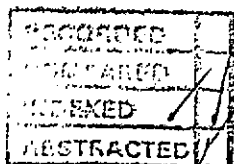


DECLARATION OF
THE CEDARWOODS OF JACKSON HOLE
TOWNHOMES
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DECLARATION OF
THE CEDARWOODS OF JACKSON HOLE
TOWNHOMES

THIS DECLARATION is made and executed this 27th day of ~~JANUARY~~, 1981, in the County of Teton, State of Wyoming, by INTERWEST LAND AND INVESTMENT, INC., a Utah corporation, hereinafter referred to as "Declarant," pursuant to the provisions of the Wyoming Condominium Ownership Act, as it may be amended from time to time, Wyoming Statutes 1977, Sections 34-20-101 to 34-20-104, hereinafter referred to as the "Act."

RECITALS:

A. Declarant is the owner of certain real property and any improvements thereon in the County of Teton, State of Wyoming, which is hereinafter more particularly described.

B. Declarant, by filing this Declaration in the office of the Clerk of Teton County, intends that the provisions of the Act, this Declaration and the attached Bylaws shall apply to the Property (hereinafter defined), as Declarant is commencing or in the process of constructing on the real property described herein Condominium Units, as hereinafter described.

C. Declarant will convey the said Property, subject to the covenants, conditions, restrictions, reservations, assessments, charges and liens contained in this Declaration and the Appendix hereto, all of which shall be enforceable equitable servitudes and shall run with the land.

D. The administration of the Property shall be governed by Bylaws which are embodied in a separate instrument, a true copy of which is attached to and recorded with this Declaration as Appendix A.

E. Declarant will file in connection herewith two Record of Survey Maps, (hereinafter "Maps"), as required by the Act, one Map for Phase I of the Property and one for Phase II of the Property. Said Maps, separately referred to as "Phase I Map" and "Phase II Map", shall identify and describe each of the Condominium Units for each Phase.

F. The Property, when completed, shall be known as "THE CEDARWOODS OF JACKSON HOLE TOWNHOMES, and shall consist of two Phases, having 16 separate Condominium Units in each, or a total of 32 Condominium Units, as more particularly described in this Declaration and the Maps. Included in the property shall be enclosed garage areas which shall be Limited Common Areas, (as hereinafter defined), with approximately 16 enclosed garages to be constructed during Phase I development and approximately 16 enclosed garages to be constructed during Phase II development. Declarant shall have the further option during each Phase of development to construct 8 additional enclosed garages (depending on demand), which garages shall be located as described on the Maps as additional Limited Common Areas. If one or more of such garages is not constructed, upon written notice to the Owners, said areas shall become General Common Elements of the Phase I or Phase II Property.

NOW, THEREFORE, Declarant hereby declares that all of the Property shall be held, sold and conveyed and occupied subject to this Declaration, including the covenants, conditions, assessments, charges and liens, etc., contained therein, which are for the purpose of protecting the value and desirability of, and which shall be construed as covenants of equitable servitude and shall run with the land and be binding on and inure to the benefit of all parties having any right, title or interest in the Property or any part thereof, their heirs, successors and assigns.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to THE CEDARWOODS OF JACKSON HOLE HOMEOWNERS' ASSOCIATION, its successors and assigns. The Association shall be structured such that originally two separate preliminary Associations, to be known as THE CEDARWOODS OF JACKSON HOLE HOMEOWNER'S ASSOCIATION, PHASE I and THE CEDARWOODS OF JACKSON HOLE HOMEOWNERS' ASSOCIATION, PHASE II, are established until such time as construction on Phase II of the Properties has been completed and/or the Declarant has determined the Association is able to maintain all Association responsibilities as set forth in this Declaration and the Bylaws. At the time of such completion or determination for conversion to the permanent Association of all responsibilities, the temporary Associations, Phase I and Phase II, shall be automatically dissolved and all subsequent actions by the Association shall be made in the name of THE CEDARWOODS OF JACKSON HOLE HOMEOWNERS' ASSOCIATION. In the event Phase II is not developed, the temporary Phase I Association shall assume permanency and adopt this Declaration and the Bylaws in relationship to Phase I of the Properties, as described herein. All references to "Association" herein or in the Bylaws shall apply as necessary to both preliminary Associations and the final or permanent Association.

Section 2. "Property" or "Properties" shall mean and refer to that certain real property herein described, together with such additions and improvements thereto as may hereafter be conveyed or brought within the ownership or jurisdiction of the Owners and the Association. The Property shall be divided into Phase I and Phase II as defined by the Maps for THE CEDARWOODS OF JACKSON HOLE TOWNHOMES which shall be filed in the Office of the Clerk of Teton County, State of Wyoming. Originally the Phase I Map will be filed, with the Phase II Map to be filed at such time as Declarant is prepared to commence construction thereon. After the transfer of all powers of this Declaration and the Bylaws from the Declarant to the preliminary Association of Phase II, there shall no longer be a distinction as to Phase I or Phase II, and all Properties shall mean and be referred to as THE CEDARWOODS OF JACKSON HOLE TOWNHOMES in their entirety, as herein described.

The entire Property referred to herein to be developed is located in Teton County, State of Wyoming, and is more particularly described as follows:

Lot 327, Rafter J Ranch Subdivision, Section 18, Township 40 North, Range 116 West, 6th P.M. according to the official subdivision plat map of the Rafter J Ranch Subdivision, Plat Number 330, on file in the Office of the Clerk of Teton County, State of Wyoming.

Section 3. "General Common Elements" or "Common Areas" shall mean and include all of the real property shown on the Phase I and Phase II Maps, and upon which Units will be constructed. The Phase I and Phase II Common Areas shall be separate until development of Phase II is complete, or when the permanent Association is established, at which time they shall be merged. Common Areas shall further mean and include all portions of the Phase I or Phase II Property not included within a Unit, including, but not by way of limitation, foundations, columns, beams, supports, main walls, roofs, outside stairs, stairways, decks, and outside entrances; the grounds, gardens, enclosed and open parking areas, tennis courts, patio areas, office quarters, walkways, roads and streets, any custodial and maintenance buildings, and separate storage areas; any utility pipes, lines or systems servicing more than a single Unit, and all flues, chutes,

wires, conduits, and other installations on the outer perimeters of Units; all Limited Common Areas and facilities (whether included in the foregoing or otherwise) as hereinafter described; all other parts of the Property necessary or convenient to its existence, maintenance, safety, or normally common in use, or which have been or will be designated as Common Areas on the Maps; and all repairs and replacements of any of the foregoing.

Section 4. "Limited Common Elements" or "Limited Common Areas" shall mean and include all enclosed parking, designated open parking spaces and those other portions of the General Common Elements or Areas reserved for the use of certain Units to the exclusion of other Units and which are so identified on the Phase I or Phase II Maps. Whether identified on the Maps or not, however, any walkway, attic, court, patio, balcony, deck, or driveway which is accessible from, associated with and which adjoins a Unit in its "as built" condition, as well as any other Limited Common Area identified on the Maps shall, without further reference thereto, be used in connection with such Unit to the exclusion of the use thereof by other Owners of the General Common Elements, except by invitation. No reference thereto, whether such Limited Common Areas are exclusive or nonexclusive, need be made in any deed, instrument of conveyance or other instrument relating to a Unit or Units.

Section 5. "Condominium Unit" or "Unit" shall mean and refer to an individual airspace unit, to be used as a single family dwelling unit, together with the interest in the general or limited common elements appurtenant to such Unit. The boundaries and particular location of each Unit shall be more particularly described in the appropriate Phase I or Phase II Map; provided, however, that certain "construction options", such as skylights, bay windows or other types of windows may extend beyond the boundaries as shown on the Maps, but which will nevertheless be considered a part of Units.

The boundary lines of each Unit shall be the unfinished or undecorated interior surfaces of its perimeter walls, bearing walls, lowermost floors, uppermost ceiling, exterior surfaces of windows and other glass (including sliding glass doors and skylights), and interior surfaces of doors, window frames, door frames and trim. Each Unit shall include those areas within the air space or boundary lines above-described that are not defined as Common Areas, together with facilities within such boundary lines and the space so encompassed. Without limitation, a Unit shall include nonsupporting interior walls, any finishing material applied or affixed to the interior surfaces of the interior walls, floors and ceilings, and all utility pipes, lines, systems, fixtures or appliances found within the boundary lines of the Unit and servicing only that Unit, mechanical equipment and appurtenances located within a Unit or without the Unit but designated and designed to serve only that Unit, such as appliances, electrical receptacles and outlets, hot water heaters, air conditioning equipment and apparatus, fixtures and the like shall also be considered part of the Unit.

There shall be two classes of Units. "Class I Units" shall mean and refer to any Unit in connection with which the improvements appertaining thereto have been constructed and completed, as evidenced by issuance of a Notice or Certificate of Final Inspection, or other appropriate document, by the appropriate governmental authority. "Class II Units" shall mean and refer to any unconstructed or uncompleted Unit.

Section 6. "Owner" or "Ownership" shall mean and refer to the record owner, whether one or more persons and/or entities, of a fee simple title to each Unit which is a part of THE CEDARWOODS OF JACKSON HOLE TOWNHOMES, including contract sellers, but excluding mortgagees or others having such interest merely as security for the performance of an obligation unless and until said mortgage or other holder of a security interest has acquired title to a Unit which is a part of the Properties pursuant to a

foreclosure or any proceeding in lieu of foreclosure. A "Unit Owner" or "Unit Ownership" shall mean and refer to all of the Owners of a particular Unit collectively and shall be regarded as a single entity for purposes of this Declaration and the Bylaws.

Section 7. "Member" shall mean and refer to the Unit Owners described in Article II hereof.

Section 8. "Declarant" shall mean and refer to INTERWEST LAND AND INVESTMENT, INC., a Utah corporation, its successors and assigns, if such successors or assigns acquire more than one Class II Unit for the purpose of completing the same.

Section 9. "Management Committee" shall be as set forth and defined in the Bylaws.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Unit Owner holding a fee or undivided fee interest in any Unit which is subject to covenants of record (the Declaration and Bylaws) for assessment by the Association shall be a Member of the Association; provided that any person or entity who holds an interest merely as a security for the performance of an obligation shall become a Member only when said holder of a security interest has become a Unit Owner as defined in Section 6 of Article I hereof. Membership shall be appurtenant to and may not be separated from Ownership of any Unit which is subject to assessment by the Association, and Ownership of a Unit subject to such assessment shall be the sole qualification for Membership. Each Unit Ownership shall constitute one Member.

Section 2. Voting. Subject to the provisions of Subsection 2.11 of the Bylaws, voting by Members of the Association upon any matter allowing or requiring a vote of Members shall be as follows: There shall be one (1) vote allowed for each Unit Owner or Member as described in Section 1 of this Article. If a Unit Owner or Member involves more than one person and/or entity, the vote for said Member shall be cast in such manner as the persons and/or entities constituting the same shall determine, but each such Unit Ownership must act unanimously in order to cast the one (1) vote available to that Ownership. Thus, there shall be a maximum of sixteen (16) votes in each preliminary Association of the Property and a maximum of thirty-two (32) votes in the final Association (if fully completed).

ARTICLE III

Percentages of Undivided Interest in Common Areas and Facilities

Each of the Units shall have an equal percentage of undivided interest in the Common Areas and facilities, which interest shall be appurtenant to each Unit for all purposes, and which shall pass with the title to the Unit. In the event Phase II of the Property is not developed, such undivided interest shall be restricted to Phase I of the Property and the Phase I Map shall be amended to so indicate.

ARTICLE IV.

Covenant for Assessments

The making and collection of assessments of any nature from Unit Owners for their share of common expenses shall be pursuant to the Bylaws and subject to the following provisions:

Section 1. When Assessments Commence. Assessments for common expenses on any Unit shall commence on that date which is six (6) months after the date a building permit is issued with respect to that particular Unit, or the date of closing of a sale of a completed Unit or the date of occupancy of a Unit, whichever occurs first, without regard to who is designated as the Owner thereof.

Section 2. Share of Common Expenses. Each Unit Owner shall be liable for a proportionate share of the common expenses and shall share in the common profits, such share being the same as the percentage of undivided interest in the Common Areas and facilities appurtenant to the Unit owned by the Unit Owner as set forth herein.

Section 3. Payment of Assessments; Lien Created. Assessments and any installments thereof not paid on or before ten (10) days after the date due shall bear interest at the rate of eighteen percent (18%) per annum, or at such rate of interest as may be set by the Management Committee, from the date when due until paid. All payments on account shall be first applied to interest and then to the assessment payment due. All annual and special assessments, together with interest, reasonable attorney's fees and all costs and expenses including taxes, if any, incurred by the Management Committee incident to the collection of such assessment, shall be a charge upon the Unit involved and shall be a continuing lien upon the Unit for which the assessment was made, as well as the personal obligation of the Unit Owner at the time the assessment became due. The personal obligation shall not pass to a successor of the Unit Owner unless expressly assumed.

Section 4. Rental Upon Foreclosure. In any foreclosure of a lien for assessments, the Unit Owner subject to the lien shall be required to pay a reasonable rental for the Unit, and the Management Committee shall be entitled to the appointment of a receiver to collect the same.

Section 5. Contributions for Capital Items. The Management Committee may include in the monthly assessments amounts representing contributions to the capital of the Association to be used for the replacement of or additions to capital items or improvements in the Property. Said amounts shall be set up as capital accounts for each Unit. In the event of transfer of a Unit, the capital account shall be deemed transferred to the Unit transferee.

Section 6. Capital Improvement Limits. Except as otherwise provided herein, in assessing the Unit Owners for capital improvements to the Common Areas and facilities, for which there are not sufficient amounts in the respective capital accounts, there shall be no assessment, whether part of the annual budget or otherwise, for any single improvement exceeding the cost of Twenty Thousand Dollars (\$20,000) made by the Management Committee without such expenditure having been first voted on and approved by a majority of the votes present in person or by proxy at a meeting of the Association duly called for that purpose. Any such improvement requiring an assessment of more than Fifty Thousand Dollars (\$50,000) shall require the approval of those holding two-thirds (2/3) of the votes present in person or by proxy at a meeting duly called for that purpose. The foregoing shall not apply in connection with damage or destruction referred to in Article XI hereof or to such structural alterations, capital additions to or capital improvements of the Common Areas and facilities as are necessary in the Management Committee's

reasonable judgment to preserve or maintain the integrity of the Common Areas and facilities of the property.

Section 7. Rights to Collect From Tenant. If a Unit Owner shall, at any time, let or sublet his Unit and shall default for a period of one month in the payment of assessments, the Management Committee may, at its option, so long as such default shall continue, demand and receive from any tenant or subtenant of the Owner the rent due or becoming due, and the payment of such rent to the Management Committee shall discharge such tenant or subtenant from his obligation for rent to the Owner and the Owner from his obligation to the Association, to the extent of the amount so paid.

ARTICLE V.

Purpose of the Property and Units - Restrictions on Use

Section 1. General Purpose of Property. The purpose of the Property and the respective Units thereon is to provide residential housing, parking and recreational facilities for Unit Owners, their respective families, tenants, guests and servants.

Section 2. Use as residences only; subject to Rafter J Ranch Declaration. The Units and Common Areas and facilities shall be occupied and used as follows: Units are to be occupied and used for residential purposes and a Unit Owner shall not permit his Unit to be occupied or used otherwise without the express approval of the Management Committee or its designee. Notwithstanding anything herein to the contrary, each Unit Owner shall use or occupy his Unit in a manner consistent with applicable county and city ordinances, and more particularly in accordance with the requirements of the "Rafter J Ranch Declaration," the provisions of which shall supercede any provision hereof in conflict therewith, unless such provision is illegal or unenforceable.

Section 3. Use of Parking Facilities and Roadways. A Unit Owner shall not permit designated parking spaces to be used for purposes other than to park vehicles. Roads and streets on the Property may be designated as fire lanes and must be used only for travel purposes. Recreational vehicles shall be parked on Common Areas only temporarily.

Section 4. Keeping Outside Areas Clean. A Unit Owner shall keep his patio and/or balcony clean and sightly at all times and shall not use said patio and/or balcony for storage except with the express written approval of the Management Committee.

Section 5. Obstructing Common Areas. A Unit Owner shall not obstruct Common Areas and facilities. A Unit Owner shall not place or store anything within the Common Areas and facilities without the prior written consent of the Management Committee or its designee except in a Limited Common Area and/or facility specifically designated or approved for storage.

Section 6. Illegal or Dangerous Uses. Without the prior written consent of the Management Committee or its designee, a Unit Owner shall not permit anything to be done or kept in his Unit or in the Limited Common Areas and facilities appurtenant to his Unit that would result in an increase in the cost of insurance on the Property or that would result in the cancellation

of insurance with respect to all or any part of the Property or that would be in violation of any governmental law, ordinance or regulation.

Section 7. Signs. Without prior written consent of the Management Committee or its designee a Unit Owner shall not permit any sign of any kind to be displayed to the public view from his Unit or from the Limited Common Areas and facilities appurtenant to his Unit. The Management Committee shall provide a uniform signing area at or near the entrance to the Townhome development for the display of approved signs advertising the sale of Units. Said restrictions shall not apply to the Declarant during the construction or sales period or to the Association in order to comply with requirements of law.

Section 8. Animals. A Unit Owner shall not permit animals or livestock of any kind to be raised, bred or kept in his Unit or in the Limited Common Areas and facilities appurtenant to that Unit, except that the Management Committee may provide in its Rules and Regulations for the keeping of dogs, cats and other household pets, subject to the Rules and Regulations adopted by the Management Committee.

Section 9. Obnoxious or Offensive Activities. A Unit Owner shall not permit any obnoxious or offensive activity or nuisance to be carried on in or around his Unit or in the Limited Common Areas and facilities appurtenant to his Unit.

Section 10. Construction or Alteration. A Unit Owner shall not alter, construct in or remove anything from his Unit and the Common Areas and facilities except with the prior written consent of the Management Committee or its designee and in compliance with any municipal or county laws or ordinances applicable thereto. Upon presentation to the Management Committee of proposed plans, receiving its written consent, and within applicable laws, however, Unit Owners are specifically allowed to erect or construct appropriate walls or fences around their Unit and to improve, alter, decorate and/or landscape such Unit in such a manner as they desire and which will complement said Unit and others surrounding it. Notwithstanding the foregoing, however, the Declarant shall have the express right to maintain and construct such facilities as in its sole opinion may reasonably be required to complete construction and sale of Units.

Section 11. Compliance with Rules and Regulations. A Unit Owner shall not violate any of the rules and regulations for the use of Units, Common Areas and facilities or Limited Common Areas and facilities adopted by the Management Committee and furnished in writing to the Unit Owners.

Section 12. Limitation of Owners' Use. A Unit Owner's right to the use of General Common Areas, except Limited Common Areas, shall be restricted to personal family, tenants, lessees and guests, with the right of the Association to reasonably limit the number of guests a Unit Owner, tenant or lessee may invite to use the facilities.

Section 13. Declarant's Use During Construction and Sale. As part of Declarant's program of development of the Property and to encourage the marketing of Units, Declarant shall have the right, during the construction and marketing period and as an aid for marketing, without charge, to the reasonable use of the

the Common Areas and facilities, including any community buildings and recreational facilities.

ARTICLE VI.

Agent for Service of Process

Section 1. Agent While Declarant Controls. Until such time as Declarant transfers the right and responsibility to elect the Management Committee to the Unit Owners as provided elsewhere herein and in the Bylaws, the name and address of the person in Teton County, State of Wyoming, appointed as agent to receive service of process in matters pertaining to the property is: Paul Goddard, P. O. Box 370 Jackson, Wyoming 83001. Upon the recording of a written Affidavit, Declarant may change such agent from time to time.

Section 2. Agent After Association Controlled by Unit Owners. Thereafter, the person to receive service of notice or process shall be any member of the Management Committee, or another designee, residing in Teton County, Wyoming, as listed in an Affidavit filed with the Teton County Recorder.

ARTICLE VII.

AMENDMENTS

Section 1. Amendment by Unit Owners. Except as required by law, the Act, or as provided in Section 2 below, the provisions of this Declaration or the Maps may be amended by the vote of those holding at least two-thirds (2/3) of the votes of Unit Owners in the Association. Any amendment so authorized shall be accomplished by recordation of an instrument executed by the Management Committee. In such instrument said Committee shall certify that the vote required hereby for amendment has been obtained.

Section 2. Amendment by Declarant. The foregoing provisions as to amendment of this Declaration shall be subject to the following paramount rights, unless otherwise required by the Act:

(a) Until all but five Units of Phase II of the Property have been sold, Declarant shall have, and is hereby vested with, the right to unilaterally amend this Declaration and the Maps. Such right shall obtain without regard to the subject matter of the amendment involved if consistent with law, except as restricted by Subparagraph (b) hereof.

(b) Notwithstanding anything to the contrary contained in the Declaration, no material amendments to the insurance provisions of Article X, the mortgage protection provisions of Article XII, nor the percentage of undivided interest in Common Areas and facilities as set forth in Article III shall be amended without the written approval of seventy-five percent (75%) of the mortgagees (as herein defined).

ARTICLE VIII.

Association of Unit Owners; Management Committee

Section 1. Name of Association and Legal Status. The persons or entities who are at the time of reference the Unit Owners, constitute an unincorporated association and not a legal entity, the characteristics and nature of which are determined by the Declaration, the Bylaws, the Act, and any other applicable

Wyoming Statutes. The name in which contracts shall be entered into, title to property shall be acquired, held, dealt in and disposed of, bank accounts shall be opened and suit shall be brought and defended by the Management Committee or officers thereof on behalf of and as agents for the Unit Owners in the manner specified in this Declaration, the Bylaws, or by applicable law is: "THE CEDARWOODS OF JACKSON HOLE HOMEOWNERS' ASSOCIATION, an association of Unit Owners under the Wyoming Condominium Ownership Act (the "Association").. Preliminary and permanent Associations shall exist as set forth in Section 1 of Article I hereof.

Section 2. Management of Association and Property. The management and maintenance of the Property and the business property and affairs of the Association shall be managed by a Management Committee as provided in the Declaration and Bylaws. The Management Committee shall be elected as provided in the Bylaws. All agreements and determinations with respect to the Property lawfully made or entered into by the Management Committee shall be binding upon all of the Unit Owners and their successors and assigns.

Section 3. Powers and Duties of Management Committee. The Management Committee shall have all the powers, duties and responsibilities which are now or may hereafter be provided by the Act, this Declaration and the Bylaws, including but not limited to the following:

A. To make and enforce all house rules and administrative rules and regulations covering the operation and maintenance of the Property.

B. To engage the services of a manager or managing company, accountants, attorneys or other employees or agents and to pay to said persons a reasonable compensation for their services; provided however, that any management agreement may be terminable by the Management Committee for cause upon thirty (30) days' written notice and that the term of any said management agreement generally shall not exceed one (1) year, renewable by agreement for successive one (1) year periods.

C. To operate, maintain, repair, improve, and replace the Common Areas and facilities, including the entering into of agreements for the use and maintenance of the Common Areas and facilities and adjacent contiguous property for the benefit of the Association. The Management Committee shall, as part of the responsibilities outlined in this section, make arrangements for the winter care of roadways, etc.

D. To determine and pay the common expenses.

E. To assess and collect the proportionate share of common expenses from the Unit Owners.

F. To enter into contracts, deeds, leases, and/or other written instruments or documents and to authorize the execution and delivery thereof by the appropriate officers.

G. To open bank accounts on behalf of the Association and to designate the signatures therefore.

H. To purchase, hold, sell, convey, mortgage, or lease any one or more Units in the name of the Association or its designee.

I. To bring, prosecute and settle litigation for itself, the Association and the Property, provided that it shall make no settlement which results in liability against the Management Committee, the Association or the Property in excess of \$20,000.00 without prior approval of the majority of the Unit Owners.

J. To obtain insurance for the Association with respect to the Units and Common Areas and facilities, as well as workmen's compensation insurance as needed.

K. To repair or restore the Property following damage or destruction or a permanent taking by a power in the nature of eminent domain or by an action or deed in lieu of condemnation not resulting in the removal of the Property from the provisions of the Act.

L. To own, purchase or lease, hold and sell or otherwise dispose of on behalf of the Unit Owners, items of personal property necessary to or convenient in the management of the business and affairs of the Association and the Management Committee and in the operation of the Property.

M. To keep adequate books and records.

N. To do all other acts necessary for the operation and maintenance of the Property, including the maintenance and repair of any Unit if the same is necessary to protect or preserve the Property.

Section 4. Delegation of Powers. The Management Committee may delegate to a manager or managing company all of its foregoing powers, duties and responsibilities referred to in Section 3 above except: the final determination of common expenses, budgets and assessments based thereon; the promulgation of house rules and administrative rules and regulations; the power to enter into any contract involving more than \$10,000.00 in any one fiscal year; the power to purchase, hold, sell, convey, mortgage, or lease any Units in the name of the Association; to bring, prosecute and settle litigation; or any other power, duty or responsibility nondelegable by law.

Section 5. Limited Liability of Management Committee, etc. Members of the Management Committee, the officers, and any assistant officer, agents and employees of the Association: (1) shall not be liable to the Unit Owners as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or bad faith; (2) shall have no personal liability in contract to a Unit Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such; (3) shall have no personal liability in tort to any Unit Owner or any person or entity, direct or imputed, by virtue of acts performed by them except for their own willful misconduct or bad faith or acts performed by them in a capacity other than indicated herein; (4) shall have no personal liability arising out of the use, misuse or condition of the Property which might in any way be assessed against or imputed to them as a result of or by virtue of their capacity as such.

Section 6. Indemnification. The Unit Owners or Association shall indemnify and hold harmless any person, his heirs and personal representatives from and against all personal liability and all expenses, including attorney's fees, incurred or imposed

or arising out of or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, instituted by any one or more Unit Owners or any other persons or entities to which he shall be or shall be threatened to be made a party by reason of the fact that he was a member of the Management Committee or an officer or assistant officer, agent or employee of the Association, other than to the extent, if any, such liability or expense shall be attributable to his willful misconduct or bad faith; provided, further that in the case of any settlement that the Management Committee shall have approved, the indemnification shall apply only when the Management Committee approves the settlement as being in the best interests of the Association. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement or vote of Unit Owners or of the Management Committee or otherwise. The indemnification by the Unit Owners as contained herein shall be paid by the Management Committee on behalf of the Unit Owners and shall constitute a common expense and shall be assessed and collectable as such.

ARTICLE IX.

Maintenance, Alteration and Improvement

Section 1. General Maintenance, etc. The maintenance, alteration, replacement and repair of the Common Areas and facilities, including Limited Common Areas, except as provided in Section 2 below, shall be the responsibility of the Management Committee, and the cost thereof shall be a common expense. The Management Committee, as part of its responsibility, shall maintain, alter, replace and repair, the exterior of Units (excluding decks), all open parking areas, the exterior of garages, concrete walks and patios, and all conduits, ducts, plumbing and wiring and other facilities for the furnishing of heat, gas, light, power, air conditioning, water and sewer that may be contained in portions of the Units, but which service part or parts of the Property other than the Unit in which they are contained.

Section 2. Responsibilities of Owners. Unit Owners shall, at their own cost and expense, maintain, repair, paint, wax, tile, paper or otherwise refinish and decorate the interior surfaces of the walls, ceilings, floors and doors forming the boundaries of their Units, as well as all walls, ceilings, floors, windows and doors within the boundaries thereof. In addition each Unit Owner shall otherwise keep the interior of his Unit in good repair, in a clean and sanitary condition, and shall be responsible for the maintenance, repair or replacement of any cabinetry, plumbing fixtures, water heaters, heating equipment, air conditioners, lighting fixtures, refrigerator, dishwasher, disposal equipment, range, or other appliances or fixtures that may be in or are used only for his Unit, even if not within its boundaries. Unit Owners also shall have responsibility for maintaining and repairing decks and all Limited Common Areas which are walled or fenced off from the general public, including both sides of the fence or wall involved, but excluding concrete walks and patios within such areas. If, however, in the opinion of the Management Committee, any of the areas which are the responsibility of a Unit Owner are not being properly maintained or repaired, then the Management Committee may have necessary maintenance and repair done and make a special assessment to the Unit Owner for the cost thereof, said assessment to be paid in the same manner and to have the same weight and effect as any other assessment made pursuant to this Declaration. The Unit Owners shall keep clean and in a sanitary condition their storage areas, garages, decks and patios, if any.

Section 3. Access to Units. The Management Committee or manager shall have the irrevocable right to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair, or replacement of any of the Common Areas and facilities or for making emergency repairs necessary to prevent damage to the Common Areas and facilities or to another Unit or Units, although there shall be no affirmative duty to do so. Each Unit Owner shall deposit a key to the Unit with the Management Committee or manager to be used for emergency access to the Unit.

ARTICLE X.

Insurance

Section 1. General Insurance Provisions. As soon as practicable following its organization, the Management Committee shall obtain and maintain at all times insurance of the type and kind as provided herein and including insurance for such other risks, of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other properties similar to the Property in construction, design and use. The Management Committee shall make a reasonable effort to obtain insurance with the following provisions:

A. Exclusive authority to adjust losses shall be vested in the Management Committee as insurance trustee, or any successor trustee as designated by the Management Committee.

B. The insurance coverage shall not be brought into contribution with insurance purchased by individual Unit Owners or their respective mortgagees.

C. Each Unit Owner may obtain additional insurance covering his real property, fixtures, or personalty interest at his own expense, so long as such additional or other insurance does not have the effect of decreasing the amount which may be realized under any insurance maintained by the Committee.

D. The insurer waives its right of subrogation as to all defenses based upon co-insurance or upon invalidity arising from the acts of the insured.

E. The insurance coverage cannot be cancelled, invalidated or suspended because of the conduct of any one or more individual Unit Owners or the respective lessees, employees, agents, contractors, and guests of Unit Owners.

F. The insurance coverage cannot be cancelled, invalidated or suspended because of the conduct of any officer or employee of the Association or Management Committee or their employees, agents, or contractors, without prior demand in writing that the Management Committee cure the defect and then only if the defect is not cured within thirty (30) days;

G. Such policies shall provide that coverage shall not be prejudiced by: (a) any act or neglect of the Owners of Units when such act or neglect is not within the control of Association; or (b) by failure of the Association to comply with any warranty or condition with regard to any portion of the premises over which the Association has no control; and

H. The insurance coverage shall provide that coverage may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days' prior written notice to any and all insureds' named thereon, including all mortgagees of the Units.

Section 2. Master Policy. The Management Committee, for the benefit of the Property and the Unit Owners, shall maintain a "master" or "blanket" policy of property insurance in an amount equal to the full replacement value (i.e. 100% of current "replacement cost" exclusive of land, foundations, excavations, and other items normally excluded from coverage) of the entire Condominium project (including all Units, all Common Areas and facilities, service equipment and any fixtures or equipment, but not contents furnished or installed by Owners within the Units) with an "Agreed Amount Endorsement" or its equivalent, and, if necessary, an "Increased Cost of Construction Endorsement" or "Contingent Liability from Operation of Building Laws Endorsement" or the equivalent, payable to the insurance trustee to be disbursed in accordance with the terms of this Declaration. Such insurance will afford protection against at least the loss or damage by fire and other hazards covered by the standard extended coverage endorsement, debris removal, vandalism, malicious mischief, windstorm, and water damage. The limits and coverage of said insurance shall be reviewed at least annually by the Management Committee. Said policy or policies shall provide for a separate loss payable endorsement in favor of the mortgagee or mortgagees, if any, of each Unit, as their interests may appear.

Section 3. Liability Insurance. The Management Committee shall obtain a comprehensive policy or policies of public liability insurance insuring the Association, Management Committee, the Unit Owners and their respective lessees, servants, agents or guests against any liability to the public or to the Owners of Units, members of the households of Unit Owners and their respective invitees or tenants, incident to the ownership and/or use of the Property, and including the personal liability exposure to the Unit Owners, incident to the ownership and/or use of the Property. Limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000) for any one person injured in any one occurrence, and shall not be less than One Hundred Thousand Dollars (\$100,000) for property damage in each occurrence. The limits in coverage of said liability policy or policies shall be reviewed at least annually by the Management Committee and increased at its discretion. Said policy or policies shall be issued on a comprehensive liability basis and, if possible, shall provide cross-liability endorsements for possible claims of any one or more or group of insureds against any one or more or group of insureds, without prejudice to the right of a named insured under the policies to maintain an action against another named insured. Such coverage will include protection against water damage liability, liability for non-owned and hired automobile, liability for property of others, and such other risks as shall customarily be covered with respect to projects similar in construction, location and use.

Section 4. Restrictions in Election to Restore. All policies of property insurance shall provide, if possible, that, notwithstanding any provisions thereof which give the insurer the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Management Committee (or any insurance trustee) or when in conflict with the provisions of any

insurance trust agreement to which the Association may be a party, or any requirement of law.

Section 5. Notice of Improvements. Each Unit Owner shall be required to notify the Management Committee of, and shall be liable for any increased insurance premium for insurance maintained by the Management Committee, occasioned by improvements made by the Unit Owner to his Unit, the aggregate value of which is in excess of One Thousand Dollars (\$1,000). Each Unit Owner shall bear the risk of loss for all improvements made to his Unit that were not the subject of notice to the Management Committee.

Section 6. Notification of Individual Insurance. Any Unit Owner who obtains individual insurance coverage covering any portion of the Property, other than personal property belonging to such Unit Owner, shall be required to file a copy of such individual policy or policies with the Management Committee.

Section 7. Restriction on Individual Insurance. No Unit Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount that the Management Committee, on behalf of all of the Unit Owners, may realize under any insurance policy that the Management Committee may have in force covering the Property or any part thereof at any time.

Section 8. Fidelity Coverage. The Management Committee shall maintain or require from others adequate fidelity coverage to protect against dishonest acts on the part of members of the Management Committee, officers, and employees (paid or unpaid) of the Association, and all others who handle or are responsible for handling of funds of the Association, including professional managers and their employees. Such fidelity bonds shall name the Association as the insured and be written in an amount equal to at least 50% of the estimated annual operating expenses of the Association.

ARTICLE XI.

Destruction, Damage or Obsolescence - Association as Attorney-In-Fact

Section 1. Appointment of Attorney-in-Fact. This Declaration hereby makes mandatory the irrevocable appointment of an attorney-in-fact to deal with the Property upon its damage, destruction, obsolescence, condemnation or abandonment, for its repair, reconstruction or sale, and to maintain, repair and improve the Units, buildings and General and Limited Common Areas. Title to any Unit is declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a deed or other instrument of conveyance from the Declarant or from any Owner or grantor shall constitute appointment of the attorney-in-fact herein provided. All of the Owners irrevocably constitute and appoint the Association by and through the Management Committee, their true and lawful attorney in their name, place and stead for the purpose of dealing with the Property upon its damage or destruction or obsolescence as is hereafter provided. As attorney-in-fact, the Association, by and through the Management Committee, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or any other instrument with respect to the interests of a Unit Owner which are necessary and appropriate to exercise the powers herein granted. Repair and reconstruction of the improvements as used in the succeeding sections means

restoring the improvements to substantially the same condition in which they existed prior to the damage, with each residence and the General and Limited Common Areas having substantially the same vertical and horizontal boundaries as before. The proceeds of any insurance collected shall be available to the Association for the purpose of repair, restoration, reconstruction or replacement unless the Unit Owners and holders of first lien mortgages or first lien deeds of trust agree not to rebuild in accordance with the provisions set forth hereinafter. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements ("substantial" being 75% or more of the replacement cost thereof) the Association will give timely written notice of such damage or destruction to each holder of a first mortgage or first deed of trust of the affected Unit or Units.

Section 2. Reconstruction if Insurance Sufficient. In the event of damage or destruction due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvements, shall be applied by the Association, as attorney-in-fact, to such reconstruction, and the improvements shall be promptly repaired and reconstructed. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair and restoration of the improvements. Assessments for common expense shall not be abated during the period of insurance adjustment and repair and reconstruction.

Section 3. Reconstruction When Insurance Insufficient. If the insurance proceeds are insufficient to repair and reconstruct the improvements and if such damage is not more than seventy-five percent (75%) of the total replacement cost of all of the Units in this project, not including land, such damage or destruction shall be promptly repaired and reconstructed by the Association, as attorney-in-fact, using the proceeds of insurance and the proceeds of a special assessment to be made against all of the Unit Owners and their Units. Such deficiency assessment shall be a common expense and made pro rata according to each Unit Owner's interest in the General Common Areas and shall be due and payable within thirty (30) days after written notice thereof. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair, replacement or restoration of the improvements using all of the insurance proceeds for such purpose, notwithstanding the failure of a Unit Owner to pay the assessment. The assessment provided for herein shall be a debt of each Unit Owner and a lien on his Unit and may be enforced and collected as is hereinafter provided. In addition thereto, the Association, as attorney-in-fact, shall have the absolute right and power to sell the Unit of any Unit Owner refusing or failing to pay such deficiency assessment within the time provided, and if not so paid, the Association, shall cause to be recorded a notice that the Unit of the delinquent Unit Owner shall be sold by the Association, as attorney-in-fact, pursuant to the provisions of this paragraph. Assessments for common expenses shall not be abated during the period of insurance adjustment and repair and reconstruction. The delinquent Unit Owner shall be required to pay to the Association the costs and expenses for filing the notices, interest at the rate of 18% per annum, or such other rate as may have been set for delinquent assessments, on the amount of the assessment and all reasonable attorney's fees. The proceeds derived from the sale of such Unit shall be used and disbursed by the Association, as attorney-in-fact, in the following order: (i) For payment of taxes and special assessment liens in favor of any governmental assessing entity; (ii) For payment of the balance of the lien of any first lien mortgage on the Unit; (iii) For payment of the customary expenses of sale; (iv) For payment of unpaid common expenses, special

assessments, and all costs, expenses and fees incurred by the Association; (v) For payment of junior liens and encumbrances on the Unit in the order of and to the extent of their priority; and (vi) The balance remaining, if any, shall be paid to the Unit Owner.

Section 4. When Property Abandoned and Sold. If the insurance proceeds are insufficient to repair and reconstruct the damaged improvements, and if such damage is more than seventy-five percent (75%) of the total replacement cost of all of the Units in the project, not including land, and if the owners holding seventy-five percent (75%), or more, of the voting power do not voluntarily, within one hundred (100) days thereafter, make provisions for a plan of reconstruction, as to which plan each of the holders of first lien mortgages or first lien deeds of trust of record shall be notified, then the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association and with the written consent of Seventy-five percent (75%) or more each of the holders of recorded first lien mortgages or first lien deeds of trust, unless otherwise provided by law, the entire remaining premises shall be sold by the Association pursuant to the provisions of this section, as attorney-in-fact, for all of the Unit Owners, free and clear of the provisions contained in this Declaration, the Map and the Bylaws. Assessments for common expenses shall not be abated during the period prior to sale. The insurance settlement proceeds shall be collected by the Association, and such proceeds shall be divided by the Association according to each Unit Owner's interest in the General Common Areas, and such proceeds shall be paid into separate accounts, each such account representing one of the Units. Each such account shall be in the name of the Association, and shall be further identified by the Unit designation and the name of the Unit Owner. From each separate account the Association, as attorney-in-fact, shall forthwith use and disburse the total amount of each such account, without contribution from one account to another, toward the partial or full payment of the lien of any first lien mortgage or first lien deed of trust against the Unit represented by such separate account. Thereafter, each such account shall be supplemented by the apportioned amount of the proceeds obtained from the sale of the entire Property. Such apportionment shall be based upon each Unit Owner's interest in the General Common Elements. The total funds of each account shall be used and disbursed, without contribution from one account to another, by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in section 3 of this Article.

Section 5. Adoption of Plan of Reconstruction. In the event of such damage or destruction under Section 4 of this Article, and if a plan for reconstruction is adopted as therein provided, then all Unit Owners shall be bound by the terms and other provisions of such plan. Any assessment made in connection with such plan shall be a common expense and made pro rata according to each Unit Owner's interest in the General Common Elements and shall be due and payable as provided by the terms of such plan, but not sooner than thirty (30) days after written notice thereof. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair, replacement or restoration of improvements using all of the insurance proceeds for such purpose notwithstanding the failure of a Unit Owner to pay the assessment. Assessments for common expenses shall not be abated during the period of insurance adjustment and repair and reconstruction. The assessment provided for herein shall be a debt of each Unit Owner and a lien on his Unit and may be enforced and collected as is hereinafter provided. In

addition thereto, the Association, as attorney-in-fact, shall have the absolute right and power to sell the Unit of any Unit Owner refusing or failing to pay such assessment within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the Unit of the delinquent Unit Owner shall be sold by the Association. The delinquent Unit Owner shall be required to pay to the Association the costs and expenses for filing the notices, interest at the rate of 18% per annum, or such other rate as may have been established for delinquent assessments, on the amount of the assessment and all reasonable attorney's fees. The proceeds derived from the sale of such Unit shall be used and disbursed by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in Section 3 of this paragraph.

Section 6. Reconstruction or Renewal of Common Areas. The Unit Owners holding eighty percent (80%) or more of the voting power may agree that the Common Areas are obsolete and adopt a plan for renewal and reconstruction, which plan shall have the approval of seventy-five percent (75%) or more of the holders of first lien mortgages or first lien deeds of trust of record at the time of the adoption of such plan. If a plan for renewal or reconstruction is adopted, notice of such plan shall be recorded, and the expense of renewal and reconstruction shall be payable by all of the Unit Owners as a common expense, whether or not they have previously consented to the plan of renewal and reconstruction. The Association, as attorney-in-fact, shall have the absolute right and power to sell the Unit of any Unit Owner refusing or failing to pay such assessment within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the Unit of the delinquent Unit Owner shall be sold by the Association. The delinquent Unit Owner shall be required to pay to the Association the costs and expenses for filing the notices, interest at the rate of 18% per annum, or such other rate as may have been set for delinquent assessments, on the amount of the assessment and all reasonable attorney's fees. The proceeds derived from the sale of such Unit shall be used and disbursed by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in Section 3 of this Article.

Section 7. Voluntary Abandonment of Property. The Unit Owners holding eighty percent (80%) or more, of the voting power may agree that the Units are obsolete or that the Property should otherwise be abandoned or terminated and that the same should be sold. Such plan or agreement must have the written approval of seventy-five percent (75%) or more of holders of a first lien mortgage or first lien deed of trust of record. In such instance, the Management Committee shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice, the entire property shall be sold by the Association, as attorney-in-fact for all of the Unit Owners, free and clear of the provisions contained in this Declaration, the Map and the Bylaws. The sales proceeds shall be apportioned among the Unit Owners on the basis of each Unit Owner's interest in the Common Areas and such apportioned proceeds shall be paid into separate accounts, each such account representing one Unit. Each such account shall be in the name of the Association, and shall be further identified by the Unit designation and the name of the Unit Owner. From each separate account the Association, as attorney-in-fact, shall use and disburse the total amount of each such account, without contribution from one account to another, for the same purposes and in the same order as is

provided in Section 3 of this Article. This Section shall not be amended without the consent of all Unit Owners.

ARTICLE XII.

Eminent Domain

Section 1. Taking by Proceedings of or in Nature of Eminent Domain. Whenever any proceeding is instituted that could result in the temporary or permanent taking, injury or destruction of all or part of the Common Areas and facilities or one or more Units or portions thereof by the exercise of the power of or power in the nature of eminent domain or by an action or deed in lieu of condemnation (all of which shall be defined as "eminent domain"), the Management Committee, each Unit Owner, and every holder of all liens affecting subject Units, shall be entitled to timely written notice thereof and the Management Committee shall and the Unit Owners, at their respective expense, may participate in the proceedings incident thereto.

Section 2. Allocation of Awards. Any awards obtained in connection with a taking by reason of eminent domain shall be allocated to the affected Unit Owners in proportion to their respective undivided interests in the Common Areas; provided, that the priority of any mortgagee's lien shall remain undisturbed.

ARTICLE XIII.

Mortgage Protection

Section 1. Definition of Mortgage. The term "mortgage" as used in this Declaration and the Bylaws shall mean any recorded first mortgage which would have priority over other mortgages and shall include a recorded deed of trust having a similar right of priority. The term "mortgagee" shall mean the owner and holder of such a mortgage and shall include a beneficiary under a similar deed of trust.

Section 2. Roster of Unit Owners and Mortgagees. The Management Committee shall maintain a roster of Unit Owners from the evidence of change of ownership furnished to the Management Committee, which roster shall include the mailing addresses of Unit Owners. If the Management Committee has been given notice and the necessary information, the Management Committee shall maintain another roster which shall contain the name and address of each mortgagee of a Unit. Each notice shall consist of a certified copy of the recorded instrument evidencing the title of the mortgagee. The mortgagee shall be stricken from the roster upon receipt by the Management Committee of a request from the mortgagee or of a certified copy of a recorded release or satisfaction of the mortgage. Notice of such removal shall be given to the mortgagee unless the removal is requested by the mortgagee.

Section 3. Right to Notice of Default. Any mortgagee of any Unit, upon the filing of a written request, is entitled to written notification from the Management Committee of any default by the mortgagor of such Unit in the performance of such mortgagor's obligation under the Declaration or Bylaws which is not cured within sixty (60) days.

Section 4. Right to Examination and Information. Any holder of a mortgage shall have the right to examine the books and records of the Association during normal business hours and, upon request: (1) shall be entitled to receive copies of annual reports for the preceding fiscal year; and (2) shall be entitled to receive written notice of meetings of the Association and may designate a representative to attend such meetings.

Section 5. Liens Otherwise Subordinate. The liens created pursuant to this Declaration or the Bylaws upon any Unit shall be subject and subordinate to, and shall not affect the rights of the holder of a first mortgage or equivalent security interest upon a Unit, recorded prior to the date such liens arose and which is made in good faith and for value, provided that after the foreclosure of any such mortgage or equivalent interest, any liens for assessments or other costs created pursuant to this Declaration or the Bylaws after the date of such sale shall have the same effect and be enforced in the same manner against the Purchaser at such sale as would be the case for any other Unit Owner (including assessments from a pro rata reallocation of unpaid assessments on such Unit charged to all Units).

Section 6. Effect of Amendments. No amendment to this Article shall affect the rights of the holder of a mortgage recorded prior to the recordation of any such amendment who does not join in the execution thereof.

ARTICLE XIV

Leasing of Units

Section 1. Conditions of Leases. All leases of Units shall be in writing and shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and Bylaws and that failure of the lessee to comply with the terms of said documents shall be a default under the lease. At or prior to execution all lease forms must be submitted to the Management Committee for its approval of such provision, approval being indicated by authorized signature on the lease document.

Section 2. Leases Allowed. Units shall be leased only for residential purposes; provided, however, that until all Units are sold the Declarant may use any Unit it owns as a sales office and/or model home to assist its marketing efforts.

ARTICLE XV.

Encroachments

Section 1. Effect of Encroachments. None of the rights and obligations of any Unit Owner created by this Declaration, the Bylaws or by any deed conveying a Unit shall be affected in any way by an encroachment: (i) by any portion of the Common Areas and facilities upon any Unit; (ii) by any Unit upon another Unit or upon the Common Area due to settling or shifting of a building or other structure, including the rebuilding of a building or other structure after fire or other casualty or an eminent domain taking or delivery of a deed in lieu of condemnation, unless there occurs an encroachment that results from the willful or negligent act or omission of the Unit Owner of the encroaching Unit, or of the owners of the Units to which the use of the encroaching Limited Common Areas and facilities is appurtenant, or of the Management Committee in the event of an encroachment by any portion of the Common Areas and facilities other than the Limited Common Areas and facilities.

Section 2. Easements Created. There are hereby created valid easements for the maintenance of any encroachments permitted by this Article of this Declaration so long as such encroachments exist.

ARTICLE XVI.

Conveyance; Easements

Section 1. Description of Units. Every deed, lease, mortgage, instrument of conveyance or sale, or other instrument affecting title to a Unit may describe the Unit by its identity number as set forth in the appropriate Phase I or Phase II Map with appropriate reference to said Map and this Declaration, as each shall appear on the records of the Clerk of Teton County, State of Wyoming. Every such description shall be deemed good and sufficient for all purposes and shall be deemed to convey, transfer, encumber, or otherwise affect the Unit Owner's corresponding percentage of undivided ownership in the Common Areas and facilities, as a tenant-in-common, as set forth herein, also incorporating all rights and limitations incident to Ownership described in this Declaration and the Bylaws, even though the same are not exactly mentioned or described. A description shall be deemed sufficient if it appears in substantially the following form:

Unit _____, as shown in the Phase _____ Record of Survey Map for The Cedarwoods of Jackson Hole Townhomes appearing in the records of the Clerk of Teton County, State of Wyoming, as Entry No. _____, Book No. _____, Page No. _____, of Plats, and as defined and described in the Declaration of The Cedarwoods of Jackson Hole Townhomes appearing in such Records as Entry No. _____, Book No. _____, Page No. _____. This conveyance (or other instrument) is subject to the provisions of the aforesaid Declaration of The Cedarwoods of Jackson Hole Condominiums, including Appendix A attached thereto.

Section 2. Effect of Deeds and Instruments; Easements. Every deed, lease, mortgage or other similar instrument shall be deemed to:

A. Except and reserve with respect to a Unit: (i) any portion of the Common Areas and facilities lying within said Unit; (ii) easements through said Unit, appurtenant to the Common Areas and facilities and all other Units, for support and repair of the Common Areas and facilities and all other Units; and (iii) easements, appurtenant to the Common Areas and facilities, for encroachment upon the air space of said Unit by those portions of the Common Areas and facilities located within said Unit.

B. Include with respect to a Unit nonexclusive easements for ingress and support of said Unit through the Common Areas and facilities, for the repair of said Unit through all other Units and through the Common Areas and facilities as indicated in the Maps.

C. Except and reserve, with respect to the undivided percentage interest in the Common Areas and facilities, nonexclusive easements appurtenant to all Units for ingress,

gress, support and repair and exclusive easements appurtenant to each Unit for the use of the deck, balcony, patio, and any storage area as set forth in the Maps.

D. Include, with respect to the undivided percentage interest in the Common Areas and facilities, nonexclusive easements through each Unit for support and repair of the Common Areas and facilities and nonexclusive easements for encroachments upon the air space of all of the Units by and for the portions of the Common Areas and facilities lying within the Units.

ARTICLE XVII

ARCHITECTURAL CONTROL

Except as provided herein, no building, fence, wall or other structure shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Management Committee, or by an Architectural Control Committee composed of three (3) or more representatives appointed by the Committee. In the event said Committee, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. It is expressly provided, however, that until that date which is six (6) months following the completion of a Unit, the Declarant shall have the right to approve the erection or installation of "construction options", such as the addition of skylights, windows, bay windows, atriums, decks, or other items which, in the opinion of Declarant, do not jeopardize the basic structure or architectural integrity of the Unit or Property.

ARTICLE XVIII.

Notices

Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to be delivered forty-eight (48) hours after a copy of the same has been deposited in the U.S. postal service, first class, postage prepaid. Notice to Unit Owners shall be addressed to each Unit Owner at the address given in writing by such Unit Owner to the Management Committee for the purpose of service of such notice or to the Unit of such Unit Owner if no such address has been given to the Management Committee. Such address may be changed from time to time by notice in writing to the Management Committee. Unless otherwise notified in writing, Notice to the Management Committee shall be addressed to: Management Committee, The Cedarwoods of Jackson Hole Homeowners' Association, Jackson, Wyoming.

ARTICLE XIX.

No Waiver

The failure of the Management Committee or its contractors to insist, in one or more instances, upon the strict performance of any of the terms, covenants, conditions, or restrictions of this Declaration or the Bylaws, or to exercise any right or option herein contained, or to serve any notice or to institute

any action shall not be construed as a waiver or a relinquishment, for the future, of such term, covenant, condition or restriction; but such term, covenant, condition or restriction shall remain in full force and effect. The receipt and acceptance by the Management Committee or its contractor of the payment of any assessment from a Unit Owner, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by the Management Committee of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Management Committee.

ARTICLE XX.

Enforcement

Each Unit Owner shall strictly comply with the provisions of the Declaration, the Bylaws, the house rules and administrative rules and regulations and decisions issued pursuant thereto. Failure to so comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, or any other remedy allowed by the Act, other statutes or common law, maintainable by the Management Committee or its designee on behalf of the Unit Owners, or in an appropriate case, by an aggrieved Unit Owner. Any violation of the provisions of the Declaration or Bylaws, etc., is declared to be and shall constitute a nuisance and may be abated by Declarant or the Management Committee. Such remedy shall be deemed cumulative and not exclusive of others.

In addition, upon any failure of a Unit Owner to pay when due any assessment for common expenses or any other assessment, the Management Committee may seek any remedy provided in this Declaration, the Bylaws, the Act or otherwise available at law or equity. Unless specifically agreed in writing, liability for payment of assessments shall be joint and several against any and all persons and/or entities holding or claiming an Ownership interest in the Unit concerned.

ARTICLE XXI.

General

Section 1. Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision herein.

Section 2. Captions, Gender and Grammar. The captions in this Declaration are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope and intent of this Declaration or any provision hereof. The singular wherever used herein shall be construed to mean the plural whenever applicable or vice versa and necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, etc, shall be assumed in each case as though made.

Section 3. Law Controlling. This Declaration, the Map and the Bylaws shall be construed and controlled by and under the laws of the State of Wyoming.

ARTICLE XXII

Effective Date

This Declaration shall take effect when recorded.

IN WITNESS WHEREOF, the undersigned Declarant has executed this instrument as of the day and year first above written.

INTERWEST LAND AND INVESTMENT, INC.,

Attest: Katie Platt
Secretary

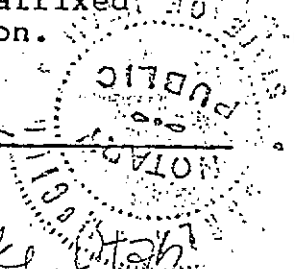
By J. E. Bradley



State of Utah)
County of Salt Lake) : ss

On the 28th day of January, 1981, before me, a Notary Public in and for the above state and county, personally appeared J. E. Bradley, Jr, and Katie Platt, who being by me first duly sworn, did depose and say: That he, the said J. E. Bradley, Jr. is the President, and she, the said Katie Platt, is the Secretary of INTERWEST LAND AND INVESTMENT, INC., a Utah Corporation; that the above and foregoing instrument was signed by said Corporation by authority of a resolution of its Board of Directors; and that said Corporation duly executed the same and the seal affixed thereto is the duly authorized seal of said Corporation.

Carla McGinn
Notary Public
Residing at: Salt Lake, Utah



My Commission Expires:
12-16-81

APPENDIX A

BYLAWS

THE CEDARWOODS OF JACKSON HOLE
HOMEOWNERS' ASSOCIATION

An Unincorporated Association of Unit Owners
Under the Wyoming Condominium Ownership Act

The administration of The Cedarwoods of Jackson Hole Townhomes (the "Property") and The Cedarwoods of Jackson Hole Homeowners' Association ("Association"), including the preliminary and permanent Associations, shall be governed by these Bylaws and by the DECLARATION OF THE CEDARWOODS OF JACKSON HOLE TOWNHOMES ("Declaration"), and the Wyoming Condominium Ownership Act, as it may be amended from time to time, Wyoming Statutes 1977, Sections 34-20-101 through 34-20-104 (the "Act").

1. Application of Bylaws.

All present and future Unit Owners, mortgagees, and occupants of Units and their lessees, renters, agents, guests, employees, and other persons who may use the facilities of the Property in any manner are subject to the Declaration, these Bylaws and all rules made pursuant hereto and any amendment thereof. The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that the provisions of the Declaration and these Bylaws (and any rules and regulations made pursuant thereto), as they may be amended from time to time, are accepted, ratified and will be complied with.

2. Management Committee.

2.1 The administration of the Property on behalf of each preliminary and the permanent Associations shall be conducted by Management Committees of five natural persons each who shall be Owners or partial owners of Units in the applicable Phase, but shall not be required to be residents of the State of Wyoming; provided, however, that during such time as the Declarant appoints the members of any of the Management Committees as provided in subparagraph 2.11, the persons so appointed shall not be required to be either Unit Owners or residents of the State of Wyoming. (Hereinafter reference to "Association" or "Management Committee" shall be to either preliminary or the permanent Association or Management Committee, whichever is applicable.

2.2 At each annual meeting of the Association, subject to the provisions of subparagraph 2.11, the Association shall elect members to fill vacancies on the Management Committee. At least thirty (30) days prior to any annual meeting of the Association, the Management Committee shall elect from the Unit Owners a nominating committee of not less than three (3) Members (none of whom shall be members of the then Management Committee) who shall recommend to the annual meeting one nominee for each position on the Management Committee to be filled at that particular annual meeting. Nominations for positions on the Management Committee may also be made by petition filed with the secretary of the Association at least seven (7) days prior to the annual meeting of the Association, which petition shall be signed by ten (10) or more Unit Owners and signed by the nominee named therein indicating his willingness to serve as a member of the Management Committee, if elected.

2.3 Members of the Management Committee shall serve for a term of two (2) years; provided, however, that two members of the original Management Committee shall serve for an initial term of one (1) year while the three other members shall serve for initial terms of two (2) years. Thereafter, all Management Committee members elected or appointed shall serve for a two-year term or the unexpired term of the person in whose place they were

appointed. The terms of no more than three members will end each year. The members of the Management Committee shall serve until their respective successors are elected, or until their death, resignation or removal. Any member of the Management Committee who fails to attend four consecutive Management Committee meetings or fails to attend at least 25% of the Management Committee meetings held during any calendar year shall forfeit his membership on the Management Committee.

2.4 Any member of the Management Committee may resign at any time by giving written notice to the chairman of the Association, or the remaining Management Committee members. Any member of the Management Committee may be removed from membership on the Management Committee by a two-thirds majority vote of the Association. Whenever there shall occur a vacancy on the Management Committee due to death, resignation, removal or any other cause, the remaining members of the committee shall appoint a successor member to serve until the next annual meeting of the Association, at which time said vacancy shall be filled by the Association for the unexpired term, if any.

2.5 The members of the Management Committee shall receive no compensation for their services, other than reimbursement of expenses, unless expressly approved by a majority of the Association; provided, however, that any member of the Management Committee may be employed by the Association in another capacity and receive compensation for such employment.

2.6 The Management Committee, for the benefit of the Property and the Association, shall manage the business, property and affairs of the Property and the Association and enforce the provisions of the Declaration, these Bylaws, the house rules and the administrative rules and regulations governing the Property. The Management Committee shall have the powers, duties, and responsibilities with respect to the Property as contained in the Act, the Declaration and these Bylaws, as well as any other applicable statutory law.

2.7 Regular or special meetings of the Management Committee shall be held at such places within or without the State of Wyoming as a majority of the Management Committee shall determine. Otherwise, meetings shall be held at the Property. Three (3) members of the Management Committee shall constitute a quorum, and if a quorum is present, unless otherwise required by law or the Declaration, the decision of a majority of those present shall be the act of the Management Committee. The Management Committee shall annually elect all of the officers of the Association. The meeting for the election of officers shall be held at the first meeting of the Management Committee immediately following the annual meeting of the Association.

2.8 Regular meetings of the Management Committee may be held without call or notice; provided however, that if the meeting is to be held at a place other than as decided at the annual meeting each year, appropriate notice shall be given. The person or persons calling a special meeting of the Management Committee shall, at least ten (10) days before the meeting, give notice of the time and place thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called; and if an agenda is prepared for such a meeting, the meeting need not be restricted to discussions of those items listed on the agenda.

2.9 Special meetings of the Management Committee may be called by the chairman or by any two Management Committee members.

2.10 Any member of the Management Committee may, at any time, waive notice of any meeting of the Management Committee in writing, and such waiver shall be deemed equivalent to the giving of notice to the member. Attendance by a member of the Management Committee at a meeting shall constitute a waiver of notice of such meeting except when a Management Committee member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the members of the Management Committee are present at any meeting of the Management Committee, no notice shall be required and any business may be transacted at such meeting.

2.11 Until a date three (3) years from the recording of the Declaration, or until Units in each Phase as to which three-fourths (3/4) of the undivided interest in the Common Areas and facilities for that Phase appertain have been conveyed, whichever occurs first, the Declarant, or some other person or persons selected or to be selected by Declarant, shall have the option to appoint and remove all members of the Management Committee, appoint and remove all officers of the Association, and exercise the powers and responsibilities otherwise assigned by the Declaration, these Bylaws and the Act to the Association. Declarant shall have the option at any time after one year from the recording of the Declaration to turn over to the Association the total responsibility for electing and removing members of the Management Committee and the officers.

2.12 The Management Committee, for the benefit of the Property and the Association, shall enforce the provisions of the Act, the Declaration, these Bylaws, and any other Rules and Regulations governing the Property and, subject to the restrictions of Paragraph 5.2 hereof, shall acquire or arrange and pay for out of the Common Expense Fund at least the following:

2.12.1 Water, sewer, garbage collection, electrical, telephone, gas and other necessary utility services for the common areas and facilities;

2.12.2 Water, sewer, electrical, gas or other necessary utility costs for Units and Limited Common Areas and facilities which are not separately metered or charged, the cost thereof, so far as practicable, to be specially assessed to the Owners of Units affected thereby;

2.12.3 A policy or policies of fire insurance, with extended coverage endorsements, for the full insurable replacement value of the Units and Common Areas and facilities as provided in Article X of the Declaration, or such other fire and casualty insurance as the Management Committee shall determine gives substantially equal or greater protection to the Unit Owners and their mortgagees. The limits and coverage of such policies shall be reviewed at least annually by the Management Committee as per the Declaration and increased in its discretion. Insurance proceeds shall be payable and applicable as provided in Article XI of the Declaration;

2.12.4 A policy or policies of public liability insurance insuring the Management Committee, the Association and the individual Unit Owners against any liability to any person or persons incident to the ownership and/or use of the Property. Such policy or policies shall be consistent with the provisions of Article X of the Declaration. Limits of liability under such insurance shall be as provided in said Article X.

2.12.5 Workmen's Compensation Insurance to the extent necessary to comply with any applicable laws;

2.12.6 The services of a manager to manage its affairs as provided in the Declaration, as well as such other personnel as the Management Committee shall determine are necessary or proper for the operation of the Common Areas and facilities, whether such personnel are employed directly by the Management Committee or are furnished by the manager;

2.12.7 Legal and accounting services necessary or proper in the operation of the Common Areas and facilities or the enforcement of the Declaration;

2.12.8 A fidelity bond as provided in the Declaration;

2.12.9 Painting, maintenance, repair and all landscaping of the Common Areas and facilities (including Limited Common Areas), and such furnishings and equipment for the common areas and facilities as the Management Committee shall determine are necessary and proper, and the Management Committee shall have the exclusive right and duty to acquire the same for the Common Areas and facilities; provided, however, that the interior surfaces of each Unit shall be painted, maintained and repaired by the Unit Owner thereof, all such maintenance to be at the sole cost and expense of that particular Unit Owner;

2.12.10 Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Management Committee is required to secure or pay for pursuant to the terms of the Declaration or Bylaws or which in its opinion shall be necessary or proper for the operation of the Common Areas and facilities or for the enforcement of the Declaration; provided that if any such materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments are provided for particular Units, the cost thereof shall be specially assessed to the Owner of such Units;

2.12.11 Maintenance and repair of any Unit, if such maintenance or repair is reasonably necessary in the discretion of the Management Committee to protect the Common Areas and facilities or preserve the appearance and/or value of the Property, and the Unit Owner of said Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of such necessity has been delivered by the Management Committee to said Unit Owner; provided that the Management Committee shall levy a special

assessment against such Unit Owner for the cost of said maintenance or repair;

2.12.12 The Management Committee shall have the exclusive right to contract all goods, services and insurance, payment to be made from the Common Expense Fund. This provision shall not be construed to prohibit the Management Committee from delegating such authority to the manager as it deems proper.

2.13 After the first election of the members of the Management Committee, Declarant may execute, acknowledge and record an affidavit stating the names of the members of the Management Committee. Thereafter, any two (2) persons who are designated of record as being members of the most recent Management Committee (regardless of whether or not they shall still be members) may execute, acknowledge and record an affidavit stating the names of all of the members of the then current Management Committee. The most recently recorded of such affidavits shall be prima facie evidence that the persons named therein are all of the incumbent members of the Management Committee and shall be conclusive evidence thereof in favor of all persons who rely thereon in good faith.

2.14 The fiscal year shall be determined by the Management Committee.

3. Meetings of the Association.

3.1 The presence in person or by proxy at any meeting of the Association of fifty percent (50%) of the Unit Owners in response to notice to all Unit Owners of record properly given shall constitute a quorum. In the event that fifty percent (50%) of the Unit Owners are not present in person or by proxy, the meeting shall be adjourned for twenty-four (24) hours, at which time it shall reconvene and any number of Unit Owners present at such subsequent meeting shall constitute a quorum. Unless otherwise expressly provided in the Declaration, any action may be taken at any meeting of the Unit Owners upon a majority vote of the Unit Owners who are present in person or by proxy and who are voting.

3.2 At all meetings of the Association, Unit Owners may vote in person or by proxy executed in writing by the Unit Owner or his duly authorized attorney in fact. Proxies shall be filed with the secretary of the Management Committee before or at the time of the meeting. Unless otherwise specified therein, each proxy shall be valid for eleven (11) months from the date of its execution.

3.3 There shall be an annual meeting of the Association at approximately the same time each year as set by the Management Committee, either at the Property or at such other reasonable place as may be designated. The Management Committee shall give written notice of the time and place of the annual meeting, said notice to be delivered to the Unit Owners not less than ten (10) days prior to the date fixed for said meeting.

3.4 Special meetings of the Association may be held at any time at the Property or at some other reasonable place to consider matters which, by the terms of the Declaration, law, or these Bylaws, require the approval of all or some of the Unit Owners, or for any other reasonable purpose. Special meetings shall be called by written notice, signed by a majority of the Management Committee, or by Unit Owners representing at least one-third (1/3) in interest of the undivided ownership of the Common Areas and facilities and delivered to all Unit Owners not less than fifteen (15) days prior to the date fixed for said

meeting. The notices shall specify the date, time and place of the meeting, and the matters to be considered.

3.5. Robert's Rules of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Declaration or these Bylaws.

4. Committee Officers.

4.1 The Management Committee shall perform its functions and responsibilities through those members of the Committee who are elected as officers annually by the Committee, and through such agents or employees as the Committee may appoint. The primary officers shall consist of a chairman, vice chairman, secretary and treasurer. The offices of secretary and treasurer may be combined as one office. The Management Committee may appoint such assistant officers as the Management Committee may deem necessary. No officer shall receive compensation for serving as such unless a majority of Unit Owners vote otherwise.

4.2 The chairman shall be the chief executive of the Management Committee and shall preside at all meetings of the Unit Owners and of the Management Committee and may exercise the powers ordinarily allocable to the presiding officer of an Association, including the appointment of committees. The chairman shall exercise general supervision over the Property and its affairs. He shall sign on behalf of the Association all conveyances, mortgages and contracts of material importance to its business. He shall do and perform all acts which the Management Committee may require.

4.3 The vice chairman shall perform the functions of the chairman in the absence or inability of the chairman.

4.4 The secretary shall keep minutes of all proceedings of the Management Committee and of the meetings of the Association and shall keep such books and records as may be necessary and appropriate for the records of the Unit Owners and the Management Committee. In the absence or inability of the chairman or vice chairman, the secretary shall perform the functions of the chairman.

4.5 The treasurer shall be responsible for the fiscal affairs of the Association, but may delegate the daily handling of funds and the keeping of records to a manager or managing company.

4.6 If the Management Committee appoints other officers, such officers shall perform such duties as may be prescribed or delegated from time to time by the Management Committee.

4.7 Any officer or agent shall be subject to removal, with or without cause, at any time by the affirmative vote of a majority of the members of the Management Committee then serving.

5. Common Expenses; Assessments.

5.1 All assessments shall be made in accordance with the general provisions of Article IV of the Declaration.

5.2 It shall be the responsibility of the Management Committee to determine questions relating to the maintenance, repair and replacement of all Common Areas and facilities. However, except as provided otherwise in Article IV, Section 6 of the Declaration, there shall be no single structural alteration, capital addition to, or capital improvement of the Common Areas and facilities requiring an expenditure in excess of \$20,000.00,

unless those holding a majority of the votes present in person or by proxy at a duly called meeting of the Association shall approve the expenditure for such structural alterations, capital addition to, or capital improvement of the Common Areas and facilities.

5.3 Prior to the end of each fiscal year of the Association, the Management Committee shall estimate the common expenses and capital contributions necessary for the following year and prepare a budget based thereon. The estimated expenses and contributions may include such amounts as the Management Committee may deem proper for general working capital, for the general operating reserve, for a reserve fund for replacements and major maintenance, plus estimated utility or other costs for Units and Limited Common Areas and facilities which are not separately metered or charged. It shall also take into account any expected income, surplus or deficit in the Common Expenses for any prior year. The estimated common expenses and capital contributions shall be assessed on a monthly basis to the Unit Owners in proportion to their percentage of undivided interest in the Common Areas and facilities as set forth in the Declaration. If the estimated common expenses prove inadequate for any reason, including nonpayment of any Unit Owner's assessments, the Management Committee may, by resolution duly adopted, make additional assessments, which shall be assessed to the Unit Owners in the same manner as the estimated common expenses. Each Unit Owner shall be obligated to pay to the Management Committee assessments made pursuant to this paragraph on or before the first day of each month, or in such other reasonable manner as the Management Committee shall designate. The funds received by the Management Committee from assessments shall be kept in either capital accounts or in the Common Expense Fund and shall be expended by the Management Committee only in accordance with the provisions of the Declaration, these Bylaws, the Act and other applicable law.

5.4 Every determination by the Management Committee with respect to the common expenses and common expenditures necessary to maintain the Property, that is made within the bounds of the Declaration, these Bylaws, the Act or other applicable law, shall be final and conclusive as to the Unit Owners and shall be deemed necessary and properly made for such purposes.

5.5 The rights, duties and functions of the Management Committee set forth in this Paragraph shall be exercised by Declarant for the period ending thirty (30) days after the election of the first Management Committee hereunder.

5.6 The failure by the Management Committee before the expiration of any year, to estimate the common expenses as required herein, shall not be deemed a waiver or modification in any respect of the provisions of the Declaration or these Bylaws or a release of the Unit Owner from the obligation to pay any past or future assessments, and the estimated common expenses fixed for the previous and current year shall continue until a new estimate is fixed.

5.7 Amendments to this paragraph 5 shall be effective only upon written consent of seventy-five percent (75%) of the Unit Owners and their mortgagees.

5.8 No Unit Owner may exempt himself from liability for common expenses by waiver of the use or enjoyment of any of the Common Areas and facilities or by abandonment of his Unit.

5.9 The treasurer shall keep detailed records of all receipts and expenditures, including expenditures affecting the

Common Areas and facilities, specifying and itemizing the maintenance, repair and replacement expenses of the Common Areas and facilities and any other expenses incurred. Such record shall be available for examination by the Unit Owners during regular business hours. In accordance with the actions of the Management Committee assessing common expenses against the Units and Unit Owners, the treasurer shall keep an accurate record of such assessments and of the payments thereof by each Unit Owner.

5.10 All assessments, whether for common expenses or for special assessments, shall be a separate, distinct and personal liability of the Owner of the Unit at the time each assessment is made and any unpaid assessments shall constitute a lien against such Unit from the date of assessment. The Management Committee shall have the rights and remedies contained in the Declaration, the Act and existing laws to enforce the collection of assessments for common expenses.

5.11 Any person who shall have entered into a written agreement to purchase a Unit shall be entitled to obtain a written statement from the treasurer setting forth the amount of unpaid assessments charged against the Unit and its Owners, and if such statement does not reveal the full amount of the unpaid assessments as of the date it is rendered, neither the purchaser nor the Unit shall be liable for the payment of an amount in excess of the unpaid assessments shown thereon, provided that the former Unit Owner-grantor shall remain so liable. Any such excess which cannot be promptly collected from the former Unit Owner-grantor shall be reassessed by the Management Committee as a common expense to be collected from all Unit Owners, including without limitation, the purchaser of the Unit, his successors and assigns. The new Unit Owner shall and the former Unit Owner shall not be liable for any assessments made after the date of transfer of title to a Unit, even though part or all of the assessment relates to expenses incurred or advances made by the Management Committee during a period prior to that date.

5.12 In the event that title to a Unit is transferred at sheriff's sale or similar transfer pursuant to execution upon any lien against the Unit, the Management Committee shall give notice in writing to the sheriff of any unpaid assessments for common expenses which are a lien against the Unit, and for any expenses of or advances by the Management Committee which have not theretofore been reduced to a lien, which shall be paid out of the proceeds of the sale prior to the distribution of any balance to the former Unit Owner against whom the execution was issued. The purchaser at such sheriff's sale or similar transaction and the Unit involved shall not be liable for unpaid assessments for common expenses nor for any expenses of or advances by the Management Committee which became due prior to the sheriff's sale of the Unit and which are not paid from the proceeds of the sale. Any such unpaid assessments which cannot be promptly collected from the former Unit Owner shall be reassessed by the Management Committee as a common expense to be collected from all of the Unit Owners, including the purchaser who acquired title at the sheriff's sale, his successors and assigns. To protect its rights to collect unpaid assessments for common expenses which are a lien against a Unit, and for any expenses of and advances by the Management Committee, the Management Committee may on behalf of all the Unit Owners, purchase the Unit at sheriff's sale or similar transaction, provided such action is authorized by the affirmative vote of a majority of the members of the Management Committee.

5.13 In addition to the statements issuable to purchasers of Units, the Management Committee shall provide a current statement of unpaid assessments for common expenses and for any

expenses of and advances by the Management Committee in respect of the Unit, to the Unit Owner, to any person who shall have entered into a binding agreement to purchase the Unit and to any mortgagee on request at reasonable intervals.

5.14 In each case where all or part of any assessments for common expenses and for any expenses of and advances by the Management Committee cannot be promptly collected from the persons or entities liable therefor under the Declaration, these Bylaws or applicable laws, the Management Committee shall reassess the same as a common expense, without prejudice to its rights of collection against such persons or entities.

6. Litigation.

6.1 If any action is brought by one or more but less than all Unit Owners on behalf of the Association, and recovery is had, the plaintiff's expenses, including reasonable counsel's fees, shall be a common expense; provided, however, that if such action is brought against the Unit Owners or against the Management Committee, the officers, employees, or agents thereof, in their capacities as such, with the result that the ultimate liability asserted would, if proved, be borne by all the Unit Owners, the plaintiff's expenses, including counsel fees, shall not be charged to or borne by the other Unit Owners, as a common expense or otherwise.

6.2 Complaints brought against the Association, the Management Committee or the officers, employees or agents thereof, in their respective capacities as such, or the Property as a whole, shall be directed to the Management Committee, which shall promptly give written notice thereof to the Unit Owners and any mortgagees and shall be defended by the Management Committee. The Unit Owners and mortgagees shall have no right to participate other than through the Management Committee in such defense. Complaints against one or more, but less than all Unit Owners shall be directed to such Unit Owners, who shall promptly give written notice thereof to the Management Committee and to the mortgagees affecting such Units, and shall be defended by such Unit Owners.

7. Abatement and Enjoinment of Violations by Unit Owners.

The violation of any house rules or administrative rules or regulations adopted by the Management Committee or the breach of any provision contained herein, or the breach of any provision of the Declaration, shall give the Management Committee the right, in addition to any other rights set forth in these Bylaws:

7.1 To enter the Unit in which or as to which such violation or breach exists and to similarly abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Management Committee shall not thereby be deemed guilty in any manner of trespass; or

7.2 In addition to maintaining a suit for damages suffered, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach. In the event the Management Committee is required to commence legal action to enforce its rights hereunder, the Unit Owner or other person in violation or breach shall also pay all costs and reasonable attorney's fees incurred by the Management Committee.

8. Rental or Lease of Units by Owners.

8.1 Any Unit Owner who rents or leases his Unit shall file with the Management Committee or manager a copy of the rental or lease agreement affecting said Unit. The provisions of the Declaration, these Bylaws and the Rules and Regulations shall apply with equal force to renters or lessees of Units.

8.2 Any Unit Owner who rents or leases his Unit shall be responsible for the conduct of his tenants, and upon written notice from the Management Committee or the manager said Unit Owner shall be responsible for correcting violations of the Declaration, Bylaws, or Rules and Regulations of the Association committed by such tenants.

8.3 If a Unit Owner fails to correct violations by tenants within 5 days of such notice, the Management Committee or manager shall be deemed to be the agent of the Unit Owner and empowered to take any enforcement action the Unit Owner would be entitled to take, the cost of such action to be specially assessed to the Unit Owner and payable within 30 days of assessment. Such costs shall be collected and enforced in the same manner as common assessments under the Declaration and these Bylaws.

8.4 The power of the Management Committee or manager hereunder shall include but not be limited to any and all legal remedies available under the laws of the State of Wyoming. Any Unit Owner by the act of renting or leasing his Unit shall be deemed to have consented to these procedures and shall indemnify and save harmless the Management Committee and the manager from and against any and all liability therefor. It is expressly understood that the remedies available to the Management Committee or manager shall include but not be limited to the right to seek eviction of the tenant without any liability to the Unit Owner.

9. Accounting.

9.1 The books and accounts of the Association shall be kept in accordance with generally accepted accounting procedures under the direction of the treasurer, although accountants and other qualified persons may be hired to keep the books and accounts.

9.2 At the close of each fiscal year, the books and records of the Management Committee shall be reviewed by an independent public accountant approved by the Management Committee. A report of the review shall be prepared and submitted to Unit Owners at or before the next annual meeting of the Association. In the event that at least two-thirds of the Unit Owners vote to do so for any year, a certified audit by a Certified Public Accountant shall be obtained by the Management Committee.

9.3 The books and accounts of the Association shall be available for inspection at the office of the Association by any Unit Owner or his authorized representative during regular business hours at the expense of said Unit Owner.

10. Special Committees.

The Management Committee by resolution may designate one or more special committees, each committee to consist of two (2) or more Unit Owners, which to the extent provided in said resolution, shall have and may exercise the powers set forth in said resolution. Such special committee or committees shall have such name or names as may be determined from time to time by the Management Committee. Such special committees shall keep regular

minutes of their proceedings and report the same to the Management Committee when required. The members of such special committee or committees designated shall be appointed by the Management Committee. The Management Committee may appoint Unit Owners to fill vacancies on each of said special committees occasioned by death, resignation, removal or inability to act for any extended period of time.

11. Management Rules and Regulations.

The Management Committee shall have the right to adopt and amend such Rules and Regulations as may be authorized by the Act, the Declaration and these Bylaws for the purpose of governing the details of the operation and use of the Common Areas and facilities and setting forth restrictions on, and requirements respecting the use and maintenance of Units and Limited Common Areas and facilities. Copies of the Rules and Regulations shall be provided for each Unit Owner prior to the time the same shall become effective.

12. Amendment of Bylaws.

These Bylaws may be amended by approval of Unit Owners holding seventy-five percent (75%) of the votes present in person or by proxy at a meeting of the Association duly called for such purpose. Upon such an affirmative vote, the Management Committee shall acknowledge the amended Bylaws, setting forth the fact of the required affirmative vote of the Unit Owners and the amendment shall be effective upon recording. Any material amendment to these Bylaws, however, including, but not limited to, any amendments which might affect or change the percentage interests of Unit Owners in the Common Areas, must be approved in writing by all Unit Owners and seventy-five percent (75%) of the holders of first lien mortgages or first lien deeds of trust.

13. Severability.

The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision hereof.

14. Captions.

The captions herein are inserted only as a matter of convenience and for reference and in no way to define, limit or describe the scope of these Bylaws nor the intent of any provision hereof.

15. Effective Date.

These Bylaws shall take effect upon recording of the Declaration of which they are a part.