shall be taxed against the proceeds of the sale.

11. **Notices.** Any notice, consent or approval which is required to be given hereunder to the Owner shall be given by mailing the same, certified mail, return receipt requested, properly addressed and with postage fully prepaid to the Owner's mailing address with the Teton County Assessor. Any notice which is required to be given hereunder by the Owner to the TCHA shall be given by mailing the same, certified mail, return receipt requested, properly addressed and with postage fully prepaid to the TCHA, P.O. Box 714, Jackson, WY 83001. Alternatively, either party may hand deliver the notice, consent or approval to the other party, but shall be required to obtain a signed receipt evidencing the hand delivery. Failure of either party to pick up and/or sign for a certified mailing does not constitute failure to provide notice provided it was properly addressed and evidence of that mailing is retained. In the event of mailing, notice shall be deemed given when deposited in the U.S. Mail.

12. **Restriction As Covenant.** These Supplemental Restrictions shall constitute covenants running with the real property, described above, as a burden thereon, and shall be

binding on all parties having any right, title, or interest in the described properties or any part thereof (except the Declarant during its holding period prior to sales to individual Owners), their heirs, successors and assigns, and shall inure to the benefit of and shall be enforceable by the TCHA, and/or the Town of Jackson, and their respective successors.

13. **Removal Of Supplemental Restrictions Upon Unperfected Foreclosure By Qualified Mortgage.** Notwithstanding anything herein contained to the contrary, the Supplemental Restrictions contained herein shall lapse and become void and of no force or effect upon issuance of a Sheriff's Deed to any purchaser other than the Owner or a person affiliated with the Owner, after the running of the statutory redemption period, resulting from the foreclosure of a Qualified Mortgage encumbering the Unit by a Qualified Mortgage; provided that the said Qualified Mortgage has given TCHA written copies of all notices of intent to foreclose and all other notices related to the foreclosure contemporaneously with its service of such notices upon the Owner. Each qualified mortgage or loan agreement shall provide that in the event of default TCHA or its assigns shall have the right to acquire the loan from the lender by paying the balance due together with accrued interest and costs and TCHA shall thereafter have the right to foreclose upon the property in accordance with the mortgage and other loan documents.

Nothing herein shall limit or restrict Owner's right of statutory redemption, in which event these restrictions shall remain in effect. In addition, in the event of foreclosure of a Qualified Mortgage by a Qualified Mortgagee, TCHA or their designee may purchase the Unit at the foreclosure sale. In such event, the Unit shall remain subject to these Supplemental Restrictions.

If Owner receives any notice of default, as the result of any event of default under the Qualified Mortgage, whereby the Qualified Mortgagee has commenced any proceedings to foreclose said Mortgage, then Owner shall, immediately, notify TCHA and provide it with a copy of any such notice and, by the terms of this instrument, Owner hereby authorizes the Qualified Mortgagee to provide TCHA full and complete information relating to such default.

14. **Definition Of And Requirements For A Qualifying Mortgage.** All mortgages with security against the deed-restricted property shall be "Qualifying Mortgage". A "Qualifying Mortgage" shall be defined as:

a. Is an encumbrance on the Unit given solely for the purpose of purchasing the Unit, or for the purpose of financing authorized improvements or repairs to a dwelling upon the Unit, or refinancing a mortgage previously given for such purpose;

b. The principal amount of the obligation(s) secured does not exceed the appraised deed restricted value of the Unit and any authorized improvements to the Unit;

c. Runs in favor of either:

i. A so-called "institutional lender" such as, but not limited to, a federal, state, or local housing finance agency, a bank (including savings and loan association or insured credit union), an insurance company, or any combination of the foregoing, the policies and procedures of which institutional lender are subject to direct governmental supervision or

ii. A "community loan fund", or similar non-profit lender to housing projects for income-eligible persons (e.g. is not given to or acquired by any individual person) or

iii. A non-affiliated, legitimate, "finance company". In no event may it be an individual or any company that is affiliated with or has any affiliation with the Owner or any family member of the Owner.

No second mortgages shall encumber the property without advance approval by TCHA or its successors. Assumption of costs or loans shall not be permitted.

15. **Attorney's Fees.** In the event TCHA or Town County resorts to litigation, either within the context of a contested case or in a court of competent jurisdiction, with respect to the enforcement or defense of any provision of these Supplemental Restrictions, the substantially

prevailing party shall be entitled to recover damages and costs from the Owner, including reasonable attorney's fees.

16. **Choice of Law.** These Supplemental Restrictions and each and every related document, including the Covenants, Conditions and Restrictions, are to be governed by and construed in accordance with the laws of the state of Wyoming.

17. **Severability.** Each provision of these and any other related document shall be interpreted in such a manner as to be valid under applicable law; but, if any provision of any of the foregoing shall be invalid or prohibited under said applicable law, such provisions shall be ineffective to the extent of such invalidity or prohibition without invalidating the remaining provisions of such document.

18. **Section Headings.** Paragraph or section headings within these Supplemental Restrictions are inserted solely for convenience or reference, and are not intended to, and shall not govern, limit or aid in the construction of any terms or provisions contained herein.

19. **Termination of Deed Restrictions.** These Supplemental Restrictions may only be terminated by a judicial determination in a court of competent jurisdiction, following the adoption of findings of fact by both the Town of Jackson and Teton County, that the original intent and purpose as set forth in the recitals herein can no longer be accomplished with these Supplemental Restrictions and that they should therefore be terminated.

20. **Waiver.** No claim of waiver, consent or acquiescence with respect to any provision of these Supplemental Restrictions shall be valid against any party hereto except on the basis of a written instrument executed by the parties to these Supplemental Restrictions. However, the party for whose benefit a condition is inserted herein shall have the unilateral right to waive such condition.

21. **Modifications.** The parties to these Supplemental Restrictions agree that any modifications of these Supplemental Restrictions shall be effective only when made by writings signed by TCHA and approved by the Town of Jackson, or the applicable successor Owners and TCHA and approved by the Town of Jackson and recorded with the Clerk of Teton County, Wyoming. Notwithstanding the foregoing, the TCHA reserves the right to amend these Supplemental Restrictions unilaterally where deemed necessary to effectuate the purpose and intent of these Supplemental Restrictions, and where such unilateral action does not materially impair the Owner or Lender's rights.

IN WITNESS WHEREOF, the Declarant has executed this instrument on the 18 day of July, 2007.

Declarant:

Scarlet Ridge Development Co., LLC,
A Wyoming Limited Liability Company

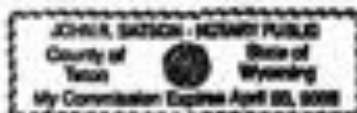
By: SM Shepherd Pres. M/M
Scott M. Shepherd, President of Teton
Shadows Inc., its Managing Member

STATE OF WYOMING)
) ss.
COUNTY OF TETON)

On this 18th day of July, 2007, before me personally appeared Scott M. Shepherd, to me personally known, who, being by me duly sworn, did say that he is the President of Teton Shadows Inc., which corporation is the Managing Member of Scarlet Ridge Development Co., LLC, and that said instrument was signed on behalf of said Scarlet Ridge Development Co., LLC as the free act and deed of said limited liability company.

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

SEAL



A handwritten signature in black ink, appearing to read "John R. Skitsen", written over a horizontal line.

TCHA Acknowledgment & Acceptance:

A handwritten signature in black ink, appearing to read "Christine Wilson", written over a horizontal line.

Christine Wilson, Executive Director

PDN: TM000

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

SEAL

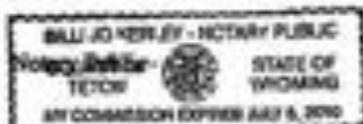
Teton County Housing Authority
Acknowledgment & Acceptance:


Christine Walker, Executive Director

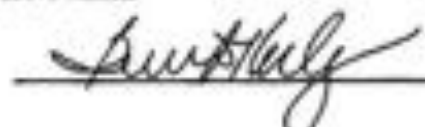
STATE OF WYOMING)
)
COUNTY OF TETON)

The foregoing instrument was acknowledged before me by Christine Walker, Executive Director of Teton County Housing Authority this 25 day of March, 2007

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



PDN: TMP000



**DECLARATION OF CONDOMINIUM
AND
SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR THE FOR TVDC CONDOMINIUMS & TOWN HOMES
ADDITIONS TO THE TOWN OF JACKSON
[CONDOMINIUMS SECOND ADDITION]**

This Declaration of Condominium and Supplemental Declaration of Covenants, Conditions and Restrictions for TVDC Condominiums & Town Homes - Condominiums Second Addition to the Town of Jackson is made and executed effective the day of signature affixed hereto by Scarlet Ridge Development Company, LLC as assignee of the development rights of Teton Valley Development Co., LLC pursuant to that certain Assignment of Grantor/Declarant's Rights recorded in the Office of the Teton County, Wyoming Clerk.

RECITALS

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

Lot 14 ("Lot 14") shown on Plat No. _____, entitled "TVDC CONDOMINIUMS, SECOND ADDITION to the Town of Jackson," filed of record concurrently with this Declaration in the office of the Teton County, Wyoming Clerk (hereinafter the "Second Condominium Addition Plat").

B. Scarlet Ridge Development Company, LLC is the assignee of Teton Valley Development Co., LLC, which was the owner of land who recorded that certain plat entitled "TVDC TOWNHOMES, FIRST ADDITION to the Town of Jackson," filed of record as Plat 1147 on May 25, 2005 in the office of the Teton County, Wyoming Clerk, and which was the owner who recorded that certain plat entitled TVDC CONDOMINIUMS, FIRST ADDITION to the Town of Jackson," filed of record as Plat 1148 on May 25, 2005 in the office of the Teton County, Wyoming Clerk. The real property identified on the aforesaid Plats, and all lands annexed thereto since that time, is hereinafter referred to collectively as "the Property."

C. Scarlet Ridge Development Company, LLC is the assignee of Teton Valley Development Co., LLC, which was the named "Declarant" in that certain Declaration of Covenants, Conditions and Restrictions for TVDC Condominiums and Town Homes, First Addition to the Town of Jackson, filed of record in the Office of the County Clerk, Teton County, Wyoming, on May 25, 2005 as Document No. 0650582, Book of Plats 589, pages 905 through 942 (hereinafter the "First Declaration"), that certain Declaration of Condominium for TVDC Condominiums, First Addition to the Town of Jackson, filed of record in the Office of the County Clerk, Teton County, Wyoming, on May 25, 2005 as Document No. 0650583, Book of Plats 589, pages 943 through 946 (hereinafter the "First Addition Declaration of Condominium") and that certain Supplemental Declaration of Covenants, Conditions and Restrictions for TVDC Condominiums First Addition to the Town of Jackson, filed of record in the Office of the County Clerk, Teton County, Wyoming May 25, 2005 as Document No. 0650584, Book of Plats 589, pages 947 through 959 (hereinafter the "First Condominium Affordable Housing Restrictions").

D. Pursuant to Article III of the First Declaration, the Declarant therein, Teton Valley Development Co., LLC, reserved the right to annex additional land contiguous to the Property within ten (10) years of the date of recording the First Declaration, for the purpose of developing additional Condominium Units and Town Homes in additional buildings as part of the larger TVDC Town Homes and Condominiums Development.

E. Teton Valley Development Company, LLC, as the "Declarant" in the above-referenced filings, subsequently obtained real property that is contiguous to the Property, and annexed said real property to the TVDC Town Homes and Condominiums Development as the

Second Addition to the TVDC Town Homes and Condominiums Development, which subdivision is memorialized in that certain plat entitled "TVDC TOWNHOMES, SECOND ADDITION to the Town of Jackson" (hereafter the "Town Home Second Addition Plat"), filed of record as Plat 1166 on October 6, 2005 in the office of the Teton County, Wyoming Clerk, and further memorialized by that certain Supplemental Declaration of Covenants, Conditions and Restrictions for the TVDC Condominiums and Town Homes, Second Addition (hereafter the "Town Home Second Addition Supplemental Declaration") filed of record on October 6, 2005 as Document No. 0661097 at Book 604, pages 1012 - 1034 in the office of the Teton County, Wyoming Clerk.

F. Scarlet Ridge Development Company, LLC, as assignee of the development rights of Teton Valley Development Co., LLC, subsequently annexed additional real property to the TVDC Town Homes and Condominiums Development as the Third Town Home Addition to the TVDC Town Homes and Condominiums Development, which subdivision is memorialized in that certain plat entitled "TVDC TOWNHOMES, THIRD ADDITION to the Town of Jackson" (hereafter the "Town Home Third Addition Plat"), filed of record as Plat 1192 on March 6, 2007 in the office of the Teton County, Wyoming Clerk, and further memorialized by that certain Supplemental Declaration of Covenants, Conditions and Restrictions for the TVDC Condominiums and Town Homes, Town Home Third Addition (hereafter the "Town Home Third Addition Supplemental Declaration") filed of record on March 6, 2007 at Book 655, pages 435 - 437 in the office of the Teton County, Wyoming Clerk.

G. As noted in the Town Home Third Addition Plat, Lot 14 of the Third Addition to the TVDC Town Homes and Condominiums is subject to further subdivision for the purpose of creating additional Condominium Units.

H. Scarlet Ridge Development Company, LLC (hereafter in this instrument called "the Declarant"), as assignee of the development rights of Teton Valley Development Co., LLC, intends by this Declaration to create said additional Condominium Units on said Lot 14 as the next addition to the larger TVDC Town Homes and Condominiums Development, and to establish certain Covenants, Conditions and Restrictions for such additional Condominium Units, and to further declare that Unit 1 of said additional Condominium Units shall be further restricted for purposes of affordable housing as required by the Town of Jackson, Wyoming; said affordable housing restrictions being memorialized in a separate document entitled "Supplemental Declaration of Covenants, Conditions & Restrictions for TVDC Condominiums, Second Addition to the Town of Jackson - Affordable Housing Restrictions", filed of record concurrently herewith.

ARTICLE I - CREATION AND DECLARATION OF CONDOMINIUM

1.1 Creation

The Declarant hereby creates and dedicates Units 1, 2 and 3 shown on the Second Condominium Addition Plat, and as hereinafter described to condominium ownership pursuant to the Wyoming Condominium Ownership Act, W.S. §§ 34-20-101 et seq., as the same may be amended from time to time. This instrument is executed by the Declarant, as the owner of all condominium units of record, according to the land records of the Clerk of Teton County, Wyoming on the date of recording of same.

1.2 Applicable Law & Declaration of Covenants, Conditions, and Restrictions

The provisions of the Condominium Act and Wyoming law shall apply to the condominium created by this Declaration, its organization, the rights of Declarant, and management, unless a contrary provision is specified in this Declaration of Condominium or the following documents filed of record in the Office of the Teton County, Wyoming Clerk:

I. Declaration of Covenants, Conditions and Restrictions for TVDC Condominiums and Town Homes, First Addition to the Town of Jackson, filed of record in the Office of the County Clerk, Teton County, Wyoming, on May 25, 2005 as Document No. 0650582, Book of Plats 589, pages 903 through 942 ("the First Declaration");

ii. Declaration of Condominium for TVDC Condominiums, First Addition to the Town of Jackson, filed of record in the Office of the County Clerk, Teton County, Wyoming, on May 25, 2005 as Document No. 0650583, Book of Photo 189, pages 943 through 946 (hereinafter the "First Addition Declaration of Condominium");

iii. Supplemental Declaration of Covenants, Conditions and Restrictions for TVDC Condominiums First Addition to the Town of Jackson, filed of record in the Office of the County Clerk, Teton County, Wyoming May 25, 2005 as Document No. 0650584, Book of Photo 189, pages 947 through 959 ("First Condominium Affordable Housing Restrictions");

iv. Supplemental Declaration of Covenants, Conditions and Restrictions for the TVDC Condominiums and Town Homes, Second Addition filed of record on October 6, 2005 as Document No. 0661097 at Book 604, pages 1032 - 1034 ("Town Homes Second Addition Supplemental Declaration");

v. Supplemental Declaration of Covenants, Conditions and Restrictions for the TVDC Condominiums and Town Homes, Third Addition filed of record on March 3, 2007 as Document Number 0697301 at Book 655, pages 435 - 437 ("Town Homes Third Addition Supplemental Declaration");

vi. Supplemental Declaration of Covenants, Conditions & Restrictions for TVDC Condominiums, Second Addition to the Town of Jackson - Affordable Housing Restrictions ("Condominiums Second Addition Affordable Housing Restrictions"), being recorded concurrently with this instrument.

The covenants, conditions, restrictions and easements in all of the above-referenced Plats and recorded instruments shall also govern the sale, use and conveyance of Town Homes in the TVDC Town Homes and Condominium Development.

Owners of Condominium Units and Owners of Town Homes in the TVDC Town Homes and Condominium Development shall be members of a single homeowners association, the rights and obligations of which are described in the above-referenced, recorded instruments.

ARTICLE II - DESCRIPTION OF UNITS AND UNIT BOUNDARIES

2.1 The Condominium Units created by and subject to this Declaration are located in one residential Building, with three levels. The Units are shown by boundary and wall separations, as shown and depicted on the Second Condominium Addition Plat and the location and identifying numbers of Units are also shown and described on that Plat.

2.2 Each Unit is generally described as a column of vertical space existing between the horizontal planes of the floor and ceiling of the story within the Building in which it is located. The physical boundaries of each Unit are the interior unfinished surfaces of the perimeter walls, floors, ceilings, doors and windows of the Unit but not including any structural components of the Building, if any, located within the Unit with:

i. The underside of the finished but undecorated ceiling as the top horizontal boundary;

ii. The top of the finished but undecorated flooring shall be the bottom horizontal boundary; and

iii. The interior of the finished but undecorated walls shall be the vertical boundaries. All lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces are a part of the Unit, and all other portions of the walls, floors or ceilings are a part of the Common Elements. The structural elements of exterior windows and doors shall be Limited Common Elements allocated to that Unit as provided in Subsection 2.5 below.

2.3. If any chute, flue, duct, wire, conduit, bearing wall, bearing column or beam, heating or air conditioning unit or apparatus or other fixture lies partially within and partially

outside the boundaries of a Unit, any portion serving only that Unit is a Limited Common Element allocated solely to that Unit and any portion serving more than one Unit or any portion of the Common Elements is a part of the General Common Elements.

2.4. Subject to the provisions of Subsection 2.1 or 2.2 of this Article, all spaces, interior partitions and other fixtures and improvements within the boundaries of a Unit are part of the Unit.

2.5. Any shutters, awnings, window boxes, doorsteps, stoops, porches, decks, entryways, or patios, and all exterior doors and glass windows or other fixtures designed to serve exclusively a single Unit, but located outside of the Unit's physical boundaries, are Limited Common Elements allocated exclusively to that Unit.

2.6. In the event of an inconsistency or conflict between the provisions of this Article and the Second Condominium Addition Plat, this Article shall control.

2.7. The physical boundaries of a Unit shall be considered to be the proper boundaries regardless of the settling, rising or lateral movement of the Buildings and regardless of any variations between the boundaries shown on the Condominium Plat and the actual physical boundaries.

ARTICLE III - DEFINITIONS

3.1 Capitalized terms not otherwise defined in this Declaration shall have the meanings specified for such terms in the Condominium Act or in the First Declaration.

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

Declarant:

Scarlet Ridge Development Co., LLC,
A Wyoming Limited Liability Company

By:


Scott M. Shepherd, President of Teton
Shadows Inc. its Managing Member

STATE OF WYOMING)
) ss.
COUNTY OF TETON)

On this 17th day of May, 2007, before me personally appeared Scott M. Shepherd, to me personally known, who, being by me duly sworn, did say that he is the President of Teton Shadows Inc., which corporation is the Managing Member of Scarlet Ridge Development Co., LLC, and that said instrument was signed on behalf of said Scarlet Ridge Development Co., LLC as the free act and deed of said limited liability company.

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

SEAL



My Commission Expires: 4/20/08

Declaration of Condominium and Supplemental Declaration of Covenants, Conditions and Restrictions for TVDC
Condominiums & Town House Additions to the Town of Jackson
Condominiums Second Addition

EXHIBIT A

**COMMON ELEMENT INTERESTS FOR UNITS AND TOWN HOMES
IN THE TVDC TOWN HOMES AND CONDOMINIUMS DEVELOPMENT**

Town Homes First Addition Common Element Interest

Lot 1: $2060/25700 = .080156$

Lot 3: $2060/25700 = .080156$

Lot 4: $2060/25700 = .080156$

Lot 5: Common Area = 0.00

Subtotal Town Homes First Addition Common Element Interest = .240467

Condominiums First Addition Common Element Interest

Lot 2, Unit 1: $850/25700 = .033074$

Lot 2, Unit 2: $850/25700 = .033074$

Lot 2, Unit 3: $850/25700 = .033074$

Subtotal Condominiums First Addition Common Element Interest = .099221

Town Homes Second Addition Common Element Interest

Lot 6: $2060/25700 = .080156$

Lot 7: $2060/25700 = .080156$

Lot 8: $2060/25700 = .080156$

Lot 9: $2060/25700 = .080156$

Lot 10: Common Area = 0.00

Subtotal Town Homes Second Addition Common Element Interest = .320624

Town Homes Third Addition Common Element Interest

Lot 11: $2060/25700 = .080156$

Lot 12: $2060/25700 = .080156$

Lot 13: $2060/25700 = .080156$

Lot 15: Common Area = 0.00

Subtotal Town Homes Third Addition Common Element Interest = .24047

Condominiums Second Addition - Common Element Interest

Lot 14, Unit 1: $850/25700 = .033074$

Lot 14, Unit 2: $850/25700 = .033074$

Lot 14, Unit 3: $850/25700 = .033074$

Subtotal Condominiums Second Addition Common Element Interest = .099221