

CONDOMINIUM DECLARATION

for the

THE GROVE

Condominium Declaration for the Grove Condominiums

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CONDOMINIUM DECLARATION

FOR THE

THE GROVE CONDOMINIUMS

This Condominium Declaration ("Declaration") for the Grove Condominiums is made this _____ day of _____, 20__ to be effective on the date of recordation in the land records of Teton County, Wyoming, by the TETON COUNTY HOUSING AUTHORITY, a duly constituted Housing Authority established by Teton County, Wyoming pursuant to W.S. §15-10-116, as amended (the "Declarant"), pursuant to the Condominium Ownership Act, Wyoming Statutes Sections 34-20-101 et.seq. (the "Act").

ARTICLE I. PREAMBLE

Declarant, as the developer of the Grove Condominiums has established this Declaration to provide a governance structure and a flexible system of standards and procedures for the overall development, administration, maintenance and preservation of the Grove Condominiums for the benefit of its owners and their guests.

ARTICLE II. CREATION OF THE COMMUNITY

Section 2.1 The Declarant; the Real Property. The Declarant is the owner of certain real property and improvements located in the County of Teton, State of Wyoming, and more particularly _____ described _____ as _____, together with rights, privileges, easements and appurtenances belonging to or in any way pertaining to such real property (the "Real Property").

Section 2.2 Intention of Declarant; Covenants to Run with the Land. Declarant desires to establish and has executed and filed contemporaneously herewith, in the office of the Clerk of Teton County, Wyoming a plat for the Grove Condominiums, depicting the location and dimensions of the Real Property and the Units and other improvements situated thereon. Declarant desires to and intends to, and does hereby, submit the Real Property, together with all buildings, structures, improvements and other permanent fixtures of every kind thereon, or in any way pertaining thereto, to the provisions of the Wyoming Condominium Ownership Act. Declarant desires to and intends to and does hereby, by submitting the above-described Property and all improvements situated thereon to the Wyoming Condominium Ownership Act, impose upon the Real Property mutually beneficial rights, easements, privileges, obligations covenants, conditions and restrictions under a general plan of use, conduct, maintenance and improvement for the purpose of enhancing and protecting the value, desirability and attractiveness of the Real Property and improvements for the benefit of the Declarant, and all Owners and Occupants of the Property. Each and all of the provisions hereof shall be deemed to run with the Property and each and every Unit and every interest therein or pertaining thereto, and shall be mutual and equitable servitudes, burdening and benefiting the Declarant, its successors and assigns, and any Owner, Occupant, or

other person, including their assigns, heirs, executors, administrators, devisees and successors, acquiring, or owning an interest in the Real Property and improvements comprising the Real Property, the Property, the Building or the Units. Each Owner of any Unit shall, by acceptance of the deed or other conveyance of any such Unit, be conclusively deemed to have consented to and agreed to each and all of the covenants contained herein for such Owner and their heirs, executors, administrators, successors, and assigns, to observe, perform and be bound by each and all of said covenants.

Section 2.3 Type of Ownership. This condominium project will provide a means for ownership in fee simple of separate interests in Units together with an undivided fee simple interest in the Common Elements appurtenant thereto.

Section 2.4 Period of Condominium Ownership. The condominium ownership created by Declarant in this Declaration and the Plat shall continue until this Declaration is revoked or terminated in the manner provided herein.

Section 2.5 Governing Documents. The Governing Documents create a general plan of development, administration, maintenance and preservation for the Grove Condominiums that may be supplemented as set forth herein. All provisions of the Governing Documents shall apply to all Owners as well as their respective tenants, guests, and invitees.

Section 2.6 Development and Use Restrictions. All Development of the Real Property shall conform of the following requirements: (a) conformity with the Final Development Permit and with any and all applicable land use regulations of the Town of Jackson shall be required, in addition to the requirements of this Declaration; and (b) shall not be changes without Town of Jackson approval.

Section 2.7 Severability. If any provision of this Declaration or any clause, paragraph, sentence, phrase, or word or the application thereof is determined by judgment or court order or under any circumstance to be invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of the remainder of the Declaration, and the application of any such provision, paragraph, sentence, clause, phrase, or word in any other circumstance shall not be affected thereby.

ARTICLE III. DEFINITIONS

Unless the context clearly indicates otherwise, the following words and terms, when used in this Declaration, shall be defined as follows:

Section 3.1 Act. “Act” shall mean the Condominium Ownership Act, Wyoming Statute Sections 34-20-101 et.seq.

Section 3.2 Articles. “Articles” shall mean the Articles of Incorporation of the Association.

Section 3.3 Assessment. “Assessment” shall mean any General Assessment, Specific Assessment or Special Assessment as the context so requires.

Section 3.4 Association. “Association” shall mean the Grove Condominiums Owners Association, a nonprofit corporation organized under Wyoming Statute § 17-19-101 et. seq. as the governing body for the Property.

Section 3.5 Board. “Board,” “Board of Directors” or “Directors” shall mean the governing board of the Association, appointed or elected in accordance with the Declaration, the Articles and the Bylaws.

Section 3.6 Building. “Building” shall mean the structure constructed or located on the Real Property and consisting of the Units and the Common Elements.

Section 3.7 Bylaws. “Bylaws” or “Association Bylaws” shall mean the Bylaws of the Grove Condominiums Owners Association as the same may be amended from time to time.

Section 3.9 Common Elements. “Common Elements” or “Common Area” shall mean the General Common Elements and Limited Common Elements, in the aggregate, or a portion thereof, as the context requires.

Section 3.10 Common Expenses. “Common Expense” shall mean those expenses of the Association defined in Section 9.2 of this Declaration.

Section 3.11 Community-Wide Standard. “Community-Wide Standard” shall mean the standard of quality of the Property, including the level of maintenance, the conduct or other activity generally prevailing throughout the Property, which at a minimum shall mean that standard required to operate the Grove Condominiums in a condition and at a level of quality no less than that which existed at the time the Property was initially completed (ordinary wear and tear excepted) and in accordance with the Master Rules and Regulations enacted by the Board from time to time. Such standard shall be established initially by the Declarant, and may be more specifically defined in the Governing Documents.

Section 3.12 Condominium. “Condominium” or “Condominiums” shall mean the Grove Condominiums created by this Declaration and the Plat, as the same may be expanded in the future by annexation, expansion or otherwise.

Section 3.13 Condominium Plat. “Condominium Plat” or “Plat” shall mean that map or plat of survey of the Grove Condominiums recorded with the Clerk of Teton County, Wyoming contemporaneously with this Declaration, consisting of a map or plat of survey of the Real Property, showing the legal description thereof, the location of the Building with respect to the boundaries of the Real Property, together with diagrammatic floor plans of the Building showing the boundaries of each Unit within the Building, including horizontal and vertical locations and dimensions of all boundaries of each Unit, Unit numbers identifying the Units and the General Common Elements and Limited Common Elements, together with such other information as may be included therein in the discretion of the Declarant.

Section 3.14 Declaration. “Declaration” shall mean this Condominium Declaration for the Grove Condominiums.

Section 3.15 Declarant. “Declarant” shall mean JACKSON TETON COUNTY HOUSING AUTHORITY, a duly constituted Housing Authority established by Teton County, Wyoming pursuant to W.S. §15-10-116, as amended, its successors or assigns including any person or entity acquiring all but not less than all of the interest of the Declarant in the Real Property whether by purchase pursuant, transfer or otherwise, and who functions in the role of Declarant as contemplated by this Declaration.

Section 3.16 General Common Elements. “General Common Elements” shall mean the entire Property except the Units and all Limited Common Elements, as designated on the Plat or provided herein. Without limiting the generality of the foregoing, the General Common Elements shall include (i) the driveway and parking areas, walkways, parks, utility, open space; (ii) all appurtenances; (iii) all pipes, ducts, flues, chutes, heating and cooling systems, conduits, wires and other utility installations to (but not at) the outlets; and (iv) such component parts of walls, floors, ceilings, columns, roofs and other structures and installations that are outside of the Unit boundaries as delineated or described herein or on the Plat. Each owner shall own an undivided interest in the General Common Elements as a tenant-in-common with all the other owners of the Property in equal proportions, and, except as otherwise limited in this Declaration, shall have the right to use the General Common Elements for all purposes incident to the use and occupancy of such Owner’s Unit, which right shall be appurtenant to the Unit. General Common Elements may be referred to herein and on the Plat as “General Common Element” or “GCE”.

Section 3.17 Governing Documents. “Governing Documents” shall mean the Articles, the Bylaws, the Declaration, the Plat and the Master Rules and Regulations, as the aforementioned documents may be amended or supplemented from time to time, as well as any resolutions of the Board or the Association duly adopted pursuant to the Bylaws.

Section 3.18 Limited Common Elements. “Limited Common Elements” means those portions of the General Common Elements as defined herein and as described by Wyoming Statute § 34-20-103 for the exclusive use of one or more but fewer than all of the Units, and any Limited Common Elements specifically allocated to Units as shown on the Condominium Plat. Limited Common Elements may be referred to herein or on the Condominium Plat as “Limited Common Element” or “LCE”.

Section 3.19 Limited Common Elements – Carport. “Limited Common Elements – Carport” shall mean those Limited Common Elements reserved for the exclusive use of the Unit, which shall be designated as Limited Common Elements – C __ on the Plat. Limited Common Elements – Carport may also be referred to herein and on the Plat as “LCE – Carport”, or “LCE – C”.

Section 3.20 Deleted

Section 3.21 Deleted

Section 3.22 Limited Common Elements – Yard. “Limited Common Elements – Residential” means those Limited Common Elements for the exclusive use of the Residential Unit(s), as may be described herein and as shown on the Condominium Plat. Limited Common Elements – Residential may also be referred to herein and on the Condominium Plat as “Limited Common Element – Yard”, “LCE – Yard”, or “LCE – Y”.

Section 3.23 Managing Company. “Managing Company” shall mean any individual or company with which the Association contracts or assigns any or all of its rights, duties or obligations for the more efficient management of the Condominiums or the affairs of the Association. The Managing Company may also be called the “Property Manager,” “Manager” or the “Management Agent”.

Section 3.24 Master Rules and Regulations. “Master Rules and Regulations” or “Rules” means the Master Rules and Regulations promulgated by the Board, as they may be amended from time to time, relating to the possession, use and enjoyment of the Property.

Section 3.25 Mortgage. “Mortgage” shall mean any mortgage, deed of trust, or other security instrument by which a Unit or any part thereof is encumbered.

Section 3.26 Mortgagee. “Mortgagee” shall mean any person, or any successor to the interest of such person, named as the mortgagee, trust beneficiary, or creditor under any Mortgage, or deed of trust, as well as any insurer or guarantor of the Mortgage, by which the interest of any Owner, or successor to the interest of such Owner, is encumbered.

Section 3.27 Occupant. “Occupant” shall mean any person or persons in possession of a Unit, or a portion thereof, including Unit Owners, guests, agents, employees, patrons, and invitees of such Owner or Occupant.

Section 3.28 Owner. “Owner” shall mean any person, persons, entity, or entities, including Declarant, at any time owning a Unit. For purposes of the Governing Documents, each Unit shall have one “Owner” and the term “Owner” shall refer to all individuals collectively owning a Unit. The term “Owner” shall not refer to any Mortgagee, as herein defined, unless such Mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

Section 3.29 Property. “Property” shall mean the Real Property and Building constructed thereon and all other improvements located on or appurtenant to the Real Property, as the same may be expanded through the filing of Supplemental Condominium Declaration(s) in the future annexing additional property into the condominium regime pursuant to the Declarant’s reserved rights in Article XV.

Section 3.30 Real Property. The “Real Property” shall mean the real property as defined in Section 2.1 of this Declaration.

Section 3.31 Regular Assessment. “Regular Assessment” shall have the meaning defined and described in Section 9.2 of this Declaration.

Section 3.32 Residential Unit. “Residential Unit” shall mean each of the individually-owned residential Units designated on the Plat each of which shall be occupied and used by Owners and Occupants for residential purposes only.

Section 3.33 Special Assessment. “Special Assessment” shall have the meaning defined and described in Section 9.5 of this Declaration.

Section 3.34 Specific Assessment. “Specific Assessment” shall have the meaning defined and described in Section 9.6 of this Declaration.

Section 3.35 The Grove Condominiums. The “Grove Condominiums” shall mean the Property.

Section 3.36 Unit or Condominium Unit. “Unit” or “Condominium Unit” means those certain individual air space units, as designated and delineated on the Condominium Plat. Each Unit shall consist of that part of the Building as bounded by the interior surfaces of the perimeter walls, floors, ceilings, windows and window frames, doors and door frames, and trim, as shown and numbered on the Condominium Plat. The Unit shall include all lath or furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of its finished surfaces. All other portions of the walls, floors or ceilings (including common walls to separate Units) shall be a part of the Common Elements. In addition, each Unit shall include the following: (i) all spaces, nonbearing interior partitions, windows, window frames, doors, door frames and all other fixtures and improvements within the boundaries of the Unit; (ii) all outlets, lines and ducts of utility service lines, including but not limited to power, light, gas, hot and cold water, air handling ducts, heating and waste disposal, within the boundaries of the Unit and serving that specific unit; (iii) all heating, hot water and air conditioning apparatus exclusively serving the Unit; and (iv) all cabinets, appliances, countertops, plumbing fixtures and light fixtures. The interior surfaces of a perimeter window or door means such surfaces at the points at which they are located when such windows or doors are closed; the physical windows and doors themselves are part of the Common Elements as herein defined.

ARTICLE IV. NATURE AND INCIDENTS OF CONDOMINIUM OWNERSHIP

Section 4.1 Estates of an Owner. The Property is hereby divided into condominium units, each consisting of a separate interest in a Unit and an undivided interest in common in the Common Elements in accordance with the Plat which sets forth the General Common Elements and any Limited Common Elements appurtenant to each Unit. Each such Unit shall have an equal percentage of ownership interest in the General Common Elements for purposes of taxes, assessments and other charges under Wyoming Statute Section 34-20-104(a). Such undivided interests in the Common Elements are hereby declared to be appurtenant to the respective Units.

Section 4.2 Description of a Condominium Unit. Every contract for the sale of a Condominium Unit and every other instrument affecting title to a Condominium Unit may describe that Condominium Unit by the number shown on the Condominium Plat and the recording data

for this Declaration as each appears in the records in the Office of the County Clerk of Teton County, Wyoming, in substantially the following fashion:

Unit _____ of the Grove Condominiums Phase Two Addition to the Town of Jackson (An Affordable Housing Subdivision), according to that plat recorded in the office of the County Clerk of Teton County, Wyoming on _____, 20____, as Plat Number _____, and as further defined and described in that Condominium Declaration for the Grove Condominiums, and any amendments and supplements thereto, recorded in the office of the County Clerk of Teton County, Wyoming, from time to time.

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

Section 4.3 Ownership of Common Elements and Assessments. Each Owner shall be entitled to an equal percentage of undivided interest in and the nonexclusive right to use and enjoy the Common Elements appurtenant to each Unit, and the exclusive right to use any Limited Common Elements appurtenant solely to a specific Unit, as designated on the Plat or elsewhere in the Governing Documents. Subject to Declarant's reserved right to annex property in Article XV, the percentage of undivided interest in the Common Elements appurtenant to any Unit shall not be changed except with the unanimous consent of all of the Owners expressed in an amendment to this Declaration, duly executed by all such Owners and recorded.

Section 4.4 Partition Not Permitted. The Common Elements shall be owned in common by all owners of Units, and such ownership is appurtenant to the Units, and no owner may bring any action for partition thereof. No part of a Unit or of the legal rights comprising ownership of a Unit may be separated from any other part thereof during the period of Condominium ownership prescribed herein, so that each Unit and the undivided interest in the Common Elements shall always be conveyed, devised, encumbered, and otherwise affected only as a complete Unit. Every gift, devise, bequest, transfer, encumbrance, conveyance, or other disposition of a Unit or any part hereof shall be presumed to be a gift, devise, bequest, transfer, encumbrance, conveyance, or disposition, respectively, of the entire Unit, together with all appurtenant rights created by law, by this Declaration, or by the Governing Documents.

Section 4.5 Owner's Voting Rights. The relative voting rights of the Owners, as members in the Association, shall be one vote per Unit and as further set forth in the Bylaws, and are not divisible, no matter how many individuals may own a Unit.

Section 4.6 Taxes and Assessments. All taxes, assessments and other charges of the State of Wyoming or of any political subdivision or of any special improvement district or of any other taxing or assessing authority shall be assessed against and collected on each Unit separately, not on the Building or the Property as a whole, and each Unit shall be carried on the tax records as a separate and distinct parcel.

In furtherance of the foregoing, each Owner shall execute such instruments and take such actions as may reasonably be specified by the Association to obtain separate real property tax assessments of the interest of each Owner in each Condominium Unit and the appurtenant Common Elements. If any taxes or special district or other assessments may, in the opinion of the Association, nevertheless be a lien on the Property or any part thereof, the Association shall pay the same and assess the same to the Owner or Owners responsible therefor. Each Owner shall pay the taxes or assessments assessed against his/her Condominium Unit, or interest therein, or his/her interest in the General Common Elements or any part of any or all of the foregoing.

The lien for taxes assessed to any Unit shall be confined to that Unit. No forfeiture or sale of any Unit for delinquent taxes, assessments or other governmental charges shall divest or in any way affect the title to any other Unit.

Section 4.7 Separate Mortgages. Each Owner shall have the right to mortgage or otherwise encumber his Unit; however, no Owner shall attempt to or shall have the right to mortgage or otherwise encumber the Common Elements or any part thereof except the undivided interest therein appurtenant to his Unit. Any mortgage or other encumbrance of any Unit within the Building shall be subordinate to all of the provisions of this Declaration, and in the event of foreclosure the provisions of this Declaration shall be binding upon any Owner whose title is derived through the foreclosure by private power of sale, judicial foreclosure or otherwise.

Section 4.8 Mechanic's and Materialmen's Lien Rights. No labor performed or materials furnished for use in connection with any Unit with the consent or at the request of the Owner thereof or his agent, contractor, or subcontractor, shall create any right to file a statement of mechanic's or materialmen's lien against the Unit of any other Owner not expressly consenting to or requesting the same or against any interest in the Common Elements except as to the undivided interest therein appurtenant to the Unit of the Owner for which such labor shall have been performed or such materials shall have been furnished. Each Owner shall indemnify and hold harmless each of the other Owners from and against liability or loss arising from any claim against the Unit of the Owner, or any part thereof, for labor performed or materials furnished in work on such Owner's Unit. At the written request of any Owner, the Association shall enforce such indemnity by collecting from the Owner of the Unit on which the labor was performed and materials furnished the amount necessary to discharge any such lien, and all costs incidental thereto, including attorney's fees, whether or not such amount shall be dispute between the Owner for which the labor was performed or the materials furnished and the mechanic or materialman who provided such labor or materials, and whether or not such amount shall ultimately be determined to be owed by the Owner to the mechanic or materialman. If not promptly paid, the Association may collect the same in the manner provided herein for collection of assessments for the purpose of discharging the lien.

ARTICLE V. USE AND OCCUPANCY OF COMMON ELEMENTS AND OTHER RIGHTS AND EASEMENTS; CONSTRUCTION ACTIVITIES

Section 5.1 Use of General Common Elements. Subject to other provisions of the Declaration and the Governing Documents, each Owner shall have a non-exclusive right to use and enjoy the General Common Elements as may be required for the purpose of access and ingress

and egress to, use, occupancy and enjoyment of the respective Unit by such Owner. Such right to use the General Common Elements shall extend to each Owner and its agents, servants, tenants, family members, guests, and invitees, including personnel, contractors and management, and employees. Such rights to use shall be consistent with the rights of use and enjoyment of the other Owners and shall be subject to and governed by the Governing Documents, which may in some instances restrict or otherwise forbid such use in part, and such use shall be appurtenant to the Unit and shall pass with, and not be severable from, any conveyance or lease of such Unit.

Section 5.2 Use of Limited Common Elements. Subject to the other provisions of this Declaration and the other Governing Documents, each Owner, as well as their agents, servants, contractors, employees, tenants, family members, guests and invitees shall have the exclusive right to use and enjoy Limited Common Elements designated herein or on the Plat or pursuant to the Governing Documents as exclusively appurtenant to the Unit(s) owned by such Owner(s).

Section 5.3 Association's Right to Use Units and General and Limited Common Elements. The Association shall have a nonexclusive easement to make such use of the Units, General Common Elements, Limited Common Elements as may be necessary or appropriate to perform the duties and functions that it is obligated or permitted to perform pursuant to this Declaration or the Governing Documents. The Association, through its Board, shall have the right to make changes to the Common Elements for the benefit of the Owners, as the Board may determine in its reasonable discretion, including without limitation the right to allocate parking among the Units and the right to enter into shared parking agreements.

Section 5.4 Owner's Right with Respect to Interiors. Each Owner shall have the exclusive right to paint, repaint, tile, carpet, wallpaper, or otherwise maintain, refinish, and decorate the interior surfaces of the walls, ceilings, floors and doors of his/her Unit.

Section 5.5 Easement for Ingress, Egress, Support and Utilities. Each Owner shall have a non-exclusive easement over, upon, and across the General Common Elements, including the General Common Elements within the Unit of another Owner, necessary for access, ingress and egress to his Unit and to the Limited Common Elements designated for use in connection with such owner's Unit, and for horizontal and lateral support of the Unit and for utility service to the Unit, including without limitation water, sewer, gas, electricity, telephone and television service, which easement shall be perpetual and appurtenant to and shall pass with the title to each Unit. The maintenance responsibility incident to such easement shall be the responsibility of the Association and no Owner shall have the individual right to maintain the easement area absent the unreasonable failure, after reasonable notice, of the Association to do so. Notwithstanding the foregoing, where work is undertaken by someone other than the Association, upon completion of the work, the person or entity exercising the easement shall restore the property, to the extent reasonably possible, to its condition prior to the commencement of the work. Declarant further grants to the Association, and reserves for itself, and reserves the right to grant to utility providers, the Association, and the Owners of any of the Units perpetual non-exclusive utilities easements located as described on the Plat for the purpose of installing utilities, including without limitation, cable and other systems for sending and receiving data and/or other electronic signals; security and similar systems; and drainage systems; to serve the Properties, inspecting, maintaining, repairing and replacing such utilities (including HVAC units) and infrastructure that serve the

Properties; and Access to read utility meters. Work associated with the exercise of the easements described in this Section shall be performed in such a manner as to minimize interference with the use and enjoyment of the property burdened by the easement. The exercise of these easements shall not extend to permitting entry into the structures on any Unit, nor shall it unreasonably interfere with the use of any Unit and, except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Owner or occupant.

Section 5.6 Easements for Encroachments. If any part of the General Common Elements encroaches or shall hereinafter encroach upon a Unit or Units, including without limitation utility wiring and piping serving the Unit(s), an easement for such encroachment and for the maintenance of the same shall and does exist in favor of the Association. If any part of a Unit encroaches or shall hereinafter encroach upon the General Common Elements, or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist in favor of such encroaching Owner. Such encroachments shall not be considered to be an encumbrance either on the General Common Elements or the Units. Encroachments referred to herein are limited to encroachments caused by engineering errors, settling, rising, or shifting of the earth, or by changes in position caused by construction, repair or reconstruction of the Property or any part thereof in accordance with the original plans for the Property, the reserved rights of the Declarant as set forth in Section XV, and any encroachment due to building overhangs or projection.

Section 5.7 Easements of Access for Repair, Maintenance, and Emergencies. The Declarant, until the expiration of the Declarant Reserved Rights Period pursuant to Article XV hereof, and the Association shall have a perpetual nonexclusive easement of access to each Unit and to all Common Elements from time to time during such reasonable hours as may be necessary for the maintenance, repair, or replacement of the Units and any of the Common Elements located therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to any Unit or Units. Any damage to the interior of any part of a Unit or Units resulting from the repair, maintenance, or an emergency of any Unit or any of the Common Elements, or as a result of emergency repairs within another Unit at the direction of the Association or of any Owner shall be an expense of all of the Owners of the Common Elements; provided, however, that if such damage is the result of negligence of the Owner of a Unit, its invitees, guests, tenants or assigns, then such Owner shall be financially responsible for all of such damage, including any insurance deductibles due related to such damage. Any amount owed to the Association by an Owner pursuant hereto shall be collected by the Association by assessment pursuant to Article IX below.

Section 5.8 Easements for Drainage. Every Unit shall be burdened with easements for natural drainage of storm water runoff from other portions of the Properties; provided, no Person shall alter the natural drainage on any portion of the Properties to increase materially the drainage of storm water onto adjacent portions of the Properties without the consent of the Declarant.

Section 5.9 Declarant's Easement for Construction. Declarant, its successors, assigns, members, directors, agents, employees, contractors and subcontractors, shall have a temporary easement for ingress and egress over, under, upon, and across the Property, including

without limitation, the right to construct the improvements thereon, and to store materials and to make such other use thereof as may be reasonably necessary incident to completion of the orderly development of the Property, as well as the development of land adjacent to the Property and owned by Declarant, specifically that certain land commonly referred to as Adjusted Parcel B, and shown on Map of Survey No. T-58D entitled “Minor Boundary Adjustment Between Properties of Teton County Housing Authority” and recorded in the Office of the Clerk of Teton County, Wyoming. Such easement shall terminate upon the completion of the Property and the neighboring property(ies) to be annexed hereto, in the sole and absolute discretion of the Declarant and the lapse of Declarant’s reserved rights pursuant to Section XV hereof.

Section 5.10 Easements Deemed Appurtenant. The easements and rights herein created for an Owner shall be appurtenant to the Unit of that Owner and all conveyances of and other instruments affecting title to a Unit, whether by Declarant or otherwise, shall be deemed to grant and reserve such easements as are provided for herein, even though no specific reference to such easements may appear in any such conveyance.

Section 5.11 Construction Activities. The Property is located in an area that may be subject to or near ongoing construction activities relating to the development of adjacent or nearby properties. The construction activities may generate an unpredictable amount of visible, audible and odorous impacts and disturbances. The construction activities may include, without limitation: (i) construction traffic, including, without limitation, construction vehicles, equipment and vehicles used or owned by Declarant, adjacent landowners, and the employees, agents, and contractors of any of them; and (ii) construction activities, including, without limitation, grading, excavation, clearing, site work, and construction of improvements on such adjacent or nearby properties.

Section 5.12 Easement for Emergency Vehicles and Personnel. The Property is hereby burdened with an easement allowing all policemen, firemen, ambulance personnel and similar emergency personnel, and their vehicles entry to perform their duties, including the enforcement of traffic regulations.

Section 5.13 Adjacent Property Cross-Access Easement. Declarant hereby declares and grants to the owner(s) of “Adjusted Tract 18” and “Adjusted Parcel B” located adjacent to the Property and depicted on that Map of Survey No. T-58D entitled “Minor Boundary Adjustment Between Properties of Teton County Housing Authority” and recorded in the Office of the Clerk of Teton County, Wyoming, and such owners’ successors and assigns, for their use, in common with others entitled to use the same, a nonexclusive easement for the (i) passage of vehicles over and across the drives in the General Common Element, and (ii) for the passage and accommodation of pedestrians over and across the parking, drives, and sidewalk areas, as such drives parking and sidewalks may from time to time be constructed and maintained for such use. Such easement rights shall be subject to the provisions contained in this Declaration. This easement may not be terminated without the consent of the then owners of Adjusted Tract A and Adjusted Parcel B, respectively, except that the use of the easement shall be subject to reasonable reimbursement of costs and expenses of the Association to maintain the General Common Element as provided for herein. Such reimbursement may be pursuant to a separate written agreement.

ARTICLE VI. USE AND CONDUCT

Section 6.1 Framework for Regulation. The Governing Documents establish, as part of the general plan of development for the Property, a framework of affirmative and negative covenants, easements and restrictions which govern the Property. However, within that framework, the Board and the members of the Association must have the ability to respond to unforeseen problems and changes in circumstances, conditions, needs, desires, trends and technology which inevitably will affect the Grove Condominiums, its Owners and residents. Therefore, this Article establishes procedures for establishing, modifying and expanding the Master Rules and Regulations.

Section 6.2 Rule Making Authority.

(a) Subject to the terms of this Section and Declarant's and the Board's duty to exercise business judgment and reasonableness on behalf of the Association and its Members, Declarant or the Board may modify, cancel, limit, create exceptions to, or expand any Rules and Regulations adopted by the Board, subject to this Section. The Board or Declarant, respectively, shall give notice to all Owners and Declarant (or the Board) concerning any such proposed action at least five (5) business days prior to the meeting at which such action is to be considered. Members and Declarant (or the Board) shall have a reasonable opportunity to be heard at such meeting prior to such action being taken. Such action shall become effective after compliance with paragraph (c) below if: (i) approved at a meeting of the Members by more than sixty percent (60%) of the total votes; and (ii) approved by Declarant.

(b) At least thirty (30) days prior to the effective date of any action taken under subsection (a) of this Section, the Board shall send a copy of the new rule or explanation of any changes to the Rules and Regulations to Declarant specifying the effective date.

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

Section 6.3 Allocation of Burdens and Benefits. No rule shall alter the allocation of financial burdens among the various Units or the rights to use the Common Elements to the detriment of any Owner over that Owner's objection expressed in writing to the Association. Nothing in this provision shall prevent the Association from changing the Common Elements available to the Owners, from adopting generally applicable rules for use of the Common Elements, or from denying use privileges to those who abuse the Common Elements or violate the Governing Documents. This provision does not affect the right to increase the amount of assessments as provided by Article IX.

Section 6.4 Owners' Acknowledgement and Notice to Purchasers. All Owners are given notice that use of their Unit is limited by the Governing Documents, specifically including without limitation the Master Rules and Regulations, as they may be amended, expanded and otherwise modified hereunder. Each Owner, by acceptance of a deed for their Unit acknowledges

and agrees that the use and enjoyment and marketability of his Unit can be affected by the Governing Documents and that the Governing Documents may change from time to time. All purchasers of a Unit are on notice that changes may have been adopted by the Association that are not recorded in the Public Records. Copies of the current Governing Documents may be obtained from the Association.

Section 6.5 Displays. Without prior written consent of the Board, Owners shall not permit any sign to be displayed to the public view, either from within the Unit or from the appurtenant Common Elements, including without limitation commercial, political, “for sale”, “for rent”, informational or directional signs, devices or nameplates. This restriction shall not apply to traffic signs, unit designations, project designations, or similar signs displayed by the Board or the Declarant, or to temporary signage to caution or warn of danger.

Section 6.6 Nuisance. No noxious or offensive activity shall be carried on within or upon any Unit or Common Element, nor shall anything be done or placed thereon which may be or become a nuisance, or cause unreasonable embarrassment, disturbance or annoyance to other Owner(s) in the enjoyment of their Unit(s), or in their enjoyment of the Common Elements. No sounds shall be emitted on any part of the Property that is unreasonably loud or annoying.

Section 6.7 Domestic Animals. Each Unit shall be entitled to maximum of one (1) dog and one other Household Pet (the term Household Pet means generally recognized Household Pets other than a dog, such as cats, fish, birds, rodents, and non-poisonous reptiles), except that only one (1) of the Household Pets may be a dog and so long as such pets are not kept for any commercial purpose, do not cause an unreasonable amount of noise, odor, or do not otherwise become a nuisance to other Owners. All Owners or Occupants with household pets shall keep the animals restrained and controlled on the Owner’s Lot at all times so they do not cause a nuisance to others and do not harass or endanger wildlife. For purposes of this Section, “nuisance” means any noisy animal, any vicious animal, or any animal which chews, tears, digs in or scratches, litters or soils, destroys, or in any other manner injures clothing, garbage containers, gardens, flower beds, lawns, trees, shrubbery, or any other personal or real property within the Properties. Excessive, continued, or untimely barking, molesting passersby, chasing vehicles, habitually attacking other animals, trespassing upon private property in such a manner as to damage property shall also be deemed a nuisance. For purposes of this Section, a “noisy animal” means any animal which habitually, constantly, or frequently disturbs the sleep, peace, or quiet of any person. The Association, the Board, or its designee may require an Owner, at its own expense, to remove a pet determined by the Association to be a nuisance pet and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the Lot and remove the nuisance pet and any such action shall not be deemed a trespass, and the cost therefor shall be levied against the offending Owner as a Specific Assessment. In the event the Board removes such an animal, the animal shall be kenneled and the cost therefor shall be levied against the offending Owner as a Specific Assessment.

No Owner or keeper of any animal who is visiting or working on the Property shall be permitted to allow such animals to run free. Also, no pet or animal shall be restrained by leash, cord, chain, rope, or other attachment fixed to any vehicle, post, tree, or other structure or object

within the Property thereby allowing such animal to become a nuisance or interfere with pedestrian or vehicular traffic in and around any public area within the Properties.

The Owner of a Lot where a household pet is kept, as well as the legal owner of the pet (if not such Owner), shall be jointly and severally liable for any and all damage and destruction caused by the pet, and for any clean-up of roads or other Lots necessitated by such pet.

The Association shall have, and is hereby given, the right and authority to determine in its sole discretion that household pets are being kept for commercial purposes, or are otherwise a nuisance to other Owners or Occupants, or that an Owner or Occupant is otherwise in violation of this Section, and to take such action or actions as it deems reasonably necessary to remedy the violation.

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

6.8 Fencing. Except for the fencing installed by Declarant in the LCE-Yard, no fence, gate, hedge or wall shall be erected or maintained by an Owner, any right to fence the Property reserved the Declarant and the Association.

6.9 Prohibited Uses. The following uses are prohibited on the Common Elements and the Units:

- (a) Non residential uses, except for home occupation uses permitted by the applicable zoning and land use regulations.
- (b) The construction or location of any buildings, decks, patios, structures or accessory structures except for the Units and those structures constructed in accordance with the Final Plat.
- (c) Dredging, mining, excavation, or the exploration for, extraction or processing of oil and gas or minerals, or the removal or processing of rock, sand and gravel.
- (d) Off-road use of vehicles and off-trail use of any form of motorized transportation, except for motorized wheelchairs and the use of vehicles to respond to emergencies.
- (e) The construction of any roads, driveways, and parking areas or places not depicted on the Final Plat, except as may be reserved by Declarant herein or on the Final Plat.
- (f) The storage of recreational vehicles or equipment (including, but not limited to boats, campers, and motor homes), furniture, and any other items or structures, and the dumping or storing of ashes, trash, garbage, junk, or other unsightly or offensive materials so as to be visible from another Unit or the Common Area.

(g) Clearing, grading or other movement of the natural topography of the land except such clearing for safety purposes (e.g. deadfall along roads, or next to other structures), or clearing for the fire safety based on an improved fire management plan.

(h) The storage of garbage except in designated spaces within the General Common Element as designated on the Final Plat. No garbage or other materials shall be set out in such a manner to allow persons, vehicles, animals, or weather to scatter such garbage or other materials on the Property

(i) No hot tubs are permitted.

(j) Use of all other services and amenities on the Property, shall be managed by the Association and be subject to the Rules and Regulations.

(k) No hunting or discharge of firearms shall be permitted on any portion of the Property. No discharge of firecrackers or other fireworks shall be permitted on any portion of the Property; provided, however, the Board shall have no obligation to take action to prevent or stop such discharge.

(l) No exterior radio, television, microwave or other antenna or antenna dish or signal capture and distribution device shall be installed or erected by or at the direction of an Owner. Notwithstanding the foregoing, the Association may install one or more exterior radio, television, microwave or other antenna or antenna dish or signal capture and distribution device for each building.

(m) The following items are prohibited from being attached, stored and/or erected in any manner by an Owner on or within the Common Elements: sunshades, bicycles or any other recreational device (including kayaks, ski equipment or playground equipment and toys), trash containers, or any similar items, and paint, highly flammable materials, food products and any item that attracts vermin or produces an odor.

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

(o) The alteration or addition of decking, fences or landscaping within the Common Elements.

6.10 Vehicle Parking, Storage, Operation and Repair.

(a) No boats, trailers, buses, motor homes, campers (on or off supporting vehicles), trucks, snowmobiles, recreational vehicles, golf carts, abandoned or inoperable vehicles (as defined below), or any other similar vehicles (excepting operating passenger automobiles and one ton or smaller trucks) shall be stored in or upon the Common Elements, and no vehicle of any kind shall be maintained, repaired, repainted, serviced or rebuilt on any Lot or on the Common Elements. This restriction shall not prevent the non-commercial washing and polishing of vehicles and boats, together with activities normally incidental thereto in the LCE – Carport.

(b) An “abandoned or inoperable vehicle” shall mean any motorized vehicle which does not display a current valid motor vehicle license and registration tag or which has not been driven under its own propulsion for a period of two (2) weeks or longer (excepting otherwise permitted vehicles parked by an Owner or occupant on their Unit Limited Common Element - Carport while on vacation or during a period of illness), or which does not have an operable propulsion system within the vehicle.

(c) In the event that the Board shall determine that a vehicle is abandoned or inoperable, or is otherwise in violation of the provisions of this Section, a written notice of violation describing said vehicle shall be personally delivered to the vehicle Owner (if such Owner can be reasonably ascertained) or shall be conspicuously placed upon the vehicle (if the Owner cannot be reasonably ascertained), and if the offending vehicle is not removed within seventy-two (72) hours thereafter, the Board shall have the right to have the offending vehicle removed and stored, at the sole expense of the Owner of the Unit number associated with the Limited Common Element on which the vehicle is located and to enter upon such LCE for such purpose, all without liability on the part of the Board.

(d) Parking of vehicles in designated Limited Common Element – Carport, as specified on the Final Plat, shall be permitted.

ARTICLE VII. THE ASSOCIATION

Section 7.1 Administration of Property; Creation of Association; Adoption of Bylaws. The Association shall administer the Property in accordance with the Act and the Governing Documents through its Board. The Declarant shall create the Association and the Incorporator of the Association or the Board shall thereafter adopt the Bylaws.

Section 7.2 Membership. Every Owner shall be entitled and required to be a member of the Association. Upon acceptance of a warranty deed or other instrument of conveyance of title for a Unit, such Owner shall automatically become a member of the Association and shall have all of the rights and obligations of a member as provided herein and in the Governing Documents. Membership shall be appurtenant to the fee simple title to such Unit and shall be transferred automatically and immediately by conveyance of the Unit. If more than one person comprises the Owner, the membership appurtenant to that Unit shall be shared by all such persons in the same proportionate interest and by the same type of ownership as fee simple title to the Unit is held and all voting shall be exercised by an authorized representative of such multiple persons pursuant to the Bylaws. No person or entity other than an Owner may be a member of the Association, and the Association Bylaws always shall so state and shall in addition state that the memberships in the Association may not be transferred except in connection with the transfer of a Unit.

Section 7.3 Voting Rights. The total number of votes which may be cast by all members of the Association shall be twenty-four (24) and each Owner shall be entitled to one vote.

Section 7.4 Board of Directors. The affairs of the Association shall be managed by the Board which may, by resolution, delegate any portion of its authority in accordance with the Declaration and the Bylaws.

ARTICLE VIII. CERTAIN RIGHTS, POWERS AND RESPONSIBILITIES OF THE ASSOCIATION

Section 8.1 Powers of the Board of Directors of the Association. Subject to the provisions of the Declaration and the other Governing Documents, the Board shall have the powers enumerated in the Bylaws and provided herein or by the governing laws of the State of Wyoming for boards of directors of nonprofit corporations.

Section 8.2 Management, Control and Maintenance of the Common Elements. The Association, subject to the rights and duties of the Owners set forth herein, shall be responsible for the exclusive management, control, maintenance, repair and replacement of the Common Elements (including without limitation LCE – Carport and LCE – Yard) and all improvements thereon, and shall keep the same in good, clean, safe, sanitary and attractive condition, order and repair consistent with or exceeding the Community-Wide Standard. The cost of such management, control, maintenance, repair and replacement by the Association shall be paid by the members of the Association as Regular Assessments, Special Assessments or Specific Assessments as provided herein. Such maintenance and repair shall include landscaping services, including mowing of the GCE if necessary (but not mowing of LCE-Y), snow removal and the like.

The Association shall have the right to grant easements for utility and access purposes over, upon, across, under, or through any portion of the Common Elements and each Owner hereby, and by acceptance of a deed for a Unit hereafter, irrevocably appoints the President of the Association as their attorney-in-fact for such purpose.

Section 8.3 Maintenance and Repair of Units Each Owner has the responsibility to maintain, repair and replace such Owner’s respective Unit at or exceeding the Community-Wide Standard. To the extent an Owner does not so maintain such Owner’s Unit, the Association may so maintain and repair the Unit, and such Owner shall be assessed, as a Specific Assessment, the cost of such maintenance, repairs or replacements.

Each Owner shall keep their Unit and its appurtenant Limited Common Elements in good, clean, safe, sanitary and attractive condition, order, and repair during any period of Owner use, and shall promptly notify the Association of any need for maintenance, repair or replacement to the Common Element.

Section 8.4 Delegation of Powers and Responsibilities of Association. The Association or the Board may obtain and pay for the services of the Managing Company to manage its affairs, or any part thereof, including without limitation legal, accounting, management, marketing, maintenance, electrical, water, sewer, and trash collection services, to the extent it deems advisable for the proper operation of the Property, whether such personnel are furnished or employed directly by the Association or any other person or entity with whom or which it contracts.

Section 8.5 Personal Property for Common Use. The Association may acquire and hold for the use and benefit of all the Owners tangible and intangible personal property and may dispose of the same by sale or otherwise. Each Owner may use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of other Owners, and subject to the limitations on use contained within the Governing Documents.

Section 8.6 Master Rules and Regulations. As set forth in this Declaration, the Association may make reasonable rules and regulations governing the use of the Units, the General Common Elements and the Limited Common Elements, which Master Rules and Regulations shall be consistent with the rights and duties established in this Declaration.

Section 8.7 Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the Bylaws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Section 8.8 Amplification. The provisions of this Article are amplified by the Bylaws; provided, however, that no present or future provision of such Bylaws shall substantially alter or amend any of the rights or obligations of the Owners set forth herein.

Section 8.9 Limitation on Association's Liability. The Association shall not be liable for any failure of any service to be obtained and paid for by the Association, or for injury or damage to person or property caused by the elements or by another Owner or person in the Building, or resulting from the electricity, water, rain, snow, or ice which may leak or flow from outside or from any parts of the Building or the Common Elements, including any of the pipes, drains, conduits, appliances or equipment thereof, or from any other place, unless caused by the gross negligence of the Association. No diminution or abatement of any assessments under this Declaration shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs, maintenance, or improvements to the Property or the Common Elements or any part thereof, or from any action taken to comply with any law, ordinance, or orders of a governmental authority.

Section 8.10 Enforcement of Governing Documents.

a. In General. In the event that any Owner or any other Person fails to comply with any of the provisions of the Governing Documents, the Association and any Owner shall have full power and authority to enforce compliance with such instruments or documents, in any manner provided for therein, at law or in equity, including, without limitation, the right to (i) enforce the Governing Documents by charging a fine for each violation as the same is further described in the Master Rules and Regulations, (ii) commence an action for damages, to enjoin the violation or specifically enforce the liens provided for herein and any statutory lien provided by law, including the foreclosure of any such lien and the appointment of a receiver for an Owner and the right to take possession of the Unit of any Owner in any lawful manner; (iii) require an Owner, at such Owner's expense, to remove any non-complying structure or improvements on such Owner's Unit and to restore the Unit to its previous condition and, upon failure of the Owner to

do so, the Board or its designee shall have the right to enter the Unit, remove the violation and restore the Unit to substantially the same condition as previously existed and any such action shall not be deemed a trespass; (iv) without liability to any person, preclude any contractor, subcontractor, agent, employee or other invitee of a Owner who fails to comply with the terms and provisions of the Governing Documents from continuing or performing any further activities on the Property; (v) Levy Specific Assessments to cover costs incurred by the Association to bring a Unit into compliance with Governing Documents.

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

All sums payable pursuant to this Declaration that become delinquent shall bear interest at a rate determined by the Board, but in no event shall such rate be more than 1.5 percent per month or the then-maximum rate permitted by law, whichever is less, commencing on the date such payment becomes delinquent or, if advanced or incurred by the Association or another Person pursuant to authorization contained in this Declaration, commencing 30 days after repayment is requested.

Each Person who becomes delinquent in the payment of any amount due the Association shall pay to the Association a late charge of \$5.00 per day of such delinquency or such other amount as may be determined by the Board from time to time, for each payment that is delinquent. Each Person who becomes delinquent in the payment of any amount due the Association shall be liable for all reasonable costs and attorney's fees incurred by the Association with respect to collection of all delinquent amounts, which costs and fees shall be the personal obligation of each Owner at the time each Assessment becomes due and payable and shall be a lien and charge upon the Unit against which the Assessment is made.

All enforcement powers of the Association shall be cumulative. The failure of the Association to enforce any provision of the Governing Documents shall not operate as a waiver by the Association to enforce such provision or any other provision of the Governing Documents in the future against the violating Owner or other individual or against any individual in the future.

The Association or Declarant, by contract or other agreement, may enforce applicable city and county ordinances, if applicable, and permit Town of Jackson, Wyoming to enforce ordinances within the Property for the benefit of the Association and its Members.

b. Suspension of Rights and Privileges. In amplification of, and not in limitation of, the general powers specified in this Declaration, the Association through its Board shall have the following rights and powers, in addition to those set forth in the Act:

If a Person shall be in breach of the Governing Documents, including but not limited to the failure of that Owner to pay any Assessment attributable to, or incurred in connection with, a Unit on or

before the due date therefore, or for the failure of a successor-in-title of a Unit to promptly cure any past due Assessments or other amounts due and owing to the Association, whether or not the obligation to pay for such Assessments or other amounts due arose prior to the time such successor-in-title obtained such Unit, the Association may suspend that Owner's rights and privileges arising from the ownership of such Unit including, but not limited to, the right to participate in any vote or other determination provided for herein and the right to any nonessential services including cable or satellite television service or internet access or the like, and may assess monetary penalties as may be provided herein, in the Master Rules and Regulations, in the Bylaws or other Governing Documents.

No suspension of rights and privileges, except a suspension of privileges for the failure of a Person to pay any Assessments, any portion thereof or any other amount due on or before the due date therefore, and no imposition of monetary penalties shall be made except after a meeting of the Board duly called and held for such purpose.

Written notice of such meeting, the purpose thereof, including the reasons for the suspension sought or the monetary penalties sought to be imposed, and whether the Person's defense shall be oral or written, shall be given to the Person at least 15 days prior to the date of the meeting. The Person shall be entitled to appear at that meeting and present his or her case, either orally or in writing as designated by the Board, as to why his or her privileges should not be suspended or monetary penalties imposed.

The decision as to whether rights and privileges should be suspended or monetary penalties imposed shall be made by a majority of the Board present at that meeting. Written notice of suspension or monetary penalties imposed, the reasons therefor and the length or amount thereof shall be given to the Person, and the suspension or penalties shall become effective on the date such notice is given, which date shall be not less than three days after the date of such meeting.

If a suspension of rights and privileges or imposition of monetary penalties is based

(i) on the failure of a Person to pay Assessments or any other amount due when due attributable to, or incurred in connection with, a Unit, the suspended rights and privileges of that Person with respect to the Unit shall be reinstated automatically at such time as payment is received by the Association, in cash or by electronic funds transfer or certified check, of all amounts past due as of the date of the reinstatement and all monetary penalties imposed, together with accrued and unpaid interest and any late charges imposed which are attributable to, or were incurred in connection with, such Unit.

(ii) on any act or omission other than the failure of a Person to pay Assessments or any other amount due when due, the suspended rights and privileges shall be automatically reinstated upon the earlier of expiration of the period stated in the suspension notice or payment of the monetary penalties imposed.

c. Enforcement of Association's Rights. The Association may exercise any right or privilege given to it expressly by the Governing Documents, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically

provided in the Governing Documents, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

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

e. Provision of Services. The Association is authorized but not obligated to enter into and terminate, in the Board's discretion, contracts or agreements with service providers, to provide services to and facilities for the Members of the Association and their guests, lessees and invitees and to charge use and consumption fees for such services and facilities. By way of example, some services which might be offered include property management services, snow removal, trash and recycling removal, landscape maintenance, pest control, utilities, and similar services.

f. Enforcement by Declarant. Declarant shall have the right to enforce the limitations and requirements set forth in these Governing Documents, including but not limited to the right to specifically enforce such documents by legal proceedings. Every Owner hereby consents to enforcement by Declarant, including the entry of an injunction against him, her or them to terminate and restrain any violation. Every Owner who uses or allows such Owner's Unit to be used in violation of the Governing Documents further agrees to pay all costs incurred by Declarant, including reasonable attorneys fees, whether suit is brought or not..

ARTICLE IX. ASSESSMENTS

Section 9.1 Members' Obligations to Pay Assessments and Other Amounts. Declarant, for each Unit owned by it within the Property, and for and as the owner of the Property and every part thereof, hereby covenants for itself and for each Owner of any Unit, by the acceptance of instruments of conveyance and transfer therefore (whether or not it be so expressed in such instruments) shall be deemed to covenant and agree with each other and with the Association, to pay the Association all assessments, whether Regular Assessments, Special Assessments or Specific Assessments, made by the Association for the purposes provided in this Declaration, as well as such reasonable and uniformly applied charges for use of the Property and reasonable and uniformly applied fines imposed for violation of the Master Rules and Regulations adopted by the Association as provided in this Declaration. Such assessments shall be fixed, established and collected from time to time, as provided in this Declaration.

Section 9.2 Regular Assessments. The regular assessments against all Units within the Property (the "Regular Assessments") shall be based upon advance estimates of cash requirements of the Association to provide for the payment of all costs and expenses arising out of or connected with the following: (i) the administration and/or management of the Property; (ii) the maintenance and operation (including without limitation road maintenance, snow removal and landscape services (including mowing of LCE-Y), equipment and materials), repair and replacement, and insuring of the Common Elements; (iii) taxes and special assessments from governmental or quasi-

governmental entities or agencies unless and until Units are separately assessed; (iv) premiums for all insurance which the Association is required or permitted to maintain hereunder; (v) wages of and other costs associated with Association managers, employees or contractors; (vi) legal, audit and accounting fees; (vii) amounts necessary to eliminate any deficit remaining from a previous period; (viii) creation of a reasonable reserve fund for periodic maintenance, repair and replacement of the Common Elements and for future capital expenditures; (ix) all costs associated with the Annual Meeting; (x) any other operating, administrative and management costs, expenses and liabilities which may be incurred by the Association for the benefit of all of the Owners or by reason of this Declaration or pursuant to the affirmative vote of the members of the Association pursuant to this Declaration or the Bylaws; and (xi) the Reserve Fund (as defined below). All of the foregoing shall be referred to herein as the “Common Expenses”, which Common Expenses shall be assessed to the Owners in the following three general categories:

a. **General Common Expenses.** The General Common Expenses shall include the Common Expenses and the Reserve Fund.

b. **Reserve Fund.** The “Reserve Fund” shall include sums reserved for future capital expenditures and funds to pay insurance deductibles, which reserve fund shall be assessed to all Units.

Section 9.3 Apportionment of Regular Assessments. The Regular Assessments pertaining to the General Common Expenses and Reserve Fund shall be apportioned Based on Percentage of Ownership as outlined in “**Exhibit A**” attached hereto.

Section 9.4 Notice of Periodic Assessments; Time for Payment Thereof; and Interest. The Association shall assess Owners monthly (or such other periods as it may determine) for the Regular Assessments consistent with an annual budget duly adopted by the Board and any Special Assessments or Specific Assessments. The Association shall provide notice of such periodic assessment to the Owners by any method authorized by the Bylaws or the Declaration. No payment shall be due less than thirty (30) days after written notice has been sent to the Owners. Failure of the Association to give written notice of the assessment shall not affect the liability of the Owner of any Unit for such assessment, but the date when payment shall be due in such case shall be deferred to a date thirty (30) days after such notice is sent to the Owners.

Section 9.5 Special Assessments. In addition to the Regular Assessments authorized by this Declaration, the Association may levy, at any time and from time to time, upon the affirmative vote of at least fifty-one percent (51%) of the total votes of all members of the Association, special assessments, payable over such period as the Association may determine, for the purpose of defraying in whole or in part the cost of any construction or reconstruction, unexpected repair or replacement of the Property or any part thereof, or any shortfall in the Reserve Fund, or for any other expense incurred or to be incurred as provided in this Declaration (the “Special Assessment”). This Section shall not be construed as an independent source of authority for the Association to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other Sections hereof which shall make specific reference to this Section or by the affirmative vote of the members of the Association as provided herein. Any

amounts assessed pursuant hereto shall be assessed to Owners in the same manner and the same proportion as the Regular Assessments.

Section 9.6 Specific Assessments. The Association shall have the power to levy Specific Assessments (individually, the “Specific Assessment”) against a particular Unit or limited number of Units as follows:

a. To cover costs incurred by the Association, including the payment of insurance deductibles on insurance policies held by the Association, to maintain or repair damage to a Unit or the Common Elements caused by the negligence or as a consequence of the conduct or lack of conduct of the Owner, their family members, agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the Owner prior written notice and an opportunity for a hearing before levying any Specific Assessment under this subsection (b);

b. To cover costs incurred by the Association; for all routine, non-routine and preventative maintenance, repairs or replacements of a Unit; and

Section 9.7 Lien for Assessments. All sums assessed to any Unit pursuant to this Declaration, including any penalties assessed herein for noncompliance with the Governing Documents, together with interest thereon as provided herein, shall be secured by a lien on such Unit in favor of the Association, which lien is perfected from and after the recording of this Declaration without the necessity of recording any notice of delinquency or notice of lien. Each default of an Owner for nonpayment of an amount assessed hereunder or for violation of the Owner’s obligations under the Governing Documents shall constitute a separate basis for a demand or claim of lien. Such lien shall attach from the due date of the assessment and shall be superior to all other liens and encumbrances on such Unit except for: (a) valid tax and special assessment liens on the Unit in favor of any governmental assessing authority; (b) labor or materialmen’s liens, to the extent allowed by law, and (c) all sums unpaid on a first Mortgage, a first trust indenture, or contract for deed, of record. All other lienholders acquiring liens on any Unit after the recordation date of this Declaration shall be deemed to consent that such liens shall be inferior liens to future liens for assessments as provided herein, whether or not such consent is specifically set forth in the instruments creating such liens. The secured party under a valid Mortgage, duly recorded in the land records in the Office of the Clerk of Teton County, Wyoming as to a Unit, shall be entitled to cure a default in payment of assessments by paying all past due assessments. In the event of foreclosure on any such Mortgage, the holder thereof shall take the Unit interest subject to all unpaid assessments, interest and penalties then due.

The Association may prepare a written notice of assessment setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the record owner of the Unit, and a description of the Unit. Such notice shall be signed by the Association, and may be recorded in the land records in the Office of the Clerk of Teton County, Wyoming if such assessment is more than sixty (60) days past due. Such lien may be enforced by power of sale by the Association after failure of the Owner to pay such assessment in accordance with its terms, such sale to be conducted in the manner permitted by law in Wyoming for the foreclosure of liens against real estate or in any other manner permitted by law. In any such foreclosure as to a Unit, the Owner shall be required to pay the costs and expenses of such proceeding, the costs and expenses of

recording the notice of assessment, and all reasonable attorneys' fees associated therewith. All such costs and expenses shall be secured by the lien being foreclosed as to the Unit. The Owner shall also be required to pay to the Association any assessments against the Unit which shall become due prior to commencement of foreclosure and during the period of foreclosure. The Association shall have the right and power to bid at the foreclosure sale or other legal sale and to thereafter acquire, hold, convey, lease, rent, encumber, use, and otherwise deal with the Unit as the Owner thereof. The purchaser at any sale shall obtain title to the Unit after the expiration of any applicable period of redemption subject to, and shall be jointly and severally liable with the Owner foreclosed upon with respect to all Assessments and other sums due or performance claimed, subject to the provisions of the Governing Documents. No sale or transfer shall relieve the Unit or the purchaser thereof from liability for any Assessments, other payments or performance thereafter becoming due or from the lien therefore as provided for in this Section. All sums assessed hereunder but still unpaid shall also remain the obligation of and shall be payable by the Owner foreclosed upon.

A further notice stating the satisfaction and release of any such lien shall be executed by the Association and recorded in the land records in the Office of the Clerk of Teton County, Wyoming upon payment of all sums secured by a lien which has been made the subject of a recorded notice of assessment.

Section 9.8 Personal Obligation of Owner. The amount of any Regular Assessment, Special Assessment or Specific Assessment against any Unit shall be the personal obligation of the Owner thereof to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosure or waiver of the lien securing the same. No Owner may avoid or diminish such personal obligation by waiver of the use and enjoyment of any of the Common Elements or by abandonment of his/her Unit. Any purchaser of a Unit shall be jointly and severally liable with the seller for all unpaid assessments against the Unit up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

Section 9.9 Estoppel Certificate. Upon payment of a reasonable fee and upon five (5) business days written request of any Owner or any Mortgagee, prospective Mortgagee or prospective purchaser of a Unit, the Association shall issue an estoppel certificate setting forth the amount of the unpaid assessments including penalties, fees and interest accrued and due, if any, with respect to such Unit, whether Regular Assessments, Specific Assessments or Special Assessments, the amount of the current Regular Assessment and the date that such assessment becomes or became due, credit for advanced payments or prepaid items, including, but not limited to, an Owner's share of prepaid insurance premiums, which certificate shall be conclusive upon the Association in favor of persons who rely thereon in good faith that no greater amounts were then due or accrued and unpaid, with the exception that any damage done to a Unit after the date of the estoppel certificate shall create an assessment against the Unit and shall not be foreclosed by the change in ownership of such Unit or the issuance of the estoppel certificate and shall be assessed to the Unit, regardless of the ownership thereof, pursuant to this Declaration.

Section 9.10 Assessment for Payment of Insurance Deductible. The deductible, if any, on any insurance policy held by the Association or the Board shall be paid by the Association

and assessed to the Owners as a Common Expense in the event that the cause of any damage or destruction of any portion of the Condominium originated in or through the Common Elements or an apparatus located within the Common Elements; provided, however, that the Association or the Board may assess any deductible amount necessitated by either the intentional act or omission, negligence, abuse, misuse or neglect of an Owner, or his or her family, guest, tenant or the family or guest of such tenant, against such Owner as a Specific Assessment hereunder. In the event that the cause of any damage or destruction to any portion of the Condominium originated in or through a Unit or any component thereof, then the deductible shall be paid by the Association and the amount therefore shall be assessed against the Owner of such Unit as a Specific Assessment hereunder.

Section 9.11 Budgeting and Allocating Common Expenses. At least sixty (60) days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses, for the coming year, including any contributions to be made to a reserve fund pursuant to this Article 9. The budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Units, and the amount to be generated through the levy of Regular Assessments, Special Assessments and Specific Assessments against each.

The Board shall send a copy of the final budget, together with notice of the amount of the Regular Assessment to be levied pursuant to such budget, to each Owner and to the Jackson/Teton County Affordable Housing Department (“Housing Department”) not less than forty-five (45) nor more than sixty (60) days prior to the effective date of such budget; provided, however, if the Regular Assessment is increased from the previous year’s Regular Assessment, the Board shall send notice of the increase to the Homeowners not less than thirty (30) nor more than sixty (60) days prior to the increased Base Assessment becoming due. Such budget and assessment shall thereafter become effective unless objected to in writing by an Owner within ten (10) days of the effective date of the budget.

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

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

Section 9.12 Budgeting for Reserves. The Board shall prepare and review at least annually a reserve budget for capital expenses of the Association. The budget shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall include in the Common Expense budget adopted, a capital contribution to fund reserves in an amount sufficient to meet the projected need

with respect both to amount and timing by annual contributions over the budget period. Housing Department shall have the right to revise and approve the reserve budget to the extent Housing Department determines in its reasonable discretion is necessary to adequately maintain the replaceable assets.

ARTICLE X. INSURANCE

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

a. Property Insurance. The Association shall obtain a policy or policies of insurance against damage or destruction of the Common Elements and the portion of the Units considered to be attached to the Building (including without limitation the interior walls and partitions, ceilings, cabinetry, fixtures, carpeting and other attached flooring, windows and doors, and excluding without limitation artwork, appliances and mirrors that are attached to the interior of the Units) and the equipment, supplies and other personal property of the Association. Such property insurance shall be in accordance with the coverage customarily maintained by other condominium properties similar in construction, design and use, and at least equal to such coverage as is commonly required by prudent institutional mortgage investors in the area. Such insurance shall include fire and extended coverage, vandalism and malicious mischief, theft, and such other risks and hazards against which the Association shall deem it appropriate to provide insurance protection, but in any event shall consist of a policy written on an open perils basis to provide the broadest coverage possible. The Association may comply with the above requirement by the purchase of blanket coverage and may elect such “deductible” provisions as in the Association’s opinion are consistent with good business practice. The policy shall be in an amount equal to 100% of current replacement cost of the Property, exclusive of land, foundation, excavation and other items normally excluded from coverage.

The Property Insurance shall be carried in a form or forms naming the insured as the Association for the use and benefit of all Owners. The loss payable shall be in favor of the Association as trustee for each Owner and the Owner’s Mortgagee(s), and the parties shall be beneficiaries of the policy in equal shares, prior to any ratio adjustments. Each policy shall provide a standard, non-contributory mortgagee clause in favor of each Mortgagee or insurer or guarantor of a Mortgage, in a form commonly accepted by private institutional mortgagors in the area. Each policy shall also provide that it cannot be cancelled by either the insured or the insurance company until after forty-five (45) days prior written notice is first given to the Association. If the foregoing terms are not commercially feasible, then the Association shall be permitted to negotiate the best commercially reasonable terms available. The Association shall, upon request, furnish to each Owner or Mortgagee a certificate of coverage, including an identification of such Owner’s interest.

b. General Liability Insurance. The Association shall obtain a broad form of comprehensive general liability insurance coverage in such amounts and in such forms as it deems advisable to provide adequate protection. Coverage shall include, without limitation, all of the Common Elements and public ways of the Property, including death, liability for personal injuries, property damage, liability of the Association, its officers, Directors, employees and the

Managing Company arising with the ownership, operation, maintenance, administration, management, use or occupancy of the Property, and liability arising out of lawsuits related to employment contracts of the Association, as well as such other riders customarily covered with respect to similar condominiums. The combined single limits of such insurance policies shall be not less than One million dollars (\$1,000,000.00) with respect to personal liability and with limits of not less than One million dollars (\$1,000,000.00) for each accident with respect to property damage liability.

The general liability insurance shall name the Association, its directors, officers, managers and assignees, each Owner, and the Declarant, whether or not the Declarant is an Owner, and shall protect each insured against liability for acts of the Association in connection with the ownership, operation, maintenance or other use of the Property or the Building. Each such policy shall provide that it cannot be cancelled either by the insured or by the insurance company until after forty-five (45) days written notice to the Association. If the foregoing terms are not commercially feasible, then the Association shall be permitted to negotiate the best commercially reasonable terms available.

c. Officers and Directors Coverage. To the extent not otherwise provided, the Association shall obtain errors and omissions or similar insurance coverage protecting the officers and directors on the Board of the Association.

d. Details of All Policies. The Association shall be required to secure insurance policies that will provide for the following:

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

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

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

(iv) that any “no other insurance” clause in the policy or policies on the Property exclude individual Owner’s policies from consideration;

(v) a “special condominium endorsement” or its equivalent;

(vi) if available, the policies shall contain an “agreed amount endorsement” and an “inflation guard endorsement.”

e. Additional Coverage. The provisions of this Declaration shall not be construed to limit the power or authority of the Association to obtain and maintain insurance

coverage, in addition to any insurance coverage required by this Declaration, in such amounts and in such forms as the Association shall deem appropriate from time to time.

Section 10.2 Owner's Individual Insurance. Each Owner shall obtain content insurance coverage for such Owner's Unit in an amount no less than 100% of the cost to replace the contents of the Unit to the extent not covered by the Association's insurance in the event of damage or destruction. The premium and deductible costs associated with such Owner's individual insurance shall be paid by the Owner. All such insurance of the Owner's Unit shall waive the insurance company's right of subrogation against the Association, the Declarant, the other Owners, and the servants, agents, and guests of any of them, if such insurance can be obtained in the normal practice without additional premium charge for the waiver of rights of subrogation. Each Owner shall be responsible for providing proof of such insurance to the Association; provided, however, that the Association shall not be responsible for ensuring that each Owner has such insurance. Any minimum dollar amount limitations provided herein may be increased from time to time by resolution of the Association to account for increases in the costs of replacement or reconstruction or increases in the perceived levels of liability.

Section 10.3 Adjustment. Exclusive authority to adjust losses under policies hereafter in force on the Property shall be vested in the Board.

Section 10.4 Contribution. In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by the individual Owners or their Mortgagees.

Section 10.5 Review of Insurance. The Board shall review annually the coverage and policy limits of all insurance coverage on the Building and adjust the same at its discretion. Such annual review may, but shall not be required to, include an appraisal of the improvements on the Property by a representative of the insurance carrier or carriers providing the policy or policies on the Property, or such other qualified appraisers as the Board may select, and the cost thereof shall be assessed to the Owners as a Common Expense hereunder.

Section 10.6 Actions Affecting Cost and Coverage of Insurance. No Owner shall permit anything to be done or kept in such Owner's Unit or in the General Common Elements which will result in increase of the cost or cancellation of insurance on any Unit or any part of the General Common Elements.

Section 10.7 Insurance Proceeds. The Association shall receive the proceeds of any casualty insurance payments received under policies obtained and maintained pursuant to this Article. The Association shall apportion the proceeds to the portions of the Property that have been damaged and shall determine the amount of the proceeds attributable to damage to the General Common Elements. To the extent that reconstruction is required herein, the proceeds shall be used for such purpose. To the extent that reconstruction is not required herein and there is a determination that the Property shall not be rebuilt, the proceeds shall be distributed in the same manner herein provided in the event of sale of obsolete Units. Each Owner and each Mortgagee shall be bound by the apportionments of damage and of the insurance proceeds made by the Association pursuant hereto.

Section 10.8 Attorney in Fact. Where appropriate under applicable law, each Owner hereby, and by acceptance of a deed or other conveyance for a Unit thereby, appoints the Association, as attorney-in-fact for the purpose of purchasing and maintaining insurance, which shall include the power to collect and appropriately dispose of the proceeds thereof, negotiate losses and execute releases of liability, execute all documents and perform all other acts necessary to accomplish the provision and settlement of insurance coverage for the Property.

ARTICLE XI. DAMAGE OR DESTRUCTION

Section 11.1 Association as Attorney in Fact. All of the Owners irrevocably constitute and appoint, and acceptance by any grantee of a deed from the Declarant or from any Owner shall constitute appointment of, the Association as their true and lawful attorney in fact in such Owner's name, place and stead for the purpose of dealing with the Property upon its damage or destruction as hereinafter provided. As attorney in fact, the Association shall have full and complete authorization, right and power to make, execute and deliver any contract, deed, or other instrument with respect to the interest of an Owner that may be necessary or appropriate to exercise the powers herein granted, including the repair and reconstruction of the improvements to restore the Property to substantially the same vertical and horizontal boundaries, finish, furnishings and facilities that existed prior to the damage or destruction (the "Repair or Reconstruction").

Section 11.2 General Authority of Association. The proceeds of any insurance collected shall be available to the Association for the purpose of the Repair or Reconstruction unless Declarant, Seventy-Five percent (75%) of the total votes of the Owners, and Mortgagees that represent at least Fifty-one percent (51%) of the votes of Units that are subject to mortgages, agree not to rebuild within one hundred (100) days after such destruction or damage.

Section 11.3 Estimate of Costs. As soon as practicable after an event causing damage to, or destruction of, any part of the Property, the Association shall obtain estimates that it deems reliable and complete of the costs of Repair or Reconstruction of that part of the Property damaged or destroyed.

Section 11.4 Repair or Reconstruction. As soon as practicable after receiving the estimates to complete the Repair or Reconstruction, the Association shall diligently pursue to completion of the Repair or Reconstruction of that part of the Property damaged or destroyed. The Association shall take all necessary or appropriate action to effect the Repair or Reconstruction, as attorney in fact for the Owners, and no consent or other action by any Owner shall be necessary in connection therewith. Such Repair or Reconstruction shall be in accordance with the original plans and specifications of the Property or may be in accordance with any other plans and specifications Declarant and the Owners representing an aggregate of Seventy-Five Percent (75%) or more of the voting rights of the Association may approve.

Section 11.5 Funds for Reconstruction. The proceeds of any insurance collected shall be available to the Association for the purpose of the Repair or Reconstruction. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of the Repair or Reconstruction, the Association may levy in advance a Special Assessment sufficient to provide funds to pay such

estimated or actual costs of the Repair or Reconstruction. Such assessment shall be allocated and collected as provided in the Section titled Special Assessments herein except that the vote of the members of the Association as specified therein shall not be necessary. Further assessments may be made in like manner if the amounts collected prove insufficient to complete the Repair or Reconstruction. All such insurance proceeds and monies collected through assessments shall be considered a fund to pay the estimated or actual costs of the Repair or Reconstruction and shall be disbursed by the Association therefor.

Section 11.6 Decision Not to Rebuild; Partition and Distribution. If Declarant, Seventy-Five Percent (75%) of the votes of all Units, and Mortgagees that represent at least Fifty-One percent (51%) of the votes of Units that are subject to mortgages, agree not to rebuild after damage or destruction of the Property, the Association shall file with the County Clerk of Teton County, Wyoming a notice setting forth such facts and the following shall occur:

a. the Property shall be deemed to be owned in common by the Owners and each Owner's undivided interest in the Property shall be the percentage of undivided interest previously owned by such Owner in the General Common Elements;

b. any mortgages or liens against any of the Units shall be deemed to be transferred in accordance with the existing priorities to the undivided interest of the Owner in the Property;

c. the Property shall be subject to an action for partition at the suit of any Owner, OR upon the affirmative vote of Declarant and Seventy-Five Percent (75%) of the votes of all Units at a meeting of the Owners duly called for such purpose, the Owners may elect to sell or otherwise dispose of the Property (and such action shall be binding upon all Owners and it shall be the duty of every Owner to execute and deliver such instruments and to perform all acts in such manner and form as may be necessary to effect such sale) in which event the net proceeds of any sale resulting from such suit or partition or vote of the Owners, together with the net proceeds of the insurance on the Property, if any, shall be considered as one fund and shall be divided among all the Owners in a percentage equal to the percentage of undivided interest owned by each Owner in the General Common Elements in accordance with **Exhibit "A"** attached hereto, after first paying out of the respective share of each Owner, to the extent sufficient for the purposes, all sums due to mortgagees, as well as other holders of liens on the undivided interest in the Property owned by such Owner.

ARTICLE XII. CONDEMNATION

Section 12.1 Consequences of Condemnation. If, at any time or times during the continuance of the condominium ownership pursuant to this Declaration, all or any part of the Property shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof (hereinafter, a "Condemnation"), the following provisions shall apply.

Section 12.2 Proceeds. All compensation, damages, or other proceeds from a Condemnation (hereinafter the "Condemnation Award") shall be payable to the Association.

Section 12.3 Partial Taking. In the event that less than the entire Property is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership hereunder shall not terminate. Each Owner shall be entitled to a share of the Condemnation Award to be determined in the following manner: as soon as practicable the Association shall, reasonably and in good faith, allocate the Condemnation Award between compensation, damages, or other proceeds, and shall apportion the amounts so allocated equally among the Owners and their Mortgagees as follows: (a) the total amount allocated to taking of or injury to the General Common Elements shall be apportioned equally among Owners, (b) the total amount allocated to severance damages shall be apportioned to those Condominium Units that were not taken or condemned, (c) the respective amounts allocated to the taking of or injury to a particular Unit and/or improvements an Owner has made within her/his own Unit shall be apportioned to the particular Unit involved, and (d) the total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances. If an allocation of the Condemnation Award is already established in negotiation, judicial decree, or otherwise, then in allocating the Condemnation Award the Association shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be made by check payable to the respective Owners or their respective Mortgagees, as applicable.

Section 12.4 Complete Taking. In the event that the entire Property is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership pursuant hereto shall terminate. The Condemnation Award shall be apportioned equally among the Owners, provided that if a standard different from the value of the Property as a whole is employed to measure the Condemnation Award in the negotiation, judicial decree, or otherwise, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable.

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

Section 12.5 Reorganization. In the event a partial taking results in the taking of a complete Unit, if appropriate in the determination of the Association, the Owner thereof automatically shall cease to be a member of the Association. Thereafter the Association shall reallocate the ownership, voting rights, and assessment ratio determined in accordance with this Declaration according to the same principles employed in this Declaration at its inception and shall submit such reallocation to the Owners of remaining Units for amendment of this Declaration as provided herein.

Section 12.6 Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article XI above.

ARTICLE XIII. REVOCATION OR AMENDMENT

This Declaration shall not be revoked nor shall any of the provisions herein be amended unless the Owners representing an aggregate of Seventy-Five Percent (75%) or more of the voting rights of the Association and the Declarant consent and agree to such revocation or amendment. Any such revocation or amendment shall be binding upon every Owner and Unit whether the burdens thereon are increased or decreased by any such amendment and whether or not the Owner of each and every Unit consents thereto. No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant. Additionally, no amendment of a material adverse nature with respect to a Mortgagee shall be effective unless approved by Mortgagees that represent at least Fifty-One (51%) of the votes of Units that are subject to mortgages.

Notwithstanding the foregoing, in addition to specific amendment rights granted elsewhere in this Declaration, until conveyance of all of the Units to Owners unaffiliated with Declarant, Declarant may unilaterally amend (in part or in its entirety) this Declaration for any purpose. Thereafter, the Declarant may unilaterally amend this Declaration if such amendment is necessary to (i) bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial or agency determination; (ii) enable any reputable title insurance company to issue title insurance coverage on the Property; (iii) enable any institutional or Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make purchase, insure or guarantee mortgage loans on the Property; or (iv) to satisfy the requirements of any local, state or federal governmental agency. However, any such amendment shall not adversely and materially affect the title to any Unit unless the Owner thereof shall consent in writing.

ARTICLE XIV. DISPUTE RESOLUTION

Section 14.1 Consents for Association Litigation. Except as provided in this Section, the Association shall not commence a judicial or administrative proceeding without the approval of a majority of a quorum of the Owners, which quorum shall be established pursuant to the Bylaws. This Section shall not apply, however, to (a) actions brought by the Association to enforce the Declaration (including, without limitation, the foreclosure of liens); (b) the collection of assessments; or (c) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Section 14.2 Alternative Method for Resolving Disputes. The Declarant, the Association, its officers, directors, and committee members, if any, all persons subject to this Declaration, and any person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, the "Bound Parties" and individually, the "Bound Party") agree to encourage the amicable resolution of disputes involving the Property, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that those claims, grievances or disputes described in Section 14.3 hereof shall be resolved using the procedures set forth in Section 14.4 in lieu of filing suit in any court.

Section 14.3 Claims. Unless specifically exempted below, all claims arising out of or relating to the interpretation, application or enforcement of the Declaration, or the rights, obligations and duties of any Bound Party under the Declaration or relating to the design or construction of improvements on the property (collectively, the “Claims” or individually, the “Claim”) shall be subject to the provisions of Section 14.4.

Notwithstanding the above, unless all parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 14.4:

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

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

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

(d) Any suit as to which the applicable statute of limitations would expire within one-hundred twenty (120) days of the Request for Resolution pursuant to Section 14.4, unless the party or parties against whom the Claim is made agree to toll the statute of limitations for such periods as may be reasonably be necessary to comply with this Article; and

Notwithstanding the foregoing, with the consent of all parties thereto, any of the above may be submitted to the alternative dispute resolution procedures set forth in Section 14.4

Section 14.4 Mandatory Procedures.

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

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

b. **Negotiation and Mediation.**

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

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

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

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

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

Section 14.5 Allocation of Costs of Resolving Claims.

a. Subject to Section 14.5(b), each Party shall bear its own costs, including attorneys' fees, and each Party shall share equally all charges rendered by the mediator(s) ("Post Mediation Costs").

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

Section 14.6 Enforcement of Resolution. After resolution of any Claim, if any Party fails to abide by the terms of any agreement or award, then any other Party may file suit to enforce such agreement or award without the need to again comply with the procedures set forth in Section 14.4. In such event, the Party taking action to enforce the agreement or award shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement or award, including, without limitation, attorneys' fees and court costs.

Section 14.7 Board Authorization. The Board may perform any act reasonably necessary to institute, defend, settle, or intervene on behalf of the Association in binding arbitration, non-binding arbitration, mediation, litigation, or administrative proceedings in matters pertaining to (a) enforcement of the Governing Documents, (b) damage to the Common Elements, (c) damage to the Units which arises out of, or is integrally related to, damage to the Common Elements, or (d) any other civil claim or action. However, the Governing Documents shall not be construed as creating any independent legal duty to institute litigation on behalf of or in the name of the Association or its members.

ARTICLE XV. RIGHTS RESERVED TO DECLARANT

The following rights are hereby reserved for the benefit of Declarant for a period terminating on the date that is one (1) year after the conveyance of the last Unit from Declarant to a person or entity not affiliated with Declarant (the "Declarant Reserved Rights Period"): (i) to complete the improvements indicated on the Plat and the design and construction documents for the Property; (ii) to have an easement for access over, under and through the Common Elements, and to use and grant easements through the Common Elements to Declarant, any Owner, neighboring properties or others persons; (iii) to delay the filing of the Articles for the Association, creation of Bylaws and Master Rules and Regulations, or to delay the commencement of Association meetings or to delay implementation of Association assessments as may be required herein or in the Bylaws; (iv) to alter, amend, expand, retract, eliminate, vacate or otherwise change the Common Elements, or any portion thereof, as necessary to enhance the value or purpose of the Property or to exercise Declarant's reserved rights hereunder, including without limitation the right to eliminate walls, roofs, overhangs, conduit, pipes and the like deemed to be Common Elements; (v) to vacate and replat the Plat, or portions thereof, from time to time, to conform the same to the actual location of any of the constructed improvements and to establish, vacate and relocate utility easements, access easements, and on-site parking areas, and as necessary to exercise Declarant's reserved rights to change the Common Elements or to annex additional property; (vi) to renovate, redesign, reassign, combine or make any changes to the Common Elements of the Property so long as any such changes do not diminish the overall square footage of all of the Common Elements by more

than fifteen percent (15%); (vii) to annex additional property and Units to the Condominium Plat, whether such property is owned by the Declarant or not, and to impose additional easements and covenants on such additional property; (viii) to amend the percentage of ownership in the common elements and voting percentages of the Owners consistent with such annexation of additional property and Units to the Condominium; (ix) to grant in connection with such annexation temporary construction easements as necessary to accommodate construction of or on any annexed or neighboring property and to grant in connection with such annexation permanent easements as necessary for the orderly annexation of the property, including without limitation easements for utility lines and data transmission; and (x) to submit the Condominium to a master association and to merge or consolidate like-kind associations.

For purposes of annexing additional property into the Condominium regime established by this Declaration and for purposes of making changes to the Common Elements for the benefit of some or all of the Owners, all of the Owners hereby, and by acceptance of deed for a Unit hereafter, irrevocably appoint the Declarant their attorney-in-fact for purposes of amending the percentages of ownership in the Common Elements, amending or supplementing the Declaration and all other Governing Documents, and vacating the Plat or portions thereof and filing additional Plat maps applicable to the Property. Such appointment of Declarant as the attorney-in-fact of each Owner shall remain effective and valid throughout the Declarant's Reserved Rights Period and each Owner, by acceptance of a deed for such Owner's Unit shall be deemed to consent to and ratify such appointment and as necessary to appoint Declarant as such Owner's attorney-in-fact.

ARTICLE XVI. MISCELLANEOUS

Section 16.1 Compliance with Provisions of Governing Documents. Each Owner shall comply with the provisions of the Governing Documents as the same may be lawfully amended from time to time. The Board reserves the right to fine Owners for non-compliance with the Governing Documents, which fine shall be a Specific Assessment against that Owner's Unit as provided herein. Failure to comply with any of the same shall be grounds for an action to recover sums due and for damages or injunctive relief or both, maintainable by the Association on behalf of the Owners, or, in a proper case, by an aggrieved Owner. The prevailing party shall be entitled to an award of costs and attorney fees.

Section 16.2 Registration of Contact Information. Each Owner shall register his mailing and e-mail addresses and facsimile number with the Association and all notices or demands intended to be served upon any Owner shall be sent in the discretion of the Association by mail, postage prepaid, or by e-mail or by facsimile addressed in the name of the Owner at such registered mailing or e-mail addresses or facsimile number, unless the Owner requests, in writing, notification in another manner. Provided, however, if an Owner elects to receive notices by any form other than mail, email or facsimile, the Association shall not be liable for the Owner's receipt thereof. Each Owner is responsible for notifying the Association of a change in such Owner's contact information. All notices or demands intended to be served upon the Association shall be given by mail, postage prepaid, to the address of the Association as designated by the Board of Directors, unless the Association permits notification in another manner. All notices or demands to be served on Mortgagees pursuant thereto shall be sent by mail, postage prepaid, addressed in the name of the Mortgagee at such address as the Mortgagee may have furnished to the Association

in writing. Unless the Mortgagee furnishes the Association such address, the Mortgagee shall be entitled to receive none of the notices provided for in this Declaration. Any notice referred to in this Section shall be deemed given when deposited in the United States mail in the form provided for in this Section or when such notice is sent by e-mail or facsimile to the address or number provided by the Owner.

Section 16.3 Owner's Obligations Continue. All obligations of an Owner under and by virtue of the provisions contained in this Declaration shall continue, notwithstanding that such Owner may have leased or rented such Owner's interest as provided herein, but the Owner of a Unit shall have no obligation for expenses or other obligations accruing after such Owner sells, conveys or otherwise transfers his entire interest in such Unit.

Section 16.4 Warranties. There is no express or implied warranty enforceable by an Owner or the Association against Declarant other than any claims for violation of applicable Teton County Uniform Building Code requirements that were not otherwise inspected, varied or waived by the applicable inspection authority.

Section 16.5 Number and Gender. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

Section 16.6 Statute. The provisions of this Declaration shall be in addition and supplemental to the Act and to all other provisions of law.

Section 16.7 Mortgage Notice. If Mortgagee fails to respond to any written request for approval or consent within sixty (60) days after such Mortgagee receives such request, such Mortgagee shall be deemed to have approved or consented to the action noted therein, so long as such request for approval or consent was delivered by certified or registered mail, with a "return receipt" requested.

Section 16.8 First Mortgagee Rights Confirmed. Notwithstanding anything herein to the contrary, no provision herein shall give to an Owner, or any other party, priority over any rights of a first Mortgagee of a Unit pursuant to its mortgage in the case of payment to the Owner of insurance proceeds or condemnation awards for losses to or a taking of a Unit and/or the Common Elements.

Section 16.9 Unpaid Dues. Any first Mortgagee who obtains title to a Unit pursuant to other remedies in a mortgage or through foreclosure will not be liable for more than six (6) months of the Unit's unpaid regularly budgeted dues or charges accrued before acquisition of the title the Unit by the Mortgagee. If the Association's lien priority includes costs of collecting unpaid dues, the lender will be liable for any fees or costs related to the collection of the unpaid dues.

Section 16.10 Rights of Condo Mortgagees and Guarantors . Any and all Mortgagees shall have the right request to the Association to timely written notice of: (i) any condemnation or casualty loss that affects either a material portion of the Property or the Unit securing its mortgage; (ii) any 60-day delinquency in the payment of assessments or charges owed by an

