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DECLARATION OF CONDOMINIUM

for

JACKSON HOLE GOLF AND TENNIS CONDOMINIUMS

GRANTOR: JACKSON HOLE GOLF AND TENNIS CLUB*
GRANTEE: THE PUBLIC
Doc 0767698 bk 750 pg 0-51 Filed At 15:08 ON 02/05/10
Sherry L. Daigle Teton County Clerk fees: 149.00
By Nichole Fairhurst Deputy

**Declaration of Condominium
for
Jackson Hole Golf and Tennis Condominiums**

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**Declaration of Condominium
for
Jackson Hole Golf and Tennis Condominiums**

This DECLARATION OF CONDOMINIUM FOR JACKSON HOLE GOLF AND TENNIS CONDOMINIUMS (this "Declaration") is made to be effective this 2ND day of FEBRUARY, 2010, by Jackson Hole Golf and Tennis Club, Inc., a Wyoming Corporation (the "Founder"), pursuant to the Condominium Ownership Act, Wyoming Statute § 34-20-101 et. seq. (the "Act").

PART ONE: INTRODUCTIONS TO THE COMMUNITY

ARTICLE I - CREATION OF THE COMMUNITY

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

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

1.3 **Governing Documents.** The Governing Documents create a general plan of development for Jackson Hole Golf and Tennis Condominiums which may be supplemented as set forth herein. In the event of a conflict between or among the Governing Documents and any such additional covenants or restrictions, the Governing Documents shall control. In the event of a conflict among provisions of the various Governing Documents, the following shall be the order of priority of the

documents: (i) the Teton County Approval Documents; (ii) Articles; (iii) Declaration; (iv) Bylaws; and (v) Master Rules and Regulations, and any amendments or supplements to each of the foregoing. Any provision appearing in a document higher in priority to another document shall control. Any documents not included in this list shall have the priority stated in such document, if any. Nothing in this Section shall preclude any Supplemental Declaration or other recorded covenants applicable to any portion of the Property from containing additional restrictions or provisions that are more restrictive than the provisions of this Declaration. The Association may, but shall not be required to, enforce any such covenants, restrictions or other instruments. All provisions of the *Governing Documents* shall apply to all Owners as well as their respective family members, tenants, guests and invitees. If any provision of this Declaration is determined by judgment or court order to be invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or applications.

ARTICLE II - DEFINITIONS

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

2.1 "Association". Jackson Hole Golf and Tennis Condominiums Homeowners Association, a Wyoming non-profit corporation, its successors or assigns.

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

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

2.4 "Building". Those Buildings or Building on the Property comprised of one or more Units.

2.5 "Bylaws". The Bylaws of Jackson Hole Golf and Tennis Condominiums Homeowners Association, as the same may be amended from time to time.

2.6 "Common Elements". The General Common Elements, Limited Common Elements, Limited Common Elements - Parking and Limited Common Elements - Yard, in the aggregate, or a portion thereof. Upon acceptance of a deed for a Unit, each Owner shall own an undivided interest in the Common Elements as a tenant in common with all the other Owners in the proportions provided on Exhibit "B" attached hereto and incorporated herein, and, except as otherwise limited in this Declaration, shall have the right to use the Common Elements for all purposes incident to the use and occupancy of his Unit, which ownership and right shall be appurtenant to the Unit and shall be inseparable from such Unit as long as the Unit shall exist.

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

2.8 "Community". The planned residential community created by this Declaration and consisting of the Property.

2.9 **"Condominium Unit"**. Pursuant to Wyoming Statute Section 34-20-103(a)(iii), those certain Individual Airspace Units as designated and delineated on the Plat and as defined and described herein, along with an undivided interest in the Common Elements in the proportion as designated on the attached Exhibit "B".

2.10 **"Construction Activities"**. Defined in Section 15.1(d).

2.11 **"County Activities"**. Defined in Section 15.3.

2.12 **"Founder"**. Jackson Hole Golf and Tennis Club, Inc., or any successor or assign who takes title to any portion of the property described on Exhibit "A" for the purpose of development and/or sale and who is designated as the Founder in a recorded instrument executed by the immediately preceding Founder.

2.13 **"General Common Elements"**. The entire Property excepting all Units and all Limited Common Elements. Without limiting the generality of the foregoing, the General Common Elements shall include: (i) the real property designated as GCE on the Plat and the playground located on a portion thereof; (ii) all appurtenances; (iii) all easements or licenses benefiting the Property in the name of the association or the Owners as a whole, including without limitation that pathway and roadway access and utility easement connecting the Property to Spring Gulch Road; (iv) all pipes, ducts, flues, chutes, conduits, wires and other utility installations to (but not at) the outlets in the Units; and (v) such component parts of walls, floors, ceilings, columns, roofs and other structures and installations that are outside of the Unit boundaries as delineated or described on the Plat and herein. General Common Elements may be referred to herein and on the Plat as "General Common Element" or "GCE".

2.14 **"Golf Activities"**. Defined in Section 15.1(b).

2.15 **"Golf Course"**. Defined in Section 15.1(b).

2.16 **"Golf Related Risks"**. Defined in Section 15.1(c).

2.17 **"Governing Documents"**. A collective term referring to this Declaration, any applicable Supplemental Declaration, the Bylaws, the Articles and the Master Rules and Regulations, as well as the Teton County Approval Documents, as each of the same may be amended or supplemented.

2.18 **"Household Pets"**. Defined in Section 3.6 and may be referred to herein as "Pet", "Household Pets" or "Household Pet".

2.19 **"Individual Airspace Unit" or "Unit"**. "Individual Airspace Unit" or "Unit" (the terms may be used synonymously and interchangeably herein) shall mean those certain individual air spaces as designated and delineated on the Plat. Each Unit shall consist of that part of each condominium building as bounded by the interior surfaces of the perimeter walls, floors, ceilings, windows and window frames, doors and door frames, and trim as shown and numbered on the Plat, and specifically excluding without limitation the crawlspaces under the floors and the attic spaces above the ceilings of each Unit. Each Unit shall include all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of its finished surfaces and the interior surfaces so described. All other portions of the walls, floors or ceilings and roofing systems (including common walls to separate Units) shall be a part of the General Common Elements. In addition, each Unit shall include the following: (a) all spaces, nonbearing interior partitions and all other fixtures and improvements within the boundaries of the Unit; (b) all outlets, lines and ducts of utility service lines, including but not limited to power, light, gas, hot and cold water, heating and waste disposal, within the

boundaries of the Unit; and (c) all heating/cooling and hot water apparatus exclusively serving the Unit. The interior surfaces of a perimeter window or door means at the points at which such surfaces are located when such windows or doors are closed. Subject to Section 5.1(a), the physical windows and doors themselves are part of the General Common Element as herein defined. This Declaration provides a means for ownership in fee simple of separate interests in the Individual Airspace Unit together with an undivided tenant-in-common fee-simple interest in the Common Elements, as those terms are herein defined.

2.20 "Limited Common Elements". "Limited Common Elements" means those portions of the Common Elements as described by Wyoming Statute Section 34-20-103 for the exclusive use of one or more but fewer than all of the Units, and any Limited Common Elements specifically allocated to specific Units as shown on the Plat. Limited Common Elements may be referred to herein or on the Plat as "Limited Common Element" or "LCE".

2.21 "Intentionally Deleted".

2.22 "Limited Common Elements - Parking". "Limited Common Elements - Parking" means those Limited Common Elements for the exclusive use of one or more Unit(s) for parking as designated by the Founder herein and/or as designated on the Plat and/or in one or more separately recorded instruments and upon which driveways or parking spaces shall be constructed by Founder as shown on the Plat. Limited Common Elements - Parking may also be referred to herein and on the Plat as "Limited Common Element - Parking", "LCE - Parking", "LCE - P" or "Parking Limited Common Element". Founder shall have the right, but not the obligation, to record the Plat and/or other documents setting forth the Limited Common Elements - Parking and making the same appurtenant to specific Units.

2.23 "Limited Common Elements - Yard". "Limited Common Elements - Yard" means those Limited Common Elements for the exclusive use of one or more Unit(s) as a yard as designated by the Founder herein, on the Plat and/or in one or more separately recorded instruments. Limited Common Elements - Yard may also be referred to herein and on the Plat as "Limited Common Element - Yard", "LCE - Yard", "LCE - Y" or "Yard Limited Common Element". In any event, a Limited Common Element - Yard shall be for the exclusive use and occupancy of the Unit to which it is appurtenant.

2.24 "Master Rules and Regulations". The Master Rules and Regulations are the rules and regulations adopted by the Board, if any, pursuant to Section 3.2 hereof.

2.25 "Member". A Person subject to membership in the Association pursuant to Article VI

2.26 "Mold". Defined in Article XVI.

2.27 "Mortgage". A mortgage, a deed to secure debt, or any other form of security instrument affecting title to any Condominium Unit or all or any portion of the Property. "Mortgagee" shall refer to a beneficiary of a deed of trust or holder of a Mortgage.

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

2.29 "Path Activities". Defined in Section 15.1(a).

- 2.30 "**Path System**". Defined in Section 15.1(a).
- 2.31 "**Permittee**". A Person, other than an Owner, present on or in rightful possession of a Condominium Unit or Common Element, or a portion thereof, including, without limitation, a tenant, guest, invitee, family member, agent, employee, customer, contractor, and/or licensee of an Owner or the Association or any other Person rightfully in possession or control of a Condominium Unit or Common Element or any portion thereof.
- 2.32 "**Person**". A natural person, a corporation, a partnership, a trust, a trustee, or any other legal entity.
- 2.33 "**Plat**". The final subdivision plat for the Jackson Hole Golf and Tennis Condominiums, as recorded in the Teton County, Wyoming land records in the Office of the County Clerk, as the same may be vacated and replatted from time to time, which depicts the Property divided into Units, General Common Elements and Limited Common Elements.
- 2.34 "**Project**". Defined in Section 1.2.
- 2.35 "**Property**". The real property described on Exhibit "A", as the same is subdivided hereby and as depicted on the Plat, together with all improvements affixed thereon.
- 2.36 "**Public Records**". The official land records of Teton County, Wyoming located in the Office of the Clerk of Teton County, Wyoming.
- 2.37 "**Special Assessment**". Assessments levied in accordance with Section 8.3.
- 2.38 "**Special Restrictions**". Those Special Restrictions for Affordable Housing Located at Jackson Hole Golf and Tennis Condominiums recorded in the Public Records against each Condominium Unit in the Community for purposes of restricting in perpetuity the sales price, ownership and occupancy of each Condominium Unit as affordable housing pursuant to the rules and regulations of TCHA.
- 2.39 "**Specific Assessment**". Assessments levied in accordance with Section 8.4.
- 2.40 "**Stream Related Risks**". Defined in Section 15.2.
- 2.41 "**Supplemental Declaration**". An instrument filed in the Public Records which imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument.
- 2.42 "**TCHA**". Teton County Housing Authority, a duly constituted Housing Authority established by Teton County, Wyoming pursuant to Wyoming Statutes Section 15-10-116, as amended, and its successors or assigns.
- 2.43 "**Teton County Approval Documents**". The Amended Master Plan for the Jackson Hole Golf and Tennis Club Planned Unit Development District for Planned Resort (SKC 02-0002) approved by the Board of County Commissioners on September 10, 2002 at the continuation of their regularly scheduled meeting of September 5, 2002, and the Jackson Hole Golf and Tennis Club Phase I Final Development Plan for Single Family Lots and Affordable Housing (DEV 02-0036) approved by the Board of County Commissioners on February 20, 2003 as amended by Minor Deviations MDV 07-0002 and MDV 08-0015 approved April 6, 2007 and January 22, 2009, respectively, by the Teton County Planning & Development Department.

PART TWO: CREATION AND MAINTENANCE OF COMMUNITY STANDARDS

ARTICLE III - USE AND CONDUCT

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

3.2 **Rule Making Authority.**

(a) The Founder shall provide the initial Master Rules and Regulations. Thereafter, subject to the terms of this Article and the Board's duty to exercise business judgment and reasonableness on behalf of the Association and its Members, the Board may modify, cancel, limit, create exceptions to, or expand the initial Master Rules and Regulations after sending notice by mail to all Owners concerning any such proposed action as least five (5) business days prior to the Board meeting at which such action is to be considered. Members shall have a reasonable opportunity to be heard at a Board meeting prior to such action being taken. Such action shall become effective after compliance with Section 3.2(c) below unless disapproved at a meeting of the Members by at least seventy-five percent (75%) of the total votes entitled to vote on the matter. The Board shall have no obligation to call a meeting of the Members to consider disapproval except upon receipt of a written request from the Members as required for special meetings in the Bylaws. Upon such written request of the Members prior to the effective date of any Board action under this Section 3.2(a), the proposed action shall not become effective until after such meeting is held, and then subject to the outcome of a vote of the Members at such meeting.

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

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

3.3 **Owners' Acknowledgement and Notice to Purchasers regarding Affordable Housing Requirements and Master Rules and Regulations.** Each Owner is hereby given notice that its Unit is subject to the Special Restrictions, a deed restriction limiting the resale value and ownership and occupancy of such Unit, it being the express intent of the Founder, Teton County and the Teton County Housing Authority that the Community remains a permanently affordable residential community for income-qualified individuals. All Owners are given further notice that use of their Unit is limited by the Master Rules and Regulations as they may be amended, expanded and otherwise modified hereunder. Each Owner, by acceptance of a deed for, or otherwise taking title to, their Unit, acknowledges and agrees that the use, enjoyment and marketability of his or her Unit can be affected by this Declaration and the Special Restrictions, and that the Master Rules and Regulations may change from time to time. All

purchasers of Units are on notice that changes may have been adopted by the Association that are not recorded in the Public Records. Copies of the current Master Rules and Regulations may be obtained from the Association.

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

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

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

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

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

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

(e) **Allocation of Burdens and Benefits.** No rule shall alter the allocation of financial burdens among the various Units to the detriment of any Owner over that Owner's objection expressed in writing to the Association except the Board, as provided herein, may make special allocation for the Units pursuant to Article VIII. This provision does not affect the right to increase the amount of assessments or to levy Specific Assessments as provided by Article VIII.

(f) **Alienations.** No Unit may be rented or leased in whole or in part except with the prior written consent of TCHA or as provided in the Special Restrictions. The sale of any Unit is subject to the terms, including resale value restrictions, of the Special Restrictions.

(g) **Abridging Existing Rights.** If any rule would otherwise require Owners to dispose of personal property which they maintained in or on the Unit prior to the effective date of such

rule, or to vacate a Unit in which they resided prior to the effective date of such rule, and such property was maintained or such occupancy was in compliance with this Declaration and all rules previously in force, such rule shall not apply to any such Owners without their written consent.

(h) **Rights to Develop.** No rule or action by the Association or Board shall impede the Founder's right to develop the Property.

(i) **Unslightiness.** The General Common Elements and Limited Common Elements, including entryways, decks, driveways, parking spaces, and yards, shall be kept in a neat and orderly fashion at all times. No exterior area, including any decks, may be used for the storage of recreational equipment, furniture, trash or other goods or merchandise, except as provided for herein.

The limitations in subsections (a) through (i) of this Section 3.5 shall only limit rulemaking authority exercised under Section 3.2; they shall not apply to amendments to this Declaration adopted in accordance with Article XIII.

3.6 Domestic Animals. Each Unit shall be entitled to a maximum of no more than one (1) Household Pet. The term "Household Pets" means generally recognized household pets such as cats, birds, rodents, and non-poisonous reptiles. Notwithstanding anything to the contrary in this Section 3.6, in compliance with the Teton County Approval Documents dogs shall not be considered "Household Pets" and shall not be allowed on the Property at any time. Any Household Pets may not be kept for any commercial purpose, may not be kept in unreasonable numbers (any pets in excess of the maximum allowed number provided herein shall be deemed unreasonable in number), and may not cause an unreasonable amount of noise, odor, or otherwise become a nuisance to other Owners. All Owners or Permittees with Household Pets shall keep the animals physically restrained and physically controlled at all times so they do not cause a nuisance to others and do not harass or endanger others or wildlife. No Owner or Permittee shall be permitted to allow such animals to run free or chase or harass wildlife on the Property or adjacent properties. No pet or animal shall be restrained by leash, cord, chain, rope, or other attachment fixed to any vehicle, post, tree, or other structure or object within the Property thereby allowing such animal to become a nuisance or interfere with pedestrian or vehicular traffic in and around any Common Elements within the Property. Contractors, sub-contractors and any other person providing services to a Unit may not bring Household Pets onto the Property. All Owners or Permittees with Household Pets shall immediately remove any waste left by such Household Pets in the Common Elements or Units. All animals not considered to be a domestic Household Pet, including, but not limited to pigs, poultry, fowl, wild animals, cattle, horses, sheep and goats, are prohibited from being maintained or cared for on the Property or in a Unit thereof at any time and for any period of time.

"Nuisance" means any noisy animal, any vicious animal, any non-domestic household pet, or any animal which chews, tears, digs in or scratches, litters or soils, destroys, or in any other manner injures clothing, garbage containers, gardens, flower beds, lawns, trees, shrubbery, or any other property within the Property. Excessive, continued, or untimely barking, molesting passersby, chasing vehicles, habitually attacking other animals or trespassing upon private property in such a manner as to damage property shall also be deemed a Nuisance.

"Noisy Animal" means any animal which habitually, constantly, or frequently disturbs the sleep, peace, or quiet of any person.

The Board shall have, and is hereby given, the right and authority to determine in its sole discretion that Household Pets are being kept for commercial purposes, or are otherwise a Noisy Animal or a Nuisance to other Unit Owners or Permittees, or that a Unit Owner is otherwise in violation of this Section, and to take such action or actions as it deems reasonably necessary to remedy the violation. Without limiting the generality of the foregoing, the Association may require the owner or custodian of a Household Pet that makes excessive noise or with other offensive habits to confine such animal indoors. Further, the Association may require an Owner, at its own expense, to remove such Pet determined by the Association to be a Noisy Animal or a Nuisance and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the Unit and remove the Noisy Animal or Nuisance and any such action shall not be deemed a trespass or conversion or subject the Board or its designee to any liability. The Board shall have the broadest authority permissible by law to regulate and control the keeping of Household Pets in the Community and the provisions of this Section to preserve the peace and enjoyment of the Community for the Owners.

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

3.7 Vehicle Parking, Storage, Operation and Repair.

(a) "Permitted Vehicles" shall mean all passenger automobiles and one ton or smaller pick-up trucks. Only Permitted Vehicles may be parked on the Limited Common Elements - Parking.

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

(c) Notwithstanding the foregoing, Prohibited Vehicles may be temporarily parked on Limited Common Elements - Parking or roadways within the General Common Elements for loading, delivery or emergency purposes, but only for the time required to accomplish such purpose, and as necessary for the construction or maintenance of the Property in compliance with the Master Rules and Regulations.

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

(e) In the event that the Board shall determine that a vehicle is an abandoned or inoperable vehicle, or is otherwise in violation of the provisions of this Section 3.7, a written notice of violation describing said vehicle shall be personally delivered to the vehicle owner (if such owner can be reasonably ascertained) or shall be conspicuously placed upon the vehicle (if the owner cannot be reasonably ascertained), and if the offending vehicle is not removed within seventy-two (72) hours thereafter, the Board shall have the right to remove and store the offending vehicle, or cause the vehicle to

be removed and stored, at the sole expense of the Owner granted the exclusive right to the Limited Common Elements - Parking on which the vehicle is located or such other Owner who is reasonably deemed to be associated with such offending vehicle. The Board shall be permitted to enter upon any such Limited Common Element for such purpose, all without liability on the part of the Board.

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

(a) The construction or location of any buildings, structures or accessory structures within the Common Elements except for those improvements permitted by that final development permit for The Resort at Jackson Hole Golf and Tennis Club on record in the offices of the Teton County Planning Department or on the Plat (including, but not limited to, playground equipment and garbage storage structures) and except for those improvements permitted within the Limited Common Elements as provided for in this Declaration.

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

(c) The dumping of offensive materials.

(d) Any use, occupancy, alteration, construction or entry into the CRAWLSPACES underneath the floors of the Units or the ATTICS above the ceilings of the Units, except as strictly necessary to perform maintenance on the utility lines contained within such prohibited areas. The crawlspaces contain stego mat vapor barriers for the protection of the improvements constructed within the Buildings and any perforation of the stego mat vapor barriers could have an adverse effect on all Units within the affected Building.

(e) Any alteration to the exterior surfaces of the Buildings.

(f) The alteration or addition of decking, fences or landscaping within the General Common Elements and Limited Common Elements.

(g) The installation of satellite dishes on the exterior of the Buildings, except for satellite dishes of the minimum size available for residential use from a reputable satellite provider, the placement of which and approval for which shall be obtained from the Board in writing prior to installation.

(h) The operation of a "home business," as such term is defined in the Teton County Land Use Regulations.

3.9 Development and Use Restrictions. All development and use of the Property shall conform to any and all applicable land use regulations of Teton County, Wyoming, in addition to the requirements of this Declaration.

ARTICLE IV – CONDOMINIUM DECLARATION

4.1 Estates of an Owner. The Project is hereby divided into Condominium Units, each

consisting of a separate interest in a Unit and an undivided interest as tenant in common in the Common Elements in accordance with the Plat and this Declaration. Except as otherwise provided in this Declaration, the percentage of ownership interest in the Common Elements which is to be allocated to each Condominium Unit for purposes of taxes, assessments and other charges under Wyoming Statute § 34-20-104(a) shall be the same as set forth on the attached Exhibit "B". Such undivided interests in the Common Elements are hereby declared to be appurtenant to the respective Condominium Unit and are inseparable therefrom during the period of condominium ownership established by this Declaration. A Unit may have appurtenant to it a Limited Common Element that is for the exclusive use and possession of the Unit to which such Limited Common Element is appurtenant, but ownership of all Common Elements, including the Limited Common Elements, shall be as provided on Exhibit "B" hereto.

4.2 **Title.** Title to a Condominium Unit may be held or owned by a Person or an entity and in any manner in which title to any other real property may be held or owned in the State of Wyoming, subject to any limitation in the Special Restrictions or rules and regulations of TCHA which are applicable to the Units.

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

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

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

4.6 **Taxes and Assessments.** Each Owner shall execute such instruments and take such actions as may reasonably be specified by the Association to obtain separate real property tax assessments of the interest of each Owner in each Condominium Unit. If any taxes or special district or other assessments may, in the opinion of the Association, become a lien on the Project or any part thereof, the Association shall pay the same and assess the same to the Owner or Owners responsible therefor in addition to any costs that the Association may incur in doing so. Each Owner shall timely pay directly to the taxing authority all taxes and assessments assessed against her/his Condominium Unit, or interest therein, including his/her interest in the Common Elements or any part of any or all of the foregoing. Each Owner shall pay to the Association any taxes, rates, impositions, and assessments that may be levied against the Project or any part of the Common Elements in proportion to her/his interest in the Common Elements, such payment to be made to the Association at least thirty (30) days prior to the delinquency of such tax or assessment. Any such unpaid tax or assessment, which is due to the Association, shall bear interest at eighteen percent (18%) per annum from and after the time the same becomes payable by each Owner and shall be secured by the lien created by Section 8.8 hereof.

4.7 **Owner's Rights with Respect to Interiors.** Except as provided in this Declaration, each Owner shall have the exclusive right to paint, repaint, tile, wax, paper, clean or otherwise maintain,

refinish, and decorate the interior surfaces of the walls, ceilings, floors and doors, and to clean and repair the exterior and interior surfaces of the windows, all of which form the boundaries of his/her Unit and all walls, ceilings, floors, and doors within such boundaries.

4.8 **Founder's Right Incident To Construction.** Without limiting the generality of Section 10.4, Founder, its employees, agents, contractors and persons it shall select, shall have the right to ingress and egress over, upon, and across the Common Elements, the right to store materials thereon and to make such other use thereof as may be reasonably necessary incident to complete development of the Project

4.9 **Legal Description.** Every contract for the sale of a Condominium Unit and every other instrument affecting title to a Condominium Unit may describe that Condominium Unit by the number shown on the Plat and this Declaration as each appears in the Public Records, substantially in the following fashion:

Unit ____ of the Jackson Hole Golf and Tennis Condominiums, Teton County, Wyoming, as shown on that Plat appearing in the land records in the Office of the Teton County Clerk as Plat No. ____ and as defined and described in the Declaration of Condominium for Jackson Hole Golf and Tennis Condominiums recorded in the land records in the Office of the Teton County Clerk, as Document _____ in Book _____ of Photo at Pages ____ to ____, and all amendments or supplements thereto.

The blanks provided above shall be completed with reference to the recording information for the applicable documents as designated by the Teton County Clerk's office upon recordation in the Public Records. Such description will be construed to describe the Unit, together with the appurtenant undivided interest in the Common Elements and to incorporate all the rights incident to ownership of a Unit and all the limitations on such ownership as described in this Declaration.

ARTICLE V – MAINTENANCE, REPAIR AND REPLACEMENT

5.1 Association Responsibilities for Maintenance, Repair and Replacement.

(a) **Maintenance of Common Elements in or on the Buildings.** The Association shall repair, maintain and keep in good condition, repair and working order the Common Elements comprised of the exterior of the Buildings constructed upon the Property, including, without limitation, all siding, exterior surfaces of windows, doors and garage doors and roofs, as well as the crawlspaces below the Units and the attics above the Units in the Buildings, and all utility lines contained in areas outside of Unit boundaries as defined herein.

(b) **Maintenance of other Common Elements on or about the Property.** The Association shall repair, maintain and keep in good condition, repair and working order all portions of the Common Elements on the Property, including the General Common Elements, Limited Common Elements – Parking, Limited Common Elements – Yard, any decks which are part of the Project (except as provided in Section 5.2 below) and any other Common Elements on the Property, including without limitation the playground, roadways, access and pathway easements serving the Property, and landscaping. The Project is connected to the Gros Ventre Utility for both water supply and wastewater transmission. As such, any portions of the water system consisting of 6 inch or 8 inch main lines, related piping, valves, gate valves, tees, anything related to and including the fire hydrants, the sewer system consisting of 8 inch main lines and all other above-ground and underground appurtenances associated with the water and sewer system main lines are owned and maintained by the Gros Ventre Utility, its successors or assigns. All service laterals off of the main lines for both water and sewer are Common

Elements and shall be maintained by the Association.

(c) **Maintenance of Other Property.** The Association may maintain property that it and its Owners do not own, if the Board determines that such maintenance is necessary or desirable.

(d) **Election to Perform Owner's Interior Maintenance Duties.** The Association may elect to maintain or repair the interior of a Unit or any portion thereof, the maintenance and repair of which is the responsibility of an Owner pursuant to this Article, if (i) such Owner has failed, for more than 30 days after notice from the Association, to perform its responsibilities under this Declaration with respect to the maintenance or repair of its Unit, and (ii) such failure has a material effect on the appearance of such Unit when viewed from any area outside such Unit or has a material adverse effect on the use or enjoyment of another Unit or any Common Element for its permitted and intended use, *provided, however*, that if such failure is not susceptible of being cured within such 30-day period, the Association will not be entitled to perform any repairs or maintenance if such Owner commences performance of its obligations within such 30-day period and thereafter diligently completes such performance. Such Owner will pay all costs (including, without limitation, reasonable attorneys' fees) incurred by the Association in exercising its rights under this Section, and such costs shall be levied against such Owner as a Specific Assessment. Such payment will be made upon receipt of a demand from the Association therefor. If an Owner fails to make such payment within 30 days of receipt of a demand therefor, the Association will be entitled to whatever lawful action it deems necessary to collect such payment, including, without limitation, foreclosing its lien or instituting an action at law or in equity

(e) **Expenses Related to Maintenance.** The costs associated with maintenance, repair and replacement of the General Common Elements, as well as any other expenses related to maintenance, repair and replacement authorized pursuant to this Declaration or duly approved by the Association, shall be a Common Expense as provided in Article VIII; notwithstanding the foregoing, all expenses associated with the repair or replacement of Common Elements which have been damaged or destroyed by reason of an Owner's act or neglect, or by the act or neglect of any Permittee or pet of such Owner, shall be assessed as a Specific Assessment against the Unit of such Owner. Any Common Expense associated with the maintenance, repair or replacement of improvements within a Limited Common Element may be assessed as a Specific Assessment against the Unit(s) to which the Limited Common Element is assigned

5.2 Owner Responsibilities for Maintenance, Repair and Replacement. Owners shall be responsible for the maintenance of such Owner's Unit, including the heating equipment, water heater, and any portion of any other utility service facilities or apparatus servicing such Owner's Unit exclusively and to the extent such facilities and apparatus are contained within the boundaries of the Unit as provided herein, unless such maintenance responsibility is otherwise assumed by the Association pursuant to this Declaration. Each Owner of a Unit appurtenant to a deck shall be responsible for the day-to-day upkeep, cleaning and sightliness of such deck. In the event of any breakage of the window of any Unit, the Owner of such Unit shall be responsible for promptly repairing the same.

PART THREE: COMMUNITY GOVERNANCE AND ADMINISTRATION

ARTICLE VI – THE ASSOCIATION AND ITS MEMBERS

6.1 Function of Association. Every Owner shall be a member of the Association. If title to a Condominium Unit is held by more than one person, the membership related to that Condominium Unit shall be shared by all such persons in the same proportionate interests and by the same type of tenancy in which the title to the Condominium Unit is held. An Owner shall be entitled to one membership for each Condominium Unit owned by him. No person or entity other than an Owner may be a member of the

Association, and the Association Bylaws always shall so state and shall in addition state that the memberships in the Association may not be transferred except in connection with the transfer of a Condominium Unit; provided, however, that the rights of membership may be assigned to a Mortgagee as further security for a loan secured by a lien on a Condominium Unit.

6.2 Voting. There shall be one equal vote for each Condominium Unit subject to this Declaration. All votes shall be cast as provided in Section 6.2(a).

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

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

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

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

ARTICLE VII – ASSOCIATION POWERS AND RESPONSIBILITIES

7.1 Acceptance and Control of Common Elements and Association Property.

(a) The Association, through action of its Board, may control and maintain the real property comprising the Common Elements as designated on the Plat;

(b) The Association, through action of its Board, may acquire, hold, and dispose of any tangible and intangible personal property on behalf of its Members, including the playground equipment and other items of personal property placed in or around the Common Elements of the Property.

7.2 Insurance.

(a) **Required Coverages by Association.** The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance:

(i) Blanket property insurance on an "All Risk" policy form covering the full replacement cost for all Common Elements and insurable improvements within the Common Elements of the Property. The property insurance shall provide coverage against loss or damage from fire, explosion, aircraft, water, flood, earthquake, boiler and machinery breakdown and such other perils

considered necessary or practical in fully protecting the Common Elements of the Property. Earthquake coverage may have sub-limits equal to the Probable Maximum Loss ("PML"); and

(ii) Commercial general liability insurance on the Common Elements, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. Such coverage shall have a limit of at least one million dollars (\$1,000,000.00) per occurrence and two million dollars (\$2,000,000.00) in the aggregate covering liability arising out of premises operations, personal and advertising injury, contractual liability and independent contractors. The Association shall have the option to obtain such coverage with higher limits if it deems necessary. If the policy does not contain "severability of interest" in its terms, the Association shall acquire an endorsement to preclude the insurer's denial of a Unit Owner's claim because of negligent acts of the Association or of other Unit Owners; and

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

Premiums for all insurance required or allowed by this paragraph (a) shall be assessed by the Board as a Common Expense.

(b) **Policy Requirements.** The Association shall arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the Teton County, Wyoming area. All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Member insured. The policies may contain a reasonable deductible. In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with procedures adopted by the Board, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Unit as a Specific Assessment.

All insurance coverage obtained by the Board shall:

- (i) Be written with a company or companies authorized to do business in the State of Wyoming and with an AM Best Rating of no less than A-VII;
- (ii) Shall list the Association as the first named insured and Owners and Founder (until the expiration of Founder's reserved rights pursuant to Article X hereof) as additional insureds;
- (iii) Be primary and non-contributory to any other insurance purchased by Owners, Permittees, or their Mortgagees individually and/or Founder;
- (iv) Contain an inflation guard endorsement;
- (v) Include an agreed amount endorsement if the policy contains a co-insurance clause;
- (vi) Contain a blanket waiver of subrogation endorsement;

(vii) Include an endorsement precluding cancellation, invalidation, or condition to recovery under the policy on account of any unintentional error or omission of the Association and/or any one or more individual Owners;

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

(ix) Provide notice in accordance with Section 18.8 of this Declaration.

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

Damaged improvements on the property shall be repaired or reconstructed unless the Board, using reasonable judgment and in reliance upon professional estimates and advice, determines either that i) such full repair and/or restoration is physically impossible or ii) available insurance proceeds are less than eighty percent (80%) of the cost of such repair and/or restoration. Within sixty (60) days after a determination is made pursuant to either clause i) or ii) above, the Owner(s) of the damaged or destroyed Unit(s) shall decide whether to repair or reconstruct. If any of the property which the Association is obligated to insure is damaged, the Association shall, within sixty (60) days, decide whether to repair or reconstruct. The damaged improvements shall not be repaired or reconstructed if at least seventy-five percent (75%) of the Owner(s) of damaged or destroyed Unit(s), or the Association, as applicable, decide not to repair or reconstruct. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the insured improvements shall be repaired or reconstructed.

If a decision is made not to restore any damaged improvements, then the insurance proceeds attributable to such improvements shall be paid to the Owners and Mortgagees in an amount proportionate to the ownership interests set forth on Exhibit "B", and based upon the insurance proceeds available, less any amounts expended by the Board to make the Building safe, habitable and as close as possible in appearance to what it was prior to the damage or destruction. Before any insurance proceeds are released to an Owner(s), all Mortgages, liens and other charges against the Units, including any assessments then outstanding, shall be paid out of the applicable insurance proceeds in accordance with the documents giving rise to such Mortgages, liens, assessments and other charges.

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

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

(d) **Required Coverages by Owners.** Each Owner shall obtain and continue in effect the following types of insurance on such Owner's Unit:

(i) Blanket property insurance on an "All Risk" policy form covering the full replacement cost for such Unit and insurable improvements within the Unit. The property insurance

shall provide coverage against loss or damage from fire, explosion, aircraft, water, flood, earthquake, boiler and machinery breakdown and such other perils considered necessary or practical in fully protecting the Unit. Earthquake coverage may have sub-limits equal to the Probable Maximum Loss ("PML"). Proof that such insurance on each Unit is effective and in good standing shall be submitted to the Association on an annual basis as the Board may determine; and

(ii) Such additional insurance as the Owner, in its judgment, determines advisable for its purposes. Provided, however, that if an Owner obtains liability insurance and the policy does not contain "severability of interest" in its terms, the Owner shall acquire an endorsement to preclude the insurer's denial of the Association's claim because of negligent acts of the Owner or of other Unit Owners.

Any policies of insurance maintained by the Owners shall comply with Section 18.8 of this Declaration

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

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

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

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

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

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

(f) Requiring an Owner, at its own expense, to remove any structure or improvements in violation of Article III and to restore the Unit to its previous condition and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the Unit, remove the violation and restore the Unit to substantially the same condition as previously existed and any such action shall not be deemed a trespass;

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

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

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

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

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

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

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

The Association shall not be obligated to take any action if the Board reasonably determines that the Association's position is not strong enough to justify taking such action. Such a decision shall not be construed a waiver of the right of the Association to enforce such provision at a later time or under other circumstances or estop the Association from enforcing any other covenant, restriction or rule.

The Association may enforce applicable county regulations, if applicable, and permit Teton County, Wyoming to enforce regulations within the Property for the benefit of the Association and its Members.

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

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

ARTICLE VIII – ASSOCIATION FINANCES

8.1 Budgeting and Allocating Common Expenses. At least sixty (60) days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses for the coming year, including any contributions to be made to a reserve fund pursuant to Section 8.2. The budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may

include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Units, and the amount to be generated through the levy of Base Assessments, Special Assessments and Specific Assessments against each Unit.

The Association is hereby authorized to levy Base Assessments to fund the Common Expenses against all Units subject to assessment under this Declaration in an amount proportionate to the ownership interests set forth on Exhibit "B".

The Board shall send a copy of the final budget, together with notice of the amount of the Base Assessment to be levied pursuant to such budget, to each Owner not less than forty-five (45) nor more than sixty (60) days prior to the effective date of such budget.

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

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

8.2 Budgeting for Reserves. The Board shall prepare and review at least annually a reserve budget for capital expenses of the Project which may include, without limitation, roof replacement and repair, roadway and parking area resurfacing and repair, siding retaining and repair, and playground equipment maintenance and replacement. The reserve budget shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall maintain records available for review by the Members of each such preparation and review of the reserve budget. The Board shall include in the Common Expense budget adopted pursuant to Section 8.1, a capital contribution to fund reserves in an amount sufficient to meet the projected need with respect both to amount and timing by annual contributions over the budget period.

8.3 Special Assessments. In addition to other authorized assessments, the Board may, subject to the limitations of Section 8.5, levy Special Assessments to cover unbudgeted and unanticipated expenses or expenses in excess of those budgeted. Any such Special Assessment shall be levied against the entire membership if such Special Assessment is for Common Expenses. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved. The Board shall provide notice of such Special Assessment to all Owner(s) by first class mail not less than thirty (30) nor more than sixty (60) days prior to the Special Assessment becoming due.

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

8.5 Limitation of Increases of Assessments. Notwithstanding any provision to the contrary, and except for assessment increases necessary for emergency situations or to reimburse the Association, the Board may not impose an annualized Base Assessment that is more than ten percent (10%) greater

than the Base Assessment for the immediately preceding fiscal year, nor impose a Special Assessment which in the aggregate exceeds five percent (5%) of the budgeted Common Expenses for the current fiscal year, without a majority vote of a quorum of the Members who are subject to the applicable assessment at a meeting of the Association, or action without meeting by written ballot in lieu thereof signed by at least ninety percent (90%) of the total voting power of the Association.

For purposes of this Section, "quorum" means at least seventy-five percent (75%) of the total voting power of the Association subject to the applicable assessment. For purposes of this Section, the term "Base Assessment" shall be deemed to include the amount assessed against each Unit plus a pro rata allocation of any amounts the Association received through any subsidy or maintenance agreement, if any, in effect for the year immediately preceding the year for which the assessment is to be increased.

An emergency situation is any one of the following:

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

8.6 Authority to Assess Owners; Date of Commencement of Assessments; Time of Payment. The Board is hereby authorized to levy assessments as provided for in this Article and elsewhere in the Governing Documents. Subject to Section 8.1 and 8.7, the obligation to pay the assessments provided for herein shall commence as to all Units on the day of the first conveyance of a Unit to an Owner. The first annual assessment shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on the Units.

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

8.7 Personal Obligation. Each Owner, by accepting a deed of conveyance or entering into a recorded contract of sale for any portion of the Property, is deemed to covenant and agree to pay all assessments authorized in the Governing Documents. All assessments, together with interest (computed from its due date at a rate of eighteen percent (18%) per annum or such other rate as the Board may establish, subject to the limitations of Wyoming law), late charges as determined by Board resolution, costs, and reasonable attorneys' fees, shall be the personal obligation of each Owner and a lien upon each

Unit until paid in full. Upon a transfer of title to a Unit, the grantee shall not be personally liable for any assessments and other charges due at the time of conveyance unless expressly assumed by him/her, but such transferred Unit shall remain subject to any liens imposed upon it pursuant to Section 8.8 herein even if such lien is filed of record after the date such grantee takes title to the Unit. No first Mortgagee who obtains title to a Unit by exercising the remedies provided in its Mortgage shall be liable for unpaid assessments which accrued more than six (6) months prior to such acquisition of title. Such Mortgagee shall be liable for any fees or costs related to the collection of such unpaid dues.

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

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

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

8.8 Lien for Assessments. Each Owner, by his or her acceptance of a deed of conveyance to a Unit, hereby vests in the Association and its agents the right and power to bring all appropriate actions against such Owner personally for the collection as a debt of any unpaid and delinquent billings for Base Assessments, Special Assessments, Specific Assessments, interest, late fees, enforcement costs and other charges owing by such Owner in accordance with the terms hereof. Additionally, in order to secure payment of any billings for Base Assessments, Specific Assessments, Special Assessments, interest, late fees, enforcement costs and other charges due hereunder, Founder, and each Owner by his or her acceptance of a deed to a Unit, hereby grants to the Association and its agents a lien for such Base Assessments, Specific Assessments, Special Assessments, interest, late fees, enforcement costs and other charges for which each such Owner is responsible under the terms hereof. The Board, acting on behalf of the Association, is authorized to record a notice of any unpaid amounts secured by such lien in the Office of the County Clerk of Teton County, Wyoming, which shall include a description of the applicable Unit and the name of the Owner thereof and the basis for the amount of the lien. Said lien shall be enforceable by the Association or its agents through all appropriate methods available under applicable Wyoming law for the enforcement of such liens, including without limitation, non-judicial foreclosure pursuant to Wyoming Statutes (as amended from time to time), and the Founder and each such Owner hereby expressly grant to the Association a power of sale in connection with said lien. The Association may designate a trustee in writing from time to time to post or cause to be posted the required notices and to conduct such foreclosure sale. The trustee may be changed at any time and from time to time by an instrument in writing and signed by the President or a Vice President of the Association and attested by the Secretary or any Assistant Secretary of the Association and filed for record in the Public Records. The lien herein retained and granted is and shall be expressly subordinate in all respects to any Mortgage predating the charge in question (as evidenced by the recording date of a notice of unpaid assessments in the Public Records). Any holder of a Mortgage that predates the date of the charge in question and who acquires title to a Unit through foreclosure of its Mortgage or acceptance of a deed in lieu of foreclosure

thereunder, shall not be liable for more than six (6) months of any unpaid charges relating to the Unit in question that arose prior to such acquisition. Such holder of a Mortgage shall be liable for any fees or costs related to the collection of the unpaid charges relating to such six (6) month period. Additionally, after any such foreclosure or deed in lieu of foreclosure, such Unit shall remain subject to this Declaration and the above-described lien and the new Owner of such Unit shall thereafter be personally liable for all charges of the type described above which relate to such Unit and which become due after such new Owner acquires title to said Unit by foreclosure or by acceptance of a deed in lieu of foreclosure. Except as otherwise provided above as to holders of Mortgages or by applicable law, no sale or transfer of any Unit shall (a) relieve any Owner thereof from personal liability for any of such unpaid charges attributable to the applicable Unit which become due prior to the date of such sale or transfer or (b) satisfy or extinguish the above-described lien in respect of such unpaid charges.

PART FOUR: COMMUNITY DEVELOPMENT

ARTICLE IX – [RESERVED]

ARTICLE X – ADDITIONAL RIGHTS RESERVED TO FOUNDER

10.1 Additional Covenants and Easements. Until conveyance of the last Unit to an Owner unaffiliated with Founder, Founder may, with TCHA's prior written consent (which shall not be unreasonably withheld, conditioned or delayed), subject any portion of the Property to additional covenants and easements, including covenants obligating the Association to maintain and insure such Property and authorizing the Association to recover its costs through the various Assessments as provided for herein. Such additional covenants and easements may be set forth either in a Supplemental Declaration subjecting such Property to this Declaration or in a separate Supplemental Declaration referencing property previously subjected to this Declaration. If the Property is owned by someone other than Founder, then the consent of such owner(s) shall be necessary and shall be evidenced by their execution of the Supplemental Declaration. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property. The owner and operator of the Golf Course and club thereon, their successors and assigns, shall, in perpetuity, be free to operate and maintain such Golf Course and club free from any interference from any owner of a Unit.

10.2 Right to Approve Additional Covenants. Until conveyance of the last Unit to an Owner unaffiliated with Founder, no Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Property without Founder's review and written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed by the Founder and recorded in the Public Records.

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

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

basis, any right reserved to Founder in this Declaration where Founder does not intend to transfer such right in its entirety, and in such case it shall not be necessary to record any written assignment unless necessary to evidence Founder's consent to such exercise.

10.4 Right to Complete Development. Founder, its employees, agents, contractors and persons it shall select, shall have the right to ingress and egress over, upon, and across the Common Elements, the right to store materials thereon and to make such other use thereof as may be reasonably necessary to complete development of the Project, including without limitation, the right to complete landscaping of the Project. This reserved right to complete development shall not terminate until the completion of development, which shall mean the date on which all requirements of the final development permit for the Project have been completed and all improvements delineated on the final development plan, including without limitation, landscaping, for the Project have been installed.

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

PART FIVE: PROPERTY RIGHTS WITHIN THE COMMUNITY

ARTICLE XI - EASEMENTS

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

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

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

11.2 Easements for Drainage and Utilities.

- (a) All dedications, limitations, restrictions and reservations of easements, including those for drainage, shown on the Plat and any final map of the Property are incorporated herein by reference and made a part of this Declaration for all purposes as if fully set forth in this Declaration.
- (b) The Founder reserves for itself, so long as the Founder owns any property described on Exhibit "A" of this Declaration, and grants to the Association and all utility providers,

perpetual non-exclusive easements throughout all of the Property (but not through a Unit except as required to access Common Elements, including without limitation utility lines located in the crawlspaces below the Units, the attics above the Units, or the walls between the Units) to the extent reasonably necessary for the purpose of:

(i) Installing utilities and infrastructure, including without limitation, cable and other systems for sending and receiving data and/or other electronic signals; security and similar systems; walkways, pathways and trails; drainage systems and signage to serve the Property;

(ii) Inspecting, maintaining, repairing and replacing such utilities, landscaping and infrastructure to serve the Property; and

(iii) Access to read utility meters.

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

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

11.3 Easements for Maintenance, Emergency and Enforcement. The Founder hereby grants to the Association an easement over the Common Elements to enable the Association to fulfill its maintenance responsibilities under Section 5.1. The Association shall also have the right, but not the obligation, to enter any Unit, for emergency, security, and safety reasons and to enforce the Governing Documents. Such right may be exercised by any member of the Board and its duly authorized agents and assignees, and all emergency personnel in the performance of their duties. Except in an emergency situation, entry shall be only during reasonable hours and after notice to the Owner.

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

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

11.6 Easement for Encroachments. If any part of the Common Elements encroaches or shall hereinafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Elements, or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. Such encroachments shall not be considered to be encumbrances either on the Common Elements or the Units. Encroachments referred to herein are limited to encroachments caused by engineering errors, settling, rising, or shifting of the earth, or by changes in

position caused by construction, repair or reconstruction of the Project or any part thereof in accordance with the original plans for the Project and any encroachment due to building overhang or projection.

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

11.8 Easement for Golf Ball Retrieval. The owner of the Golf Course, its successors and assigns, invitees, guests, agents and employees shall have a perpetual, non-exclusive easement of access over the Common Elements for the purpose of retrieving golf balls from within the Community lying reasonably within range of golf balls hit from the Golf Course. The Common Elements and every Unit are burdened with an easement permitting errant golf balls to come upon the Common Elements, and for golfers at reasonable times and in a reasonable manner to come upon the Common Elements to retrieve errant golf balls; provided, however, if any Common Element or Unit is fenced or walled, the golfer shall seek permission before entry. The existence of this easement shall not relieve golfers of liability for damage caused by errant golf balls.

11.9 Easement for Golf Course Maintenance. The owner of the Golf Course, its successors and assigns, agents and employees shall have a perpetual, non-exclusive easement of access and use over those portions of the Common Elements reasonably necessary to the operation, maintenance, repair, and replacement of the Golf Course. Such operations may take place any time, day or night, and will involve mowing, watering and all other activities necessary to maintain the Golf Course. Any portion of the Community immediately adjacent to the Golf Course is hereby burdened with a non-exclusive easement in favor of the owner of the Golf Course, its successors and assigns, agents and employees for overspray of water from the irrigation system serving such Golf Course. Except with respect to any willful misconduct on their part, under no circumstances shall the owner of such Golf Course, its successors and assigns, agents or employees be held liable for any damage or injury resulting from such overspray or the exercise of this easement.

PART SIX: RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY

ARTICLE XII - DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

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

12.2 Alternative Method for Resolving Disputes. The Founder, the Association, its officers, directors, and committee members, if any, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties") and individually the "Bound Party") shall encourage the amicable resolution of disputes involving the Property, without the emotional and financial costs of litigation. Accordingly, each Bound Party shall

resolve those claims, grievances or disputes described in Section 12.3 using the procedures set forth in Section 12.4 in lieu of filing suit in any court.

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

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

(a) Any suit by the Association against a Bound Party to obtain a temporary restraining order (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of this Declaration;

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

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

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

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

12.4 Mandatory Procedures.

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

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

(b) **Negotiation and Mediation.**

1. The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Request for Resolution, the Board may appoint a representative to assist the Parties in negotiation.

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

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

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

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

12.5 Allocation of Costs of Resolving Claims.

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

(b) If the Claimant files suit or initiates administrative proceedings on the Claim and thereafter an award is ordered that is equal to or greater than Claimant's Settlement Demand, the Claimant shall be entitled to such award and the Claimant's Post Mediation Costs, such costs to be borne equally by all Respondents. If the Claimant files suit or initiates administrative proceedings on the Claim and thereafter an award is ordered that is less than Respondent's Settlement Offer, such award shall be reduced by such Respondent's Post Mediation Costs, the benefit of which shall be allocated to such Respondent.

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

12.7 Board Authorization. The Board may perform any act reasonably necessary to institute, defend, settle, or intervene on behalf of the Association in binding arbitration, non-binding arbitration, mediation, litigation, or administrative proceedings in matters pertaining to (a) enforcement of the Governing Documents, (b) damage to the Common Elements, (c) damage to the Units which arises out of, or is integrally related to, damage to the Common Elements, or (d) any other civil claim or action. However, the Governing Documents shall not be construed as creating any independent legal duty to institute litigation on behalf of or in the name of the Association or its Members.

ARTICLE XIII – AMENDMENT OF DECLARATION

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

13.2 By Members. Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of at least seventy-five percent (75%) of the Members. This Declaration may be revoked only upon obtaining approval from Teton County and obtaining the affirmative vote or written consent, or any combination thereof, of at least seventy-five percent (75%) of the Members. Upon revocation, each Unit Owner shall own an undivided interest as tenants in common in and to the Property in those proportions set forth on Exhibit "B". An affirmative vote of the Members to revoke this Declaration shall automatically authorize the Board to execute and record those documents deemed necessary, in the Board's sole discretion, to effectuate a revocation of the Declaration and the vacation of the Plat.

13.3 Restrictions on Amendment. No amendment to or revocation of Article XI, Article XV or this Section 13.3 of this Declaration may be made without the prior written consent of the then current owner(s) and operator(s) of the Golf Course and Lot 49. No amendment may remove, revoke, or modify any right or privilege of the Founder without the prior written consent of the Founder. Any prior written consent provided pursuant to this first paragraph of Section 13.3 must be contained in the instrument of amendment or revocation and must be duly executed and acknowledged before a notary public by the requisite party(ies). If an amendment is made to Section 3.6 of this Declaration that removes the prohibition of dogs, it will require the approval of the Board of County Commissioners of Teton County

No amendment of this Declaration that is of a material adverse nature to Mortgagees nor any revocation of this Declaration may be made without the prior written consent of Mortgagees that represent at least fifty-one percent (51%) of the votes of the Members. Notwithstanding the foregoing, if any amendment of this Declaration requires the prior written consent of a Mortgagee(s), such consent shall be deemed given if such Mortgagee fails to respond to such request for consent within 60 days of notice sent by certified or registered mail with return receipt requested to the address of the Mortgagee(s) which is provided to the Association by such Mortgagee(s). Such prior written consent or deemed consent shall be attested to by the Secretary of the Association in any instrument of amendment and the Association shall maintain record of such written consent or deemed consent of Mortgagees in its files.

Any attempted amendment or revocation in contravention of this Section 13.3 shall have no effect whatsoever.

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

Any amendment shall become effective upon recording in the Public Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment by an Owner must be made within thirty (30) days of its recordation, or such amendment shall be presumed to have been validly adopted. Any procedural challenge to an amendment by the Founder or the owner(s) or operator(s) of the Golf Course and Lot 49 may be made at any time.

ARTICLE XIV - MECHANIC'S LIEN RIGHTS

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

ARTICLE XV – OWNER'S ACKNOWLEDGEMENTS AND WAIVERS

15.1 Path, Golf, and Construction Activities: Airport.

(a) **Path Activities.** The Community is located adjacent to, or in the vicinity of, an existing or planned pedestrian and bicycle trail system (collectively, the "Path System"). The Path System is expected to generate an unpredictable amount of visible, audible and odorous impacts and disturbances from activities relating to the construction, operation and maintenance of the Path System (the "Path Activities"). The Path Activities may include, without limitation: (i) activities relating to the construction, operation and maintenance of trails and other facilities relating to the Path System, including, without limitation, tree cutting and clearing, grading and earth moving and other construction activities, maintenance of trails, operation of vehicles and equipment relating to trash removal and snow

removal, and operation of safety and supervision vehicles; (ii) activities relating to the use of the Path System, including without limitation, walking, bicycling, cross country skiing, rollerblading, golf cart movement, and other recreational activities; and (iii) other activities permitted by law.

(b) **Golf Activities.** The Community is located adjacent to, or in the vicinity of, existing or planned golf courses and related facilities, including, without limitation, driving ranges, tee boxes, fairways, greens, snack shops, clubhouses, restaurants, tennis courts, swimming pools, teaching facilities, trails, cart paths, restrooms, shelters and maintenance buildings (the "Golf Course"). The Golf Course is expected to generate an unpredictable amount of physical, visible, audible and odorous impacts and disturbances from activities relating to the construction, operation, use and maintenance of the Golf Course (the "Golf Activities"). The Golf Activities include, without limitation: (i) movement and operation of passenger vehicles, including, without limitation, buses, vans, golf carts and other vehicles transporting passengers over adjacent streets and paths and over, around and through the Golf Course, commercial vehicles, and construction vehicles and equipment; (ii) use of pesticides, herbicides and fertilizers, and the use of effluent in the irrigation of the Golf Course; (iii) operation of lawn mowers, grooming equipment and sprinkler systems (it being specifically understood and acknowledged that such maintenance may take place at any time of day or night); (iv) activities relating to the construction, operation and maintenance of the Golf Course and its component facilities; (v) activities relating to the use of the Golf Course, including, without limitation, golfing, golf lessons, tennis, swimming; (vi) golf tournaments and organized events and competitions relating to golfing, tennis and swimming; (vii) restaurants, clubs, shops, locker rooms, restrooms and other public facilities; (ix) public and private events such as weddings, social gatherings, tournaments and live music; (ix) exercise of the easements granted in Sections 11.8 and 11.9 and (x) other activities permitted by law. The Golf Activities may occur during daytime and nighttime and therefore may include illumination for such activities.

(c) **Golf Related Risks.** There are certain risks related to ownership of residential property within close proximity to the Golf Course. Such risks include, without limitation, injury to persons an/or property arising out of, or resulting from, the Golf Activities, the design, construction, operation, maintenance and/or use of the Golf Course; errant golf balls; trespass; the use of the easements set forth in Sections 11.8 and 11.9; the existence of wildlife on the Golf Course; acts or omissions of persons using or otherwise on the Golf Course; and/or the existence of irrigation oversprays, water hazards, ponds and/or lakes on the Golf Course (the "Golf Related Risks").

(d) **Construction Activities.** The Community is located in an area that may be subject to or near ongoing construction activities relating to the development of the Community, adjacent or nearby properties, the Path System and the Golf Course (the "Construction Activities"). The Construction Activities are expected to generate an unpredictable amount of visible, audible and odorous impacts and disturbances. The Construction Activities may include, without limitation: (i) construction traffic, including, without limitation, construction vehicles, equipment and vehicles used or owned by Founder, the owners or operators of the Path System and Golf Course, adjacent landowners, and the employees, agents, and contractors of any of them; and (ii) construction activities, including, without limitation, grading, excavation, clearing, site work, and construction of improvements relating to the Community, adjacent or nearby properties, the Path System or the Golf Course.

(e) **Airport.** The Community is located near the Jackson Hole Airport. The airport is expected to generate an unpredictable amount of physical, visible, audible and odorous impacts and disturbances (the "Airport Activities").

15.2 Irrigation Ditch, Stream, Wildlife. The Community is located immediately adjacent to an irrigation ditch, commonly known as the White ditch, which historically flows along the southern perimeter of the Property and is depicted on the Plat (the "Stream"). The Stream is controlled by

headgates located off the Property and rights to the water contained in the Stream and control of the headgates belong to individuals other than the Founder, Association or Owners. A portion of the Stream is located on the adjacent Golf Course property described as Lot 49 of The Resort at Jackson Hole Golf and Tennis Club, Second Filing, according to that plat recorded on June 22, 2006 in the Office of the Teton County Clerk, Teton County, Wyoming, as Plat No. 1176 ("Lot 49"). Water flow in the Stream can be significant and risks associated with the Stream include, without limitation, damage to property and injury or death to Persons or pets due to drowning, flooding, debris present in the water, and soil instability due to the presence of water ("Stream Related Risks").

The Community is located adjacent to Grand Teton National Park. Wildlife, including without limitation, moose, elk, mule deer, antelope, bison, coyotes, wolves, bears and foxes, are prevalent on the Property. Owners should become familiar with the risks of living in close proximity to wildlife.

15.3 County Lot. The Community is located immediately adjacent to a parcel of real property consisting of approximately .90 acres and currently owned by Teton County, Wyoming, a political subdivision of the State of Wyoming, which real property is described as Lot 39 of The Resort at Jackson Hole Golf and Tennis Club, according to that plat recorded on June 3, 2003 in the Office of the Teton County Clerk, Teton County, Wyoming, as Plat No. 1086 (the "County Lot"). The County Lot is designated for future development into a fire station pursuant to that final development permit for The Resort at Jackson Hole Golf and Tennis Club on record in the offices of the Teton County Planning Department. The County Lot, whether or not developed into a fire station, is expected to generate an unpredictable amount of physical, visible, audible and odorous impacts and disturbances from activities relating to the construction, operation, use and maintenance of a fire station or any other activity undertaken by the owner of the County Lot (the "County Activities"). Each Owner, by acceptance of a deed for, or otherwise taking title to, a Condominium Unit, understands and acknowledges that the County Lot may, or may not, be developed into a fire station and residences for firefighters, at the sole discretion of Teton County, Wyoming and, whether or not a fire station and/or residences for firefighters are developed, the Property may be impacted and disturbed by the County Activities, which impacts and disturbances may be significant from time to time including, without limitation, those impacts and disturbances associated with the arrival, departure and maintenance of emergency vehicles, emergency equipment, and firefighter vehicles at all hours of the day and night.

15.4 Waiver and Release. Each Owner, by acceptance of a deed for, or otherwise taking title to, a Condominium Unit, understands and acknowledges that the Path Activities, Golf Activities, Construction Activities, Airport Activities, County Activities, the impacts and disturbances generated by each of them, and the Golf Related Risks, Stream Related Risks, and the risks associated with living in close proximity to wildlife may occur in and around the Units and the Community. No Owner may assert or claim a violation of this Declaration based on the existence or occurrence of the Path Activities, Golf Activities, Construction Activities, Airport Activities, County Activities, the impacts and disturbances generated by each of them, and the Golf Related Risks, Stream Related Risks and the risks associated with living in close proximity to wildlife. Each Owner, by acceptance of a deed for, or otherwise taking title to, a Condominium Unit, forever waives and releases any claims the Owner, their family members, Permittees, heirs, successors and assigns may have against Founder, the owner(s) and/or operator(s) of the Path System, and the owner(s) and/or operator(s) of the Golf Course, and the directors, officers, employees, agents, successors or assigns of each which in any way, other than directly caused by the willful misconduct of any such individual or entity, arise out of the impacts and disturbances generated from the Path Activities, Golf Activities, Construction Activities, Airport Activities, County Activities, impacts and disturbances generated by each of them, and the Golf Related Risks, Stream Related Risks and the risks associated with living in close proximity to wildlife. Each Owner, by acceptance of a deed for, or otherwise taking title to, a Condominium Unit, on behalf of such Owner and their family members, Permittees, heirs, successors and assigns, forever waives and releases the Founder, the owner(s) and/or

operator(s) of the Path System, and the owner(s) and/or operator(s) of the Golf Course, and the employees, agents, successors or assigns of each from any liability for damage or injury caused by the Golf Related Risks, the Stream Related Risks and the risks associated with living in close proximity to wildlife, except to the extent such damage or injury is directly caused by the willful misconduct of any such individual or entity. By acceptance of a deed for, or otherwise taking title to, a Condominium Unit, each Owner agrees to indemnify and hold harmless the Founder, and the owner(s) and/or operator(s) of the Golf Course and the Path System, the directors, officers, employees, agents, successor or assigns of each, from any and all claims, actions, cost or liabilities arising from any damage or injury, unless directly caused by the willful misconduct of any such individual or entity, caused directly or indirectly by the Path Activities, Golf Activities, Construction Activities, Airport Activities, County Activities, the impacts generated by each of them, the Golf Related Risks, Stream Related Risks and the risks associated with living in close proximity to wildlife occurring on or to the Condominium Unit or to such Owner, their family members, or Permittees.

15.5 No Rights in Golf Course; No View Easement. By acceptance of a deed for, or otherwise taking title to, a Condominium Unit, each Owner acknowledges that (i) it has no visual or sight easement over and across any portion of the Golf Course, including without limitation Lot 49 adjacent to the Property, or the County Lot; (ii) the owner(s) or operator(s) of the Golf Course have the right, without notice or warning, to plant, remove or trim trees, bushes or other vegetation or landscape on the Golf Course as they deem advisable, in their sole and absolute discretion; (iii) no Owner has any rights to use the Golf Course or to a membership in the private club operated on the Golf Course by virtue of such Owner's ownership of a Unit; (iv) the Golf Activities may be discontinued from time to time or permanently; (v) the Golf Activities may not be operated or conducted during the same hours, days or months as any schedule in effect or contemplated on the date of this Declaration; (vi) the Golf Activities may be conducted during more hours (both daytime and nighttime), days and months than any schedule in effect or contemplated on the date of this Declaration; (vii) more and other activities may be operated or conducted on the Golf Course other than the Golf Activities existing on the date of this Declaration; and (viii) it has no pedestrian or vehicular access easement, license or other right to use the Golf Course, including without limitation the Golf Course paths and the Stream on Lot 49. Any use of the Golf Course by an Owner, its pets, family members, or Permittees shall constitute a trespass unless such Owner or other Person is separately authorized by the Golf Course owner(s) or operator(s) to use the Golf Course, by purchase of a membership in the golf club or otherwise. By accepting a deed for, or otherwise taking title to, a Condominium Unit, each Owner acknowledges that it will receive no waiver of or discount to the fees customarily charged by the owner(s) or operator(s) of the Golf Course for use of the Golf Course, or any part thereof, nor will such Owner receive any special privilege for access or use of the Golf Course or any special right to engage in Golf Activities beyond the rights and privileges, if any, afforded the general public.

Notwithstanding anything contained in this Declaration to the contrary, each Owner, by acceptance of a deed for, or otherwise taking title to, a Condominium Unit, acknowledges and agrees that there is no easement or other right, express or implied, for the benefit of any Owner of its Condominium Unit for light, view, or air included in this Declaration or as a result of ownership of a Condominium Unit.

ARTICLE XVI – MOLD DISCLOSURE & WAIVER

Mold, mildew, fungi, bacteria and microbiologic organisms (collectively, "Mold") are present in soil, air, and elsewhere in the environment. Mold can proliferate in various environments, including, among others, damp areas such as bathrooms and within walls and partitions. Certain parties have expressed concerns about the possible adverse effects on human health from exposure to Mold. Due to various reasons, including the varying sensitivities of different individuals to various types of Mold and

other contaminants, as of the date of this Declaration, no state or federal standards regarding acceptable levels of exposure to Mold exist. According to the Consumer Product Safety Commission and the American Lung Association, some diseases or illnesses have been linked with biological pollutants in the indoor environment, including some forms of Mold. However, it is believed that many of these conditions may also have causes unrelated to the indoor environment. Therefore, as of the date of this Declaration, it is unknown how many potential health problems relate primarily or exclusively to indoor air quality or Mold. Each Owner, by taking title to a Unit, is advised that Founder and the Association are not qualified and have not undertaken to evaluate all aspects of this very complex issue. Each Owner, by taking title to a Unit, acknowledges the Founder and/or the Association have not performed any testing or evaluation of, and make no representations or warranties, express or implied, concerning, the past, current or future presence or absence of Mold in the Unit, in any Common Element, or within the vicinity of the Property. Founder and the Association recommend that each Owner, at the Owner's expense, conduct its own investigation and consult with such experts as the Owner deems appropriate regarding the occurrence and effects of Mold, the potential sensitivity or special risk the Owner, his or her family members, and others individuals who will occupy or use the Unit or any Common Elements allocated to the Unit, may have with respect to Mold, and methods to reduce or limit Mold within the Unit or any Common Element allocated to the Unit.

When excessive moisture or water accumulates indoors, Mold growth can and will occur, particularly if the moisture problem remains unaddressed. There is no practical way to eliminate all Mold in an indoor environment. The key to controlling indoor Mold growth is to control moisture. Each Owner, by taking title to Unit, agrees to maintain the Unit and any Common Elements allocated to the Unit in such a manner as to reduce the potential for increased Mold formation or growth, including, without limitation, keeping dryer and other vents and/or fans clear and functioning, and preventing and repairing plumbing, window and other leaks and sources of moisture. Each Owner, by taking title to a Unit, agrees to make periodic inspections of the Unit and any Common Elements allocated to the Unit for the presence of Mold or conditions which may increase the ability of Mold to propagate within the Unit or any Common Elements allocated to the Unit, and to monitor the Unit and any Common Elements allocated to the Unit on a continual basis for excessive moisture, water, or Mold accumulation. If water or moisture is discovered in or around the Unit or any Common Elements allocated to the Unit, the Owner, by taking title to a Unit, agrees to immediately seek to eliminate the source of the water or moisture. Failure to eliminate the source of moisture can result in additional damage and growth of Mold. Founder will not be responsible for damages, and each Owner, by taking title to a Unit, hereby waives all rights to damages and subrogation of damages. Each Owner, by taking title to a Unit, agrees to indemnify Founder and the Association and hold Founder and the Association harmless from damages, including in all cases personal injury or property damage, caused by the presence of Mold and/or water or moisture in the Unit or other portions of the Property to the extent that the damages are caused by: (i) the Owner's negligence or failure to properly maintain and monitor the Unit or any Common Element allocated to the Unit; or (ii) the Owner's failure to promptly take appropriate corrective measures and minimize any damage caused by water or moisture (including, without limitation, failure to promptly notify and engage the help of appropriate professionals or experts).

ARTICLE XVII – OBSOLESCENCE AND CONDEMNATION

17.1 Obsolescence

(a) Adoption of a Plan. Owners representing an aggregate of seventy-five percent (75%) or more of the voting rights of the Association, along with Mortgagees of Units representing fifty-one percent (51%) or more of the voting rights of the Association, may agree that the Project is obsolete and adopt a written plan for renewal and reconstruction. Written notice of adoption of such a plan shall be given to all Owners and to all Mortgagees at the address given to the Association by such Mortgagee

Such plan shall be recorded in the records of the Clerk of Teton County, Wyoming. The Owners shall obtain written consent from Teton County prior to adopting a plan and such plan shall comply with all governmental regulations in effect at such time with regard to employee housing and affordable housing, if applicable.

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

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

(d) **Sale of Obsolete Units.** The Owners representing an aggregate of seventy-five percent (75%) or more of the total voting rights of the Association may agree that the Condominiums are obsolete and that the Project should be sold. Such an agreement must have the additional approval of sixty-seven percent (67%) of all first Mortgagees of record at the time such agreement is made. In such instance, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association the Project shall be sold by the Association as attorney-in-fact for all of the Owners free and clear of the provisions contained in this Declaration, the Condominium Plat and the Association Bylaws, provided such agreement of sale and transfer instruments include the written consent of the Board of County Commissioners of Teton County, Wyoming. The sale proceeds shall be apportioned among the Owners in proportion to their interest in the Common Elements as set forth on Exhibit "B" hereto, and such apportioned proceeds shall be paid into separate accounts, each such account representing one Condominium Unit. Each such account shall remain in the name of the Association, and shall be further identified by the Condominium Unit designation and the name of the Owner. From each separate account the Association, as attorney-in-fact, shall use and disburse the total amount of such accounts without contribution from one account to the other, first to Mortgagees and other lien holders in the order of priority of and in accordance with the terms of their mortgages and other liens and the balance remaining to each respective Owner.

17.2 **Condemnation.**

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

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

(c) **Complete Taking.** In the event that the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership pursuant hereto shall terminate. The Condemnation Award shall be apportioned among the Owners in proportion to their ownership of Common Elements as provided on Exhibit "B" hereto, provided that if a standard different from the value of the Project as a whole is employed to measure the Condemnation Award in the negotiation, judicial decree, or otherwise, then in determining such shares the same standard shall be

employed to the extent it is relevant and applicable.

On the basis of the principle set forth in the preceding paragraph, the Association shall as soon as practicable determine the share of the Condemnation Award to which each Owner is entitled. Such shares shall be paid into separate accounts and disbursed as soon as practicable, first to Mortgagees other lien holders in the order of priority of and in accordance with the terms of their Mortgages and other liens, and then to the Association for any Assessments then outstanding, and the balance remaining to each respective Owner.

(d) **Partial Taking.** In the event that less than the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership hereunder shall not terminate. Each Owner shall be entitled to a share of the Condemnation Award to be determined in the following manner: As soon as practicable the Association shall, reasonably and in good faith, allocate the Condemnation Award between compensation, damages, or other proceeds, and shall apportion the amounts so allocated among the Owners as follows: (a) the total amount allocated to taking of or injury to the Common Elements shall be apportioned among Owners according to their ownership of Common Elements as provided on Exhibit "B" hereto, (b) the total amount allocated to severance damages shall be apportioned to those Condominium Units which were not taken or condemned, (c) the respective amounts allocated to the taking of or injury to a particular Unit and/or improvements an Owner has made within her/his own Unit shall be apportioned to the particular Unit involved, and (d) the total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances. If an allocation of the Condemnation Award is already established in negotiation, judicial decree, or otherwise, then in allocating the Condemnation Award the Association shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be made in the same manner provided in Section 17.2(c): first to Mortgagees and other lien holders in the order of priority of and in accordance with the terms of their Mortgages and other liens, and then to the Association for any Assessments then outstanding, and the balance remaining to each respective Owner.

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

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

(g) **Limitations in Action of Owners Association.** Notwithstanding any other provisions in this Article and except as provided by statute, in case of condemnation or substantial loss to the Units and/or Common Elements of the Project, unless at least three-fourths of Owners of the individual Units and fifty one percent (51%) of all first Mortgagees of record have given their prior written approval, the Association may not:

- (1) By act or omission seek to abandon or terminate the Project;
- (2) Change the pro rata interest or obligations of any Unit in order to levy assessments or charges, allocate distribution of hazard insurance proceeds or condemnation awards or determine the pro rata share of ownership of each Unit in the Common Elements;

- (3) Partition or subdivide any Unit;
- (4) Seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements by act or omission; or
- (5) Use hazard insurance proceeds for losses to any Project property (whether Units or Common Elements) for other than the repair, replacement or reconstruction of the Project property.

ARTICLE XVIII - MISCELLANEOUS

18.1 Registration of Mailing Address. Each Owner shall register his/her mailing address with the Association by notice to the Association as provided below or with the Secretary of the Association at any regular meeting of the Association. All notices or demands intended to be served upon any Owner shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered mailing address or physically delivered to each Owner at their Unit with receipt therefor signed by such Owner. All notices or demands intended to be served upon the Association shall be given by registered or certified mail, postage prepaid, to the address of the Association as designated in the Association Bylaws. Any notice referred to in this Section shall be deemed given when deposited in the United States mail in the form provided for in this Section, regardless of whether a delivery confirmation is returned to the sender, or upon actual receipted delivery in the case of physical delivery to an Owner.

18.2 Owner's Obligations Continue. The Owner of a Condominium Unit shall have no personal obligation for expenses or other obligations accruing after he/she sells his/her entire interest in such Condominium Unit as evidenced by a deed of transfer recorded in the Public Records and effective upon such recordation.

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

18.4 Severability. If any of the provisions of this Declaration or any clause, paragraph, sentence, phrase, or word or the application thereof in any circumstances be invalidated, such invalidity shall not affect the validity of the remainder of the Declaration, and the application of any such provision, paragraph, sentence, clause, phrase, or word in any other circumstance shall not be affected thereby.

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

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

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

18.8 Notice to Mortgagees and Guarantors. Within thirty (30) days of the Association obtaining actual knowledge of the following events, the Association shall send written notification of the occurrence of such event to all Mortgagees and any guarantors of a Mortgage of record to the address of such Mortgagee or guarantor which is provided to the Association: (a) any condemnation or casualty loss that affects either a material portion of the Project or the Unit secured by such Mortgage; (b) any 60-day delinquency in the payment of assessments or charges owed by the Owner of any Unit on which it holds the Mortgage; (c) any lapse, cancellation or material modification of any insurance policy maintained by the Association; (d) any proposed action that requires the consent of a specified percentage of Mortgagees.

[Remainder of Page Intentionally Left Blank]

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

Jackson Hole Golf and Tennis Club, Inc.
a Wyoming corporation

Approved as to Form:
Vail Resorts Legal Department
By: <i>[Signature]</i>
Name: MICHAEL STRAND
Date: 2-2-10

By: Vail Resorts Development Company, a Colorado Corporation
Authorized Agent of Jackson Hole Golf and Tennis Club, Inc.

By: *[Signature]*
Alex Iskenderian, Vice-President of Vail Resorts Development Company

STATE OF WYOMING)
)
COUNTY OF TETON)

This instrument was acknowledged before me on this 2nd day of February, 2010, by Alex Iskenderian, as Vice-President of Vail Resorts Development Company, a Colorado Corporation, the Authorized Agent of Jackson Hole Golf and Tennis Club, Inc.

WITNESS my hand and official seal.

[Signature]
Notary Public
My commission expires: August 6 2012



Exhibit "A"
Legal Description
of
Property Subject to Declaration of Condominium

Affordable Housing Site Lot 40 as shown on that Final Plat for The Resort at Jackson Hole Golf and Tennis Club according to that plat recorded on June 3, 2003 in Office of the Clerk of Teton County, Wyoming as Plat No 1086

**Exhibit "B" to
Declaration of Condominium for
Jackson Hole Golf and Tennis Condominiums**

Common Elements Ownership

Unit	Ownership Percentage of Common Elements
1	4.55%
2	4.55%
3	4.55%
4	4.55%
5	4.55%
6	4.55%
7	4.55%
8	4.55%
9	4.55%
10	4.55%
11	4.55%
12	4.55%
13	4.55%
14	4.55%
15	4.55%
16	4.55%
17	4.55%
18	4.55%
19	4.55%
20	4.55%
21	4.55%
22	4.55%