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DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS

Grantor: YAMA DEVELOPMENT GROUP LLC

Grantee: THE PUBLIC

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Sherry L Daigle, Teton County Clerk fees: 114.00

By ANN SCHROEDER Deputy

FOR

810 WEST

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ABSTRACTED	
SCANNED	

THIS DECLARATION, made on the date hereinafter set forth by **YAMA DEVELOPMENT GROUP, LLC**, a Wyoming limited liability company, located in Jackson, Wyoming, hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the Town of Jackson, County of Teton, State of Wyoming, described on the sheet appended hereto, marked Exhibit "A" and by this reference incorporated herein.

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

ARTICLE I - DEFINITIONS

Section 1. "Association" shall mean and refer to the 810 WEST HOMEOWNER'S ASSOCIATION, its successors and assigns.

Section 2. "Bylaws" shall mean and refer to the Bylaws of the Association.

Section 3. "Common Services" shall mean exterior maintenance of the building improvements upon the Lots, landscaping, lawn, parking and roadway maintenance of both Limited and General Common Areas, snow removal, and maintenance and repair or replacement

of all Association property as well as the exteriors of the buildings situated upon the Properties, and all common utility facilities services, if any, common mailbox areas, and may include insurance on any Common or Limited Common Areas as well as casualty or liability insurance on the improvements upon the Lots, Association property and its officers and directors and employees, enforcement of these Covenants and other duties, rights and responsibilities provided for herein or reasonably inferred herein in order to carry out the purposes of these Covenants.

Section 4. "Declarant" shall mean and refer to YAMA DEVELOPMENT GROUP, LLC, its successors and assigns if such successors or assigns should acquire more than one Lot from the Declarant.

Section 5. "General Common Area" or "Common Area" shall mean all real property (including the improvements thereto and common utilities located therein) owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of the conveyance of the first Lot is described as all that area shown on the subdivision plat of the Properties.

Section 6. "Limited Common Areas" means those portions of the Common Area which are limited to and reserved for the exclusive use of one or more Owners but fewer than all of the Owners, which shall include, but may not be limited to parking spaces, porches, deck/patio areas, stairways, walkways, storage facilities, carports, yard areas or other elements which are identified on the plat with the same identifying number or other designation by which the Lot is identified

Section 7. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area. It may also be referred to as a "Lot" on said plat.

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

Section 9. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of or situated upon the Properties, including contract purchasers, but excluding those having such interest merely as security for the performance of an obligation.

Section 10. "Plat" shall mean a plat map or maps recorded in the Office of the Clerk of Teton County legally establishing the division of property into Lots in various phases of the Project, as they may be amended from time to time.

Section 11. "Project" shall mean the 810 WEST addition to the Town of Jackson.

Section 12. "Property" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association in additional phases of the Project.

Section 13. "Rules and Regulations" shall mean those rules and regulations adopted by the initial Board of Directors of the Association at its organizational meeting and modified from time to time.

ARTICLE II - PROPERTY RIGHTS AND EASEMENTS

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

- (a) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Association and the Declarant;
- (b) The right of individual Owners to the exclusive use of designated parking spaces, porches, deck/patio areas and yard areas designated as Limited Common Area on a Plat;
- (c) The Bylaws of the Association and all rules and regulations promulgated by its Board of Directors.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the Property.

Section 3. Parking Rights. Ownership of each Lot shall entitle the Owner or Owners thereof to the exclusive use of one (1) or more parking stalls or parking spaces, outside the garage. Declarant has permanently assigned parking areas to each Lot according to the designations shown on the plat for the Properties.

Section 4. Limited Common Areas. If so provided in the plat, ownership of a Lot may entitle the Owner or Owners thereof to the exclusive right to landscape and beautify (subject to the limitations on development within the 50 foot stream setback), including the right of ingress and egress thereon, of the Limited Common Area which may be permanently assigned to a Lot by the Declarant or the Association.

Section 5. Reserved Easements. Declarant hereby reserves to Declarant, its successors and assigns, the Association, and all Owners of Lots the following easements over and across the Lots and the Property which shall pass with the title to every Lot or other land within the Property

(a) Easements for Utilities. In addition to easements shown on the Plat, Declarant hereby grants to the Town of Jackson and reserves to itself, its successors and assigns, and all Owners, perpetual easements anywhere within the Property for the purpose of installing, using, testing, repairing and maintaining water and sewer lines, hydrants, pump stations, electrical and other utilities and related equipment and facilities as may be necessary to serve Lots and Units and to provide Common Services.

(b) Easement for General Association Operations. The Association shall have the right of access to all Common Areas and Limited Common Areas and to each Lot from time to

time during reasonable hours as may be necessary to perform the duties and functions which it is required or permitted to perform pursuant to these Covenants.

(c) Easement for Community Pathway. Subject to the prior approval of the Town of Jackson in all respects, in addition to easements shown on the Plat, Declarant hereby reserves the right for itself, so long as Declarant owns any Lot, and, thereafter, the irrevocable option on the part of the Jackson Community Pathways organization, to unilaterally grant to the Jackson Community Pathways organization an easement for a public pathway for pedestrian, bicycle and horseback use. Such easement shall be effective at such time as the community public pathway in the area is extended to the area of the Property so that the pathway constructed within the easement across the Property connects to an existing pathway system south of the Property. The easement shall be of a width equal to the standard pathway easement width and shall run along and immediately adjacent to the easternmost boundary of the Property and, having crossed Flat Creek, shall extend westward and be established at such location within that portion of the Property located on the South side of Flat Creek as is determined by the Jackson Community Pathway organization to best accommodate the topography and vegetation.

ARTICLE III - HOMEOWNERS ASSOCIATION

Section 1. Formation. A non-profit homeowners association created by the Declarant shall have as its members all Owners. It shall be governed by a Board of Directors (the "Board"). The rights, duties, assessments, and other obligations of the Association and its members and Board of Directors shall be governed by these Covenants and by any articles of organization or bylaws adopted as part of its formation as amended from time to time.

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

Section 2. Membership. Every Owner shall be a member of the Association. Membership in the Association shall be appurtenant to each Lot and shall not be subject to severance from the ownership of such Lot. The combined ownership of each Lot shall constitute one member for purposes of voting.

Section 3. Members Voting. Except as may otherwise be provided in these Covenants or the articles of organization of the Association or its bylaws, the member(s) owning each Lot shall have one vote for each Lot to cast upon any matter to be decided by a vote of the members entitled to vote on a particular matter. If there is more than one person or entity owning a Lot, the vote of such members shall be cast as determined by the owners of such Lot. In the event of any dispute among joint owners, the Board shall have the right to disqualify such members from voting on an issue unless or until the joint owners of such Lot have reached agreement as to such members' vote.

Section 4. Board of Directors of the Association. The management of the business and affairs of the Association, the management and maintenance of the Property and Common Areas and providing all Common Services shall be the sole responsibility of the Board of Directors, who may act in cooperation or in conjunction with any associations administering commonly used facilities or services, such as associations of owners of other commercial or residential properties in the surrounding area.

Section 5. Authority and Duties. Pursuant to the powers and authority vested in it by Wyoming law and by the articles of organization and bylaws of the Association, the Board shall have the full power and authority to manage the business and affairs of the Association and shall be responsible for the enforcement and administration of the requirements of these Covenants and other covenants for which the Board is legally responsible. The Board may contract for and supervise the operation of all common facilities and property owned by the Association, contract for and supervise the providing of all Common Services; enforce the Use and Development Restrictions on behalf of the Owners, provide for necessary or desirable insurance (including insurance on the Lots and all their improvements, and take all other actions necessary to administer and enforce these Covenants. The Board of Directors shall act by majority vote.

Section 6. Election of the Board. The Board of Directors shall be composed of three (3) persons. Initially, the Declarant shall appoint all Directors. However, not later than sixty (60) days after conveyance of 50% of the Lots to Owners other than the Declarant, at least one member of the Board of Directors may be elected by vote of the Lot Owners. Not later than either sixty (60) days after conveyance of 67% of the Lots to Owners other than the Declarant, no less than two (2) of the members of the Board of Directors must be elected by vote of the Owners. Not later than either sixty (60) days after the earlier of the conveyance of 90% of the Lots to Owners other than the Declarant or five (5) years after the first conveyance of a Lot by the Declarant in the ordinary course of business, the Owners may elect the entire Board of Directors.

Section 7. Limited Liability of Board of Directors, etc. Members of the Board and their officers, assistant officers, agents and employees acting in good faith on behalf of the Association:

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

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

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

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

Section 8. Budget. The Association must prepare an annual budget. Within thirty (30) days after adoption of any proposed budget for the Association, the Board of Directors shall mail, by ordinary first-class mail or otherwise deliver a summary of the budget to all the members.

Section 9. Duties of the Board. The Board shall, in addition to such obligations, duties and functions as are assigned to it by other provisions of this Declaration, have the obligations, duties and functions to do and perform each of the following for the benefit of the Owners, and for the maintenance, administration and improvement of the Property and the Common Areas and providing the Common Services, as may be required or is reasonably appropriate:

(a) Receive, Hold and Maintain Property. The Board shall be obligated to and shall accept title to any real property or interest therein, including improvements thereon (such as any common areas or easements), or to any personal property or equipment existing on the Property when, as and if granted or furnished by Declarant. The Association shall also be obligated to and shall accept the benefits and burdens associated with any water rights, licenses, easements or other instruments conveying rights in and to real property made by Declarant. In each and every instance, the Association shall hold the title, interest or rights granted, furnished or conveyed for the benefit of its members and shall maintain and preserve the same for the benefit of its members. With respect to any such property or rights, and any other property or rights acquired or held by the Association, the Board shall be obligated insofar as applicable in the particular circumstance to pay all rents, fees, taxes and assessments relating to, and necessary to preserve therein, and provide for the best and highest quality care, operation, management, insurance, maintenance, repair and placement of the same.

(b) Provide the Common Services. The Board shall provide or procure all of the Common Services benefiting the Project, and any of the Owners, as generally described herein. It may engage the services of a manager or other contractors, and enter into agreements with any party, as it deems appropriate, including any association of owners of surrounding properties, to provide such Common Services, and may agree to sharing such costs on such equitable basis as the Board may agree to.

(c) Assessments. The Board shall establish a budget for providing the Common Services and otherwise administering these Covenants and carrying out the functions and duties specified or reasonably implied herein and shall assess the Owners their appropriate and equitable share of such amounts and bill and collect such amounts.

(d) Insurance Function. The Board shall be obligated to and shall obtain and keep in full force and effect at all times at least the insurance coverage set forth in Article X.

(e) Taxes. To the extent not assessed to or paid by Owners, the Board shall pay all real property taxes and assessments levied on the Association property.

(f) Refuse Disposal. Unless provided by a municipal, county or other governmental body and unless the cost thereof is assessed directly or indirectly against the Owners by such body, the Association shall have the right to contract for, employ and otherwise provide for refuse disposal services and may provide a common trash storage and pick-up area for that purpose.

(g) Adopt rules and Regulations. The Board of Directors of the Association may adopt rules and regulations regarding use of the Common Areas.

Section 10. Meetings. The members of the Association and the Board of Directors of the Association shall hold meetings at least annually, as set forth in the Bylaws of the Association. All matters pertaining to all such meetings, including notices thereof, quorums, and provisions for voting in person or by proxy, shall be set forth in the Bylaws of the Association.

Section 11. Agent for Members. Every Owner by purchase of any of the Lots and acceptance of a deed of conveyance therefore agrees that, if the Board determines that it is in the best interest of the Project, or the Association and the Owners to do so, its President may enter into certain agreements and undertakings and grant approvals for and on behalf of the Owners individually and as a group. Such agreements and undertakings include approval of and signatures upon any applications for approval of any amended Plat or amendment or re-plat of any portion of the Plat, or granting of easements over the Property. Each Owner individually grants the Board and its chairman an irrevocable power of attorney to approve, vote for, enter into and to sign as agent on their behalf and to deliver any application, instrument, petition, plat or other document necessary to effect any of the foregoing as if it had been done by the Owner.

In addition, every Owner by purchase of any of the Lots and acceptance of a deed of conveyance therefore agrees that the Declarant may, so long as it owns any Lots, for and on behalf of the Owners individually and as a group, make such modifications, additions or deletions in or to the Subdivision plats, the Declaration of Covenants, Conditions and Restriction, as well as any Articles, Bylaws and Rules and Regulations of the Association as may be deemed desirable by the Declarant, or approved or required by the lending institution financing the improvement and infrastructure of the Development or the Lots, or by the County or other public authorities, provided that none of the same shall:

- (a) Materially increase the proportion of the common expenses to be borne by any Owner;
- (b) Entail a material physical modification of the area or location of the Lot.
- (c) Materially adversely affect the normal use, value or development of the Lot.

Each Owner grants the Declarant an irrevocable power of attorney to accomplish the foregoing as agent on their behalf and to deliver any application, instrument, petition, plat or other document necessary to effect any of the foregoing as if it had been done by the Owner.

ARTICLE IV - OWNER'S ASSESSMENTS

The Declarant, for each Lot owned with the Properties, hereby covenants (and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree) to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, and (3) all monetary fines assessed by the Board of Directors; such assessments or fines to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, fines, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 1. Purpose of Assessments. The assessments levied by the Board shall be used exclusively for the administration and operation of the Association, and for providing the Common Services and meeting all expenses of the management, operation and maintenance of the Project and enforcement of these Covenants.

Section 2. Annual Budget. The Board shall prepare an annual budget estimate for Common Services and the administration of the Association, including taxes and insurance coverage as needed, and fix the amount of the annual assessment based upon this estimate. The budget estimate may include a reserve for future contingencies. Such budget shall be prepared and approved by the Board at least thirty (30) days in advance of each annual assessment period.

Section 3. Rate of Assessment. The Board shall assess the Owners of Lots, with each Lot's percentage of the total assessment based upon the ratio of the habitable enclosed floor area of the Owner's Lot improvements to the habitable enclosed floor area of all Lot improvements. Both annual and special assessments should be based upon such rate for all Lots. These assessments may be billed and collected on a monthly, quarterly, or annual basis at the discretion of the Board.

Section 4. Date of Commencement of Annual Assessment and Due Dates. The annual assessments provided for herein shall commence as to all Owners subject to assessment on the first day of the month following the conveyance of the first Lot. The Board shall operate on a calendar year basis. The Board shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period and written notice of the annual assessment shall be sent to every Owner, purchaser or mortgagee, and for a reasonable charge, shall furnish a certificate signed by a member of the Board setting forth whether the assessments on a specified Lot have been paid. Each Owner shall have a continuing obligation to provide the Association with their current mailing address, telephone number, fax number and e-mail address (if available).

Section 5. Special Assessments for Capital Improvements. In addition to the annual assessments, the Board may levy, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any building exteriors or roofs, Common Areas, common utilities or other facilities upon the Project; provided that any such special assessment shall have the assent of 75% of the affected Lot Owners who are voting in person or by proxy at meeting duly called for this purpose.

Section 6. Notice and Quorum for Any Special Assessment. Written notice of any meeting called for the purpose of taking any action authorized under the foregoing paragraph shall be sent to all affected Lot Owners within the areas to be assessed not less than thirty (30) days or no more than sixty (60) days in advance of the meeting. At the first such meeting, the presence of Owners or of proxies entitled to cast a majority of all the votes of the Association shall constitute a quorum. Each affected Lot shall be entitled to one (1) vote. 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.

Section 7. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date therefore shall bear interest from the due date at the rate of eighteen percent (18%) per annum. The Board may bring an action on behalf of the Association against the Owner personally obligated to pay the same or may foreclose the lien against the Lot. In any action instituted by the Board against an Owner, the Association will be entitled to recover its attorneys fees, costs, and expenses, including but not limited to charges submitted by any experts or consultants retained in connection with such action if the Association prevails on any claim asserted. Each Owner by the acquisition of a Lot consents to personal jurisdiction and venue in the District Court of Teton County, State of Wyoming.

Section 8. Creation of the Lien and Personal Obligation for Assessments. Each Owner, by acceptance of a deed therefore or by a contract for deed, whether or not it shall be so expressed in such deed or contract for deed, is deemed to have consented to be subject to these Covenants and agrees to pay the Association: (a) Annual assessments or charges; (b) special assessments for capital improvements, repairs and maintenance, and (c) any fines, charges or damages lawfully assessed by the Board pursuant to these Covenants.

(a) The annual and special assessments, charges and fines, together with interest, costs, expenses and reasonable attorneys' fees (as set forth above), shall constitute a continuing lien against such Lot superior to all other liens and encumbrances except: (i) liens and encumbrances recorded before the recordation of the Declaration; (ii) a security interest on the Lot which has priority over all other security interests and which was recorded before the date on which the assessment sought to be enforced became delinquent; and (iii) liens for real estate taxes and other governmental assessments or charges against the Lot.

(b) This section does not affect the priority of mechanics' or materialmen's liens or the priority of liens for other assessments made by the Association.

(c) Recording of the Declaration constitutes record notice and perfection of the lien. No further recordation is required.

(d) The Association's lien may be foreclosed in like manner as a mortgage or real estate, including by advertisement and sale.

(e) Assessments shall be a personal obligation of each Owner, and suit to recover money judgment shall be maintainable without waiving the lien securing it.

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

ARTICLE V - ARCHITECTURAL CONTROL

No building or other exterior structure shall be constructed, altered or decorated nor shall any addition to or modification of the exterior of any building be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external by the Board of Directors of the Association.

ARTICLE VI - PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Property and placed on the dividing line between Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provisions of this Article, an Owner who, by his negligent or willful act causes the party wall to be exposed to the elements, shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator and these two shall choose a third, and the decision shall be by a majority of all of the arbitrators.

ARTICLE VII - EXTERIOR MAINTENANCE

In addition to maintenance upon the Common Area, the Association shall, primarily for purposes of maintaining the appearance of the building improvements, provide exterior maintenance upon each Lot which is subject to assessment hereunder, as follows: paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass (including Limited Common Areas), walks, and other exterior improvements. Such exterior maintenance shall not include glass surfaces or foundations.

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

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

Notwithstanding anything herein contained to the contrary, each Lot Owner shall have the responsibility to maintain, repair, replace and keep in a clean, safe and sanitary condition, at such Lot Owner's expense, all portion of the Owner's Lot and utility services serving just that Lot. The Lot Owner shall also keep clean and in a safe and sanitary condition all Limited Common Areas assigned to it.

ARTICLE VIII – USE AND DEVELOPMENT RESTRICTIONS

Section 1. Limitation to Residential Use. Lots shall be used only for single-family residential purposes by an Owner or his lessees. The term "family" shall mean one or more persons related by blood, adoption or marriage living together as a single housekeeping Lot. Three unrelated adults (and any number of children of either of them) shall also be deemed a family for purposes of these covenants. Notwithstanding this provision, Owners and lessees may have house-guests provided they do not occupy the premises for more than thirty (30) days. In no event may any Owner or lessee permit any dwelling to be occupied on a regular basis by persons failing to meet the definition of "family" stated above. It is the intention of this clause to maintain a single-family residential atmosphere and these provisions shall be interpreted in light of such intention.

Section 2. Prohibition of Commercial Uses. No business or profession of any nature shall be conducted on any Lot and no; provided however, that this prohibition shall not preclude artistic pursuits, writing, music, craft work, or other low impact types of occupations utilizing not more than 25% of the total floor area of the habitable portion of the Lot, if such occupant also uses

the Lot primarily for residential purposes, is self employed, has no employees working in such dwelling unit, does not solicit or attract any customers or others to come upon such Lot, and does not generate any perceptible additional delivery or other traffic within the Project or otherwise operate in such a manner as to permit such activity to be apparent from any other Lot. Such use must be permitted by all necessary governmental authorities and shall not create a nuisance to any other Lot Owners.

Section 3. Limitation on Fencing. No fences shall be permitted within the Project or along the exterior property line of the Project.

Section 4. Control of Pets. No pets shall be kept or maintained on any Lot except as provided herein. *No pets may be kept on any Lot occupied by a tenant.* Not more than one (1) household pet may be kept on any Lot occupied by the Owner; provided, however, that a litter of puppies or kittens born to a dog or cat owned by a Lot owner may be kept or maintained upon any Lot for a period not to exceed four months, provided that said puppies or kittens are maintained and restrained in accordance with the provisions of these Covenants. Any pet permitted to be kept on a Lot shall be restrained under leash and controlled at all times so that they do not cause a nuisance to neighboring Owners, and so that the presence or activity of any such pets does not harass or endanger wildlife. No pet may be kept if it is threatening, the source of any annoyance or a nuisance. The Board shall have the final authority to determine whether a pet is threatening, the source of any annoyance or a nuisance. No dogs may be allowed to run at large on the South side of Flat Creek. No pets shall be bred or maintained for any commercial purposes. Owners shall be responsible for the immediate cleanup and removal of any fecal matter deposited by their pets. Pets shall be registered, licensed. If a pet is determined to be threatening, the source of any annoyance or a nuisance, or is otherwise kept or maintained in violation of this provision or of the Rules and Regulations adopted from time to time by the Board, the Board shall have the absolute authority to require that the pet be permanently removed from the Property and, in default of such removal shall have all of the rights of enforcement provided herein or by law.

Section 5 Open Storage. There shall be no open storage for more than 24 hours of any kind on the Project, including but not limited to inoperable automobiles, boats, tents, trailers, snow machines recreational vehicles, campers, motorcycles, and all such items or other possessions shall be kept and stored within a residence or garage, or hidden from view by an approved method of landscaped screening.

Section 6. Noxious or Offensive Activities. No noxious or offensive activity shall be permitted on any Lot. No light shall be emitted from any Lot which is unreasonably bright or causes unreasonable glare for any adjacent Lot owner, nor may any Christmas or other festive seasonal exterior lighting be used without prior approval of the Board. No unreasonably loud or annoying noises, or noxious or offensive odors shall be emitted beyond the Lot lines of any Lot. No diesel vehicles may be parked or operated in the Project and no vehicle may be allowed to idle for more than 5 minutes.

Section 7. Wildlife Protection. It is recognized by the Declarant and the purchasers or Owners of any Lot within the Properties that wildlife species may live on or wander through

portions of the Property during various times of the year. No feeding of wildlife, including moose or deer, or waterfowl, including geese, ducks or swans, may take place, nor may any Owner place a salt-lick or similar attractant upon the Properties so as to habituate such animals to an unnatural food source.

Section 8. Trash. All garbage and trash shall be placed and kept in covered containers that are bear proof, if reasonably available, and stored in each Owner's garage or, if provided, one or more central bear-proof trash collection receptacles. The collection and disposal of garbage and trash shall be in strict compliance with such rules as may be adopted by the Association, which may provide for common collection points. The maintenance of accumulated waste plant materials is prohibited. All trash cans shall be promptly returned to the garage after trash removal

Section 9. Parking and Garages. No Owner shall keep on the Property more than the number of vehicles for which it has outside parking spaces assigned or designated on the Plat. One vehicle shall be parked within the garage, and the other(s), if any, in the parking area designated on the approved subdivision Plat. All garage doors shall remain closed at all times except when vehicles are entering or exiting or brief periods when there is another reason to enter the garage. An Owner shall not permit designated parking spaces to be used for purposes other than to park vehicles. The Board shall have full power and authority to regulate the use of roadways by imposing and enforcing speed limits and other restrictions, all with full power and authority to impose and enforce (by special assessments hereunder or otherwise) fines and other penalties for violations of such regulations

Owners shall not and shall not permit their visitors or contractors to park anywhere except the parking spaces assigned to them or designated on the Plat for guest parking. Owners shall not and shall not permit their visitors or contractors to obstruct the access ways within the Property

Section 10. Limitations on Hot Tubs No Owner of any Lot shall be permitted to install any exterior hot tubs within their Lot or any part of the Limited Common Areas.

ARTICLE IX - GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, the Bylaws, or the Rules and Regulations. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter

Section 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.

Section 3. Amendment. At any time while any provision, covenant, condition and restriction of these Covenants is in force and effect, it may be amended or repealed by the recording of a written instrument specifying the amendment or the repeal, approved by the Board and executed by the Owners of not less than 75% of the Lots. Notwithstanding the foregoing, during the Declarant's Development Period no Declarant Related Amendment shall be made to this Declaration or to any Bylaw or Document, nor shall any Declarant Related Document be executed, adopted or promulgated by the Association or the Board unless such Declarant Related Amendment or Document shall be specifically approved in writing by Declarant. For purposes of this subsection, an Amendment or Document which does any of the following shall be considered to be Declarant Related if it:

- (a) Discriminates or tends to discriminate against a Declarant or any successor Declarant as an Owner or otherwise.
- (b) Directly or indirectly by its provisions or in practical application relates to any Declarant or any successor Declarant in a manner different from the manner in which it relates to other Owners.
- (c) Modifies the definitions provided for in this Declaration in a manner which alters Declarant's or any successor Declarant's rights or status.
- (d) Modifies or repeals any provision of paragraph 3.6 of this Declaration regarding the Declarant's right to appoint members of the Board.
- (e) Alters the character and rights of membership as provided for in this Declaration or affects or modifies in any manner whatsoever the rights of Declarant or any successor Declarant as a member of the Association.
- (f) Alters any previously recorded or written agreement with any public or quasi-public agencies, utility company, political subdivisions, public authorities or other similar agencies or bodies, respecting zoning suspension, streets, roads, drives, easements or facilities, or alters any written agreement with Declarant or any Recreational Lease.
- (g) Denies the right of Declarant or any successor Declarant to convey to the Association any lands within the Property.
- (h) Modifies the basis or manner of assessment, as applicable to the Declarant or any successor Declarant or any Lots, Units, tracts or other land qualification owned by Declarant or any successor Declarant.

(i) Modifies the provisions hereof regarding design control as applicable to the Declarant or any successor or any Lots or Units owned by Declarant or any successor Declarant.

(j) Alters or repeals any of Declarant's or any successor Declarant's rights or any provision applicable to Declarant's or any successor Declarant's rights as provided for by any provision of this Declaration or of any other document applicable to Declarant.

During the pendency of the Declarant's Development Period, no action may be taken by the Board or the Association applicable to the Declarant or any of the Lots owned by the Declarant unless such action shall be approved in writing by the Declarant. The Declarant's Development Period shall be defined as a period commencing upon the recording of this instrument and ending upon the earlier of January 1, 2008 or when all Lots have been sold to parties not affiliated with Declarant. No special Declarant rights created or reserved under this section may be transferred except by an instrument evidencing the transfer recorded in the County in which the Subdivision is located and the instrument has been executed by the transferee. Upon transfer of any special Declarant right, the liabilities and rights of the transferor Declarant and the rights, liabilities and obligations of the transferee Declarant shall be as provided by law.

Notwithstanding the foregoing, the provisions of Section 5.c. of Article II (*Pathway Easement*) and, Section 4. of Article III (*Pets*), and Section 9. of Article VIII (*Parking and Garages*), may not be amended without the approval of the Town Council of the Town of Jackson

In addition to the foregoing, no such amendment or repeal shall be effective with respect to any Mortgagee or successor or assign of any Mortgagee under a Mortgage recorded prior to recording of the instrument specifying the amendment or repeal unless such Mortgagee or successor or assign executes the said instrument.

Section 4. Declarant's Reserved Right to Amend. During Declarant's Development Period, Declarant may, without the consent or concurrence of the Board, the Members, Owners or any other party, amend, modify, clarify or revoke any part of this Declaration if reasonably necessary, in the sole discretion of Declarant, to conform to any requirement, law, ordinance, regulation, or policy of any governmental agency, department or body of the United States or the State of Wyoming, or the Town of Jackson, or in order to qualify for financing program arrangements.

Section 5. Waiver, Release and Indemnification. Each Owner, by accepting a deed to their Lot acknowledges that there are certain risks inherent in the location of the Project adjacent to Flat Creek and the development of the Project in the manner it was ultimately approved by the Town of Jackson. Each Owner agrees for themselves and their family that they have assumed the risks of and forever waive and release any claims they may have against Declarant and the Association and their respective members, officers, employees, successors and assigns, which in any way arise out of any hazard to life, limb or property arising out of the proximity of Flat Creek and the manner of development of the Project, (including the location, design and construction of the improvements and the absence of protective fences, walls, levies, etc.). Such risks include but are not limited to injury or drowning, ice damming and flooding. It is specifically the duty of

parents of children within the Project to undertake the necessary supervision, take appropriate action and give appropriate guidance to their children to avoid the risks of drowning.

The Association and each Owner waives and releases and shall indemnify and save harmless Declarant, its members, officers, employees, successors and assigns, and the Association and its Board members, officers, and employees, from and against any and all claims, suits, action, damages and/or causes of action arising from any personal injury, loss of life and/or damage to property sustained on or about the Project or any building or development thereon, if any, or any appurtenances thereto or arising out of their location, existence, construction, installation, alteration, repair, or their operation maintenance or repair or failure to do the same, or out of providing or failure to provide any Common Services, as well as from and against all costs, counsel fees, expenses and liabilities incurred in and about any such claim, the investigation thereof or the defense at any levels of any action or proceedings brought thereon, and from and against any orders, judgments and/or decrees which may be entered therein. Included in the foregoing provisions for indemnification are any expenses that Declarant, his successors or assigns, may be compelled to incur in bringing suit for the purpose of enforcing rights hereunder, or for the purpose of compelling the specific enforcement of the provisions, conditions, covenants and restrictions contained in this Declaration to be kept and performed by the Association, Board, and/or the Owners.

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

Further, the costs to the Association of indemnifying its officers and members of the Board of Directors shall include all costs and expenses whatsoever incurred in the pursuance of their duties, obligations and functions hereunder, including institution, prosecution and defense of any enforcement action, and in any legal defense of any such actions (including, without limitation, counsel fees and costs at all levels of any trial or proceeding, costs of investigation and discovery, any recovery, consultants and experts, whether they testify at trial or not).

Section 6. Declarant's Reserved right to Annex Additional Phases to the Project.

Declarant reserves the right to enlarge the Property and subject additional land and improvements, in future phases of the Project, to the terms, conditions and restrictions of these covenants, thereby making the owners of such property members of the Association and making such additional Owner's Lots, as well as the roads, utilities and other Common Areas and facilities the subject of the responsibility of the Association to provide Common Services. Such inclusion may be accomplished, in the sole discretion of the Declarant, its successors and assigns, by recording a Supplemental Declaration describing the property annexed and adopting these Covenants. Upon such recordation, the additional properties shall be incorporated into the Project and the Property and shall be subject to these Covenants as if the same were originally set forth in full in this Declaration.

Section 7. Violations, Enforcement, Liens and Costs. The provisions set forth in these Covenants shall be enforceable by the Declarant (so long as it owns any Lots), by the Board or by any Owner. Every Owner hereby consents to the entry of an injunction against them or their tenants or guests, to terminate and restrain any violation of these Covenants. Any Owner who uses or allows the Lot to be used or developed or neglected in violation of these Covenants further agrees to pay all costs incurred by the Board or the Declarant or other Owners in enforcing these Covenants, including reasonable attorney's fees, costs and expenses (including consultants and experts, whether they testify at trial or not). The Board shall have a lien against each Lot and the improvements thereon to secure the payment of any billing for regular assessments, special assessments, or charges or damages or penalty, or other sums due and payable by any Owner to the Association under these Covenants, which is not paid within the time provided by these Covenants, plus interest from the date of demand for payment at the rate of eighteen percent (18%). The Board is authorized to record a notice of lien in the Office of the County Recorder, which shall include a description of the property, the name of the Owner thereof, and the basis for the amount of the lien. A copy of the notice of lien as filed in the County Recorder's Office shall be sent to the owner by certified mail to the last known address of the Owner. Any lien may be foreclosed in the manner provided for foreclosures of mortgages by the laws of the State, including by advertisement and sale. In addition to the principal amount of the lien plus interest, the Board shall be entitled to the payment of all costs incurred in the establishment or enforcement of any lien, including costs, expenses and attorney's fees, as provided above.

Section 8. Litigation Against the Association. In the event any Owner intends to institute any litigation against the Association, the Board or any of its committees or members to compel or enjoin any action or approval, or to declare any action or approval or any provision of these Covenants or the Rules and Regulations void or non-enforceable, or for any other reason, such party shall be prohibited from doing so until they, first, submit a detailed statement of the issue for determination to the Board and participate in formal mediation in a good faith attempt to amicably settle any such dispute. In the event such dispute is not resolved by mediation and the Owner pursues litigation against the Association, the Board, any officer, or any committee or member thereof and fails to prevail as the successful party on all claims asserted, such party shall pay all costs, expenses and attorneys fees incurred by the party(ies) against whom the action was instituted.

Section 9. Duration of Covenants. All of the Covenants, Conditions and Restrictions set forth herein shall continue and remain in full force and effect at all times against the Lots and Units and the Owners of any portion thereof, subject to the right of amendment as set forth herein. If required by law, these Covenants shall be deemed to remain in full force and effect for twenty-year periods, and shall be automatically renewed for additional consecutive twenty-year periods unless all of the Owners otherwise agree in writing.

Section 10. Severability. Any decision by a court of competent jurisdiction invalidating any part or paragraph of these Covenants shall be limited to the part or paragraph affected by the decision of the court, and the remainder of these Covenants shall remain in full force and effect.

Section 11. Acceptance of Covenants and Jurisdiction and Venue. Every Owner shall be bound by and subject to all of the provisions of these Covenants, and every Owner, through his or her purchase or ownership, expressly accepts and consents to the operation and enforcement of all of the provisions of these Covenants. Every Owner also consents to personal jurisdiction and venue in the District Court of Teton County, State of Wyoming.

Section 12. No Waiver. The failure of the Board, or its agents to insist, in one or more instances, upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration or the Rules and Regulations, or to exercise any right or option herein contained, or to serve any notice or to institute any action, shall not be construed as a waiver or relinquishment, for the future, of such term, covenant, condition or restriction; but such term, covenant, condition or restriction shall remain in full force and effect. The receipt and acceptance by the Board or its agent of the payment of any assessment, or of the payment of any application fee, from an Owner, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and duly signed by or on behalf of the Board.

ARTICLE X - MORTGAGEE PROTECTIVE PROVISIONS

Section 1. Mortgagee. The term "Mortgagee" shall mean the holder and owner of a mortgage and shall include a beneficiary under a deed of trust, as well as any insurer, re-insurer, or guarantor of the mortgage, such as but not limited to WCDA, FHA, VA, FNMA, or FHLMC. The term "eligible holder, insurer or guarantor" shall mean a mortgagee who has requested notice, in accordance with later provisions hereof.

Section 2. Roster. The Board of Directors shall maintain an roster of Lot Owners, including their mailing addresses, and, if the Board has been given sufficient information by Lot Owners or their mortgagees, it shall maintain another roster which shall contain the name and address of each mortgagee of a Lot.

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

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

(a) Policy Coverage - The Board shall secure and maintain in effect a policy of fire and extended coverage insurance in an amount equal to the full replacement value (i.e., 100% of the current "replacement cost" exclusive of land, excavation, and other items normally excluded

from coverage of Common Area improvements situated in the development, including all buildings, service equipment and the like).

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

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

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

Section 5. Management Requirements.

(a) Reserve Fund - The Association shall so determine its budgets and levy its assessments that the regular assessments or charges assessed on the Owners shall, in the absence of unforeseen events, be reasonably sufficient to provide an adequate reserve fund for the maintenance, repair, and replacement of those elements of the building exteriors, Common Area, common utilities and other facilities that must be replaced, maintained or repaired on a periodic basis.

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

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

Section 7. Amendments. Notwithstanding anything herein contained to the contrary, the Declarant, by its own actions, shall have the right to amend this agreement during a two year period commencing on the date of recording of the Declaration solely in order to comply with the

rules or requirements of any governmental or quasi-governmental body or any institution holding or insuring or re-insuring a security interest in any portion of the said Properties; provided that such amendment shall not modify, waive or adversely affect any of the rights of mortgagees hereunder and subject to the written consent of WCDA, FHA/VA, FHLMC, or FNMA.

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

ARTICLE IX - LOTS SUBJECT TO DECLARATION, OTHER RESTRICTIONS, BYLAWS, RULES AND REGULATIONS

All present and future Lot Owners, tenants, mortgagees and occupants of Lots, where applicable, shall be subject to and shall comply with the provisions of this Declaration, as well as any Affordable Housing or other restrictive covenants, and the Bylaws, as they may be amended from time to time, and to any Rules and Regulations which may be adopted by the Association. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of a Lot shall constitute agreement that the provisions of these Declarations, Bylaws and Rules and Regulations which may be adopted by the Association and as they may be amended or supplemented from time to time, are accepted and ratified by such Lot Owner, tenant, occupant, or mortgagee; and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Lot as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

ARTICLE IX - INSURANCE

10.1. Types of Insurance. The Association shall obtain and keep in full force and effect at all times the following insurance coverage provided by responsible companies duly authorized to do business in the State of Wyoming:

(a) Fire and Casualty Insurance. The Association shall obtain a policy or policies of insurance on all structures, buildings and improvements, including the Common Elements and Limited Common Elements and fixtures, Building service equipment and supplies and other common personal property of the Association. Such insurance shall specifically cover each of the Lots or units, including but not limited to all interior walls and partitions, cabinetry, carpets, built-in fixtures, internal wiring and plumbing, equipment or other improvements within the Units not covered by standard "contents" policies of the Lot Owners. All of the foregoing shall be insured for their full insurable replacement cost in the event of damage or destruction from any casualty against which such insurance is obtained in accordance with coverage customarily maintained by other condominium projects similar in construction, design and use, and at least equal to such coverage as is commonly required by prudent institutional mortgage investors in the area. Such insurance shall include fire and extended coverage, vandalism and malicious mischief, theft, and

such other risks and hazards against which the Association shall deem it appropriate to provide insurance protection, but in any event such perils normally covered by the standard extended coverage and "all risk" endorsement. The Association may comply with the above requirement by the purchase of blanket coverage and may elect such "deductible" provisions as in the Association's opinion are consistent with good business practice. The policy shall be in an amount equal to 100% of current replacement cost of the described property, exclusive of land, foundation, excavation and other items normally excluded from coverage.

(b) Public Liability and Property Damage Insurance. The Association shall obtain a broad form of comprehensive general liability insurance coverage in such amounts and in such forms as it deems advisable to provide adequate protection. Coverage shall include, without limitation, all of the Common Elements and public ways of the Project, including death, liability for personal injuries, property damage, operation of automobiles on behalf of the Association, liability of the Association, its officers, Directors and employees arising with the ownership, operation, maintenance, administration, management, use or occupancy of the Property, and liability arising out of lawsuits related to employment contracts of the Association, as well as such other riders customarily covered with respect to similar condominiums. The limits of such insurance policies shall be not less than \$1,000,000.00 for each person and not less than \$1,000,000.00 for each occurrence with respect to personal liability and with limits of not less than \$100,000.00 for each accident with respect to property damage liability.

(c) Workmen's Compensation Insurance. The Association shall obtain Worker's Compensation and Employer's Liability insurance and all other similar insurance with respect to employees of the Association in the amount and in the forms now or hereafter required by law.

(d) Fidelity Insurance or Bond. The Association shall obtain blanket fidelity insurance or a blanket fidelity bond for coverage against dishonesty of those members of the Board of Directors, officers, the Manager, or employees of the Association handling or responsible for the administration of the funds of the Association. Where the management agent has the responsibility for handling or administering funds of the Association, the management agent shall be required to maintain fidelity bond coverage for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association. Such fidelity bonds shall name the Association as an obligee and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than a sum equal to 3 months' aggregate assessments on all Units, plus reserve funds. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions. The premiums on all bonds required herein, except those maintained by the management agent, shall be paid by the Association as a common expense. The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least 10 days' prior written notice to the Association or insurance trustee. If the Federal National Mortgage Association insures any first mortgages in the Project, such bonds shall provide that the FNMA servicer, or behalf of FNMA, also receive such notice of cancellation or modification.

(e) Flood Insurance. The Association shall obtain and keep in full force and effect at all times a blanket policy or policies of flood insurance pursuant to the National Flood Insurance Program, insuring against flood damage to the Buildings and any other property covered by the form of policy, in an amount deemed appropriate by the Association, but not by less than: (a) the maximum coverage available under the NFIP for all insurable property in the special flood hazard area, or (b) 100% of current replacement cost of all insurable property in said area.

(f) Additional Coverage. The provisions of this Declaration shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage, in addition to any insurance coverage required by this Declaration, in such amounts and in such forms as the Association shall deem appropriate from time to time.

10.2. Form of Insurance.

(a) Casualty Insurance. Casualty insurance shall be carried in a form or forms naming the insured as follows: "Association of owners of the Rancher Street Townhouses for the use and benefit of the individual owners." The loss payable shall be in favor of the Association as trustee for each Lot Owner and the Owner's mortgage, as their interest may appear, and said parties shall be beneficiaries of the policy based upon ownership percentages of the Common Elements. Each policy shall provide a standard, non-contributory mortgagee clause in favor of each mortgagee or insurer or guarantor of a mortgage, in a form commonly accepted by private institutional mortgagors in the area. Each policy shall also provide that it cannot be cancelled by either the insured or the insurance company until after thirty (30) days' prior written notice is first given to each Owner, to Declarant, and to each mortgagee who is listed as a scheduled first mortgage holder in the policies. The Association shall upon request furnish to each Owner or mortgagee a certificate of coverage, including an identification of such Owner's interest.

(b) Public Liability and Property Damage Insurance. Public liability and property damage insurance shall name the Association, the Manager, each Owner, and the Declarant, whether or not the Declarant is the Owner, and shall protect each insured against liability for acts of the Association in connection with the ownership, operation, maintenance or other use of the Property. Each such policy shall provide that it cannot be cancelled either by the insured or by the insurance company until after ten (10) days' written notice to each and all of the insured.

(c) Adjustment. Exclusive authority to adjust losses under policies hereafter in force on the Property shall be vested in the Board of Directors of the Association.

(d) Contribution. In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Owners or their mortgagees.

(e) Individual Insurance. Each Owner may obtain additional insurance at his own expense over and above coverage provided in policies obtained by the Association; provided, however, that no Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Association may realize under any insurance policy the Association may have in force on the Project at any particular time.

(f) Notice of Improvement. Each Owner shall be required to notify the Association of all improvements made by the Owner to his Lot the value of which exceeds One Thousand Dollars (\$1,000.00); provided, however, that this subparagraph shall not be construed as authorizing any improvement.

(g) Policy. The Association shall be required to secure insurance policies that will provide for the following:

(i) That the insurer shall waive subrogation as to any claims against the Association, the Manager, the Owners, and their respective servants, agents and guests;

(ii) The policy or policies on the Property cannot be cancelled, invalidated or suspended on account of the conduct of any one or more individual Owner not in control of the Owners collectively;

(iii) That the policy or policies on the Project cannot be cancelled, invalidated or suspended on account of the conduct of any Director, officer or employee of the Association without a prior demand in writing that the Association cure the defect;

(iv) That any "no other insurance" clause in the policy or policies on the Property exclude individual Owner's policies from consideration;

(v) A "Special Condominium Endorsement" or its equivalent;

(vi) If available, the policies shall contain an "Agreed Amount Endorsement" and an "Inflation Guard Endorsement."

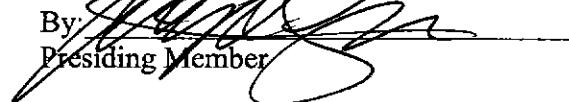
(h) Review of Insurance. The Association shall review annually the coverage and policy limits of all insurance on the Project and adjust the same at its discretion. Such annual review shall include an appraisal of the improvements on the Property by a representative of the insurance carrier or carriers providing the policy or policies on the Property, or such other qualified appraisers as the Association may select.

10.3. Insurance Trustee/ Attorney-In-Fact. Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any insurance trust agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance and to perform such other functions as are necessary to accomplish this purpose.

Where appropriate under applicable law, each Lot Owner hereby appoints the Association, or any Insurance Trustee or substitute Insurance Trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused this instrument to be executed this 28th day of January, 2005.

YAMA DEVELOPMENT GROUP, LLC

By: 
Presiding Member

STATE OF WYOMING)
)
) ss.
COUNTY OF TETON)

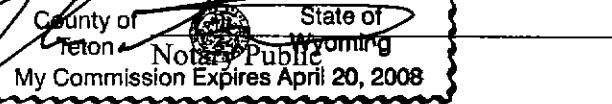
On this 28th day of January 2005, the foregoing Declaration of Covenants, Conditions and Restrictions was acknowledged before me by Stephanie M. Dynia, as Presiding Member of YAMA DEVELOPMENT GROUP, LLC, under the authority of the Operating Agreement for said Company.

WITNESS my hand and official seal:

(Seal)

My commission expires:

4/20/08



**RULES AND REGULATIONS
OF
810 WEST HOMEOWNER'S ASSOCIATION**

- 1 Lawns and walkways in front of the Lots and the entrance ways to the Lots shall not be obstructed or used for any purpose other than ingress and egress from the Lot. No activity detrimental to the landscape shall be engaged in.
- 2 No part of the exterior of any Lot shall be decorated by any Owner in any manner without prior consent of the Association.
- 3 No article shall be hung or shaken from the doors or windows or placed upon windowsills of the units.
- 4 No bicycles, scooters, baby carriages, or similar vehicles or toys or other personal articles shall be allowed to stand in any of the General Common Areas.
- 5 No Owner shall make or permit any noise that will disturb or annoy the occupants of any of the units in the community or do or permit anything to be done which will interfere with the rights, comfort or convenience of other Owners.
- 6 Each Owner shall keep each Owner's Lot in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance.
- 7 No shades interior window draperies visible from outside the building, awnings, window guards, ventilators, fans or air conditioning devices shall be used in or about the buildings except such as shall have been approved by the Association.
- 8 No signs, notice or advertisement shall be inscribed or exposed on or at any window or other part of the units, except such as shall have been approved in writing by the Association, nor shall anything be projected out of any window of the units without a similar approval.
- 9 All garbage and refuse from the units shall be deposited with care in garbage containers that are, to the extent they are reasonably available, bear-proof and that are provided by the owners and intended for such purpose only at such times and in such manner as the Association may direct. All garbage and refuse shall be placed in closed plastic trash can liners or compactor bags in trash cans located within each Owner's garage.
- 10 Bathrooms and other water apparatus in the buildings shall not be used for any other purposes other than those for which they were constructed nor shall any sweepings, rubbish, rags, paper, ashes, or any other article be thrown into the same. Any damage resulting from misuse of any bathroom or other apparatus shall be paid for by the Owner in whose Lot it shall have been caused.

11 No satellite dishes or radio or television aerial or antenna shall be attached to or hung from the exterior of the units without the written approval of the Association.

12 The agents of the Association, and any contractor or workman authorized by the Association, may enter any Lot, at any reasonable hour of the day for the purposes permitted under the terms of the Declaration of Covenants, Conditions and Restrictions, By-laws, or any management agreement pursuant thereto. Except in the case of emergency, entry will be made by pre-arrangement with the Owner.

13 No vehicle belonging to an Owner or to a member of the family or guest, tenant, or employee shall be parked in such a manner as to impede or prevent ready access to another Owner's parking stall. The Owners, their employees, servants, agents, visitors, licensees, and the Owner's family will obey the parking regulations, parking areas, and drives and any other traffic regulations promulgated in the future for the safety, comfort and convenience of the Owners.

14 No inoperable automobile, or house trailer, boat trailers, boats, campers, snowmobiles or snowmobile trailers, or other similar vehicles shall be parked for any period greater than twenty-four (24) hours, in any 7 day period, in the parking stalls, common areas, or in the immediately adjacent street within the project without the written approval of the Association.

15 All damage to units or the Common Area caused by any Owner shall be paid for by the Owner responsible.

16 No Owners shall use or permit to be brought into the Lot any inflammable oils or fluids such as gasoline, kerosene, naptha or benzine, or other explosives or articles deemed extra hazardous to life, limb or property without in each case obtaining written consent of the Association.

17 Any damage to the buildings, or Common Areas or equipment caused by Owner's children or other guests shall be repaired at the expense of the Owner.

18 All pet owners must promptly clean up their pet's excrement.

19 No dogs may be walked or allowed to roam free on the South side of Flat Creek.

20 The bridge currently located on the Karns property southeast of the Project is not for public use or use by the Owners or their guests. Anyone using such bridge to access the area south of flat Creek shall, in the absence of the specific permission of the Karns family, be guilty of trespass.

These community rules may be added to, amended or repealed at any time by an act of the Board of Directors of the Association.

EXHIBIT A

LEGAL DESCRIPTION

**810 WEST ADDITION
to the
TOWN OF JACKSON**

A Tract of Land located in the NW 1/4 SW 1/4 of Section 33, Township 41 North, Range 116 West, 6th P.M., Town of Jackson, Teton County, Wyoming, being Lots 1, 2, and 3 of the Brown Addition to the Town of Jackson, Plat No. 864 as recorded in the Office of the Teton County Clerk, and Parcel A as shown on that map T46A as recorded in Said Office, and being more particularly described as follows:

Beginning at the Southwest Corner of Said Parcel A, a point on the south line of Said NW1/4 SW1/4 and the southeast corner of the Penny Addition to the Town of Jackson, Plat No. 326 as recorded in Said Office; thence along the west line of Said Parcel A and the east line of Said Penny addition and the east line of the Westgate Addition to the Town of Jackson, Plat No. 192 as recorded in Said Office, N00°04'36"E, 646.04 feet to the northwest corner of Said Parcel A and the northeast corner of Said Westgate Addition; thence along the northerly line of Said Parcel A and continuing along the northerly line of Said Brown Addition to the Town of Jackson, S88°54'50"E, 413.74 feet to the northeast corner of Said Brown Addition; thence along the easterly line of Said Brown Addition and continuing along the easterly line of Said Parcel A, S00°13'30"W, 642.92 feet to the southeast corner of Said Parcel A, a point on said south line of NW 1/4 SW 1/4; thence along said south line, the southerly line of Said Parcel A, N89°20'35"W, 412.03 feet to the Corner of Beginning.

Said Tract contains 6.11 acres, more or less, and is subject to easements, rights-of-way, reservations, and agreements, of sight and/or of record.

Michael J. Quinn
Wyoming Professional Land Surveyor 4270
7 February 2005
Nelson Project No. 03-181-05