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DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
TETON CREEK RESORT
IN
TETON COUNTY, IDAHO

11-13, 1995

(Rev. 9/29/95)

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DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
TETON CREEK RESORT

THIS DECLARATION is made effective as of the 13 day of NOVEMBER, 1995, by TETON CREEK RESORT, as the Declarant.

RECITALS:

A. The Declarant is the owner of certain real property located in Teton County, Idaho, which is generally described as the "Teton Creek Resort" real estate project and is more particularly described in Exhibit A to this Declaration.

B. The Declarant is adopting these covenants, conditions and restrictions to protect the character and value of the Property for the benefit of all existing and future owners of the Property.

C. The Declarant has filed with the Clerk of Teton County, Idaho, a subdivision plat for the Teton Creek Resort, and may in the future file one or more additional plats for certain components thereof such as townhouse or condominium units.

D. The Property is hereby made subject to the covenants, conditions, restrictions, reservations, assessments, charges and liens contained or provided for in this Declaration, all of which shall be enforceable equitable servitudes and shall run with the land.

E. The Property shall generally be known as "TETON CREEK RESORT" and by such other or additional names as may be designated by the Declarant from time to time.

NOW, THEREFORE, the Declarant hereby declares that all of the Property shall be held, sold, conveyed, leased, transferred, used and occupied subject to the provisions of this Declaration, including the covenants, restrictions, reservations, assessments, regulations, charges and liens contained or provided for herein, which are for the purpose of protecting the value and desirability of the Property, and which shall be construed as covenants of equitable servitude and shall run with the land and be binding on all parties having any right, title or interest in the Property or any part thereof, and their heirs, successors and

assigns.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean TETON CREEK RESORT OWNERS ASSOCIATION, a non-profit corporation, and its successors and assigns.

Section 2. "Property" shall mean the real property located in Teton County, Idaho which is described in Exhibit A to this Declaration, together with improvements thereon.

Section 3. "Lot" shall mean a lot shown on the Plat referred to in Paragraph C of the Recitals, as said Plat may be added to and amended by Declarant from time to time in the future. Any condominium units and platted townhouse lots within the Property will also be treated as "Lots" for purposes of this Declarant, when and if any such townhouse lots and units are platted.

Section 4. "Owner" or "Ownership" shall mean the record owner, whether one or more persons and/or entities, of a fee simple title to each Lot, including contract buyers of record but excluding mortgagees, contract sellers or others having such interest merely as security for the performance of an obligation unless and until said mortgagee or other holder of a security interest has acquired title to a Lot which is a part of the Property pursuant to forfeiture, foreclosure or a proceeding in lieu thereof. An "Owner" shall mean all of the owners of a particular Lot collectively and shall be jointly regarded as a single owner for purposes of this Declaration. Any owner of an equity interest of record in a Lot, and any partner, officer or shareholder of an entity which is an Owner of record, may be treated by the Association as the representative of all the Ownership of such Lot for purposes of giving notices, voting and other matters.

Section 5. "Members" shall mean the Owners, as described in Article II hereof.

Section 6. "Declarant" shall mean the undersigned Declarant, and its successors and assigns designated by it as the developer of the Property.

Section 7. "Management Committee" shall mean the Board of Directors of the Association, as described in the articles of incorporation and by-laws of the Association and in this Declaration.

Section 8. "Site Committee" shall mean the site committee appointed by the Board of Directors of the Association, as provided herein.

Section 9. "Common Areas" shall mean the "open areas" which are part of the Property designated as such on said Plat, and any other real property (including recreational facilities, walkways, lighting facilities, easements and improvements) acquired by the Association for the common use and enjoyment of all the Members of the Association. The "open areas" may be utilized by the Association for paths, landscaping, recreational uses and structures, utility uses and structures, and agricultural uses and structures. Generally, all utility pipes, lines or systems, roads and streets, walkways, custodial and maintenance buildings, office quarters and other similar improvements owned by the Association shall be deemed to be Common Areas and operated and maintained as such up to the point, if applicable, where the improvement or facility borders upon a Lot. The Association shall be entitled to conduct landscaping activities on Common Areas and within the boundaries of roadway and utility easements as shown on the Plat.

(SEE P 8)

ARTICLE II

THE ASSOCIATION

Section 1. Membership. Every Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from Ownership of any Lot, and Ownership of a Lot shall be the sole qualification for Membership. Each Ownership shall constitute one Member.

Section 2. Voting. Voting by Members of the Association upon any matter allowing or requiring a vote of Members shall be as follows: there shall be one (1) vote allowed for each Lot. If an Owner includes more than one person and/or entity, the vote for said Member shall be cast in such manner as the persons and/or entities constituting the same shall determine, but the decision of the Management Committee as to the authority conferred upon one or more Owners or other representatives by the Ownership in casting the one vote of the Ownership shall be conclusive and binding.

Section 3. Management Committee. (a) The administration of the Property on behalf of the Association shall be conducted by a board of directors, which is referred to herein as the Management Committee, consisting of up to five natural persons (or such lesser number as may be determined by the Declarant pursuant to paragraph (j) below), who are not required to be Owners and shall not be required to be residents of the State of Wyoming.

(b) At each annual meeting of the Association, subject to the provisions of paragraph (j) below, the Association shall elect members to fill any vacancies on the Management Committee.

(c) Each Member of the Management committee shall serve for a term of two (2) years. The members of the Management Committee shall serve until their respective successors are elected, or until their earlier death, resignation, or removal. Any member of the Management Committee may resign at any time by giving written notice to the Association. Any member of the Management Committee may be removed from membership on the Management Committee by a two-thirds majority vote of a quorum of the Association. Whenever there shall occur a vacancy on the Management Committee due to death, resignation, removal or any other cause, the remaining members of the Committee shall appoint a successor member to serve until the next annual meeting of the Association, at which time said vacancy shall be filled by the Association for the unexpired term, if any. If no such successor is appointed due to a deadlock between the remaining Committee members, a special meeting of Members may be called by any Management Committee member to elect a successor.

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

(e) The Management Committee, for the benefit of the Property and the Association, shall manage the business, property and affairs of the Association and shall enforce the provisions of the Declaration, and may adopt rules and regulations (including without limitation schedules of fines for violations) governing the Property. The Management Committee shall have the powers, duties, and responsibilities with respect to the Property as contained in the other provisions of this Declaration and its articles of incorporation and by-laws, as well as any other applicable law.

(f) Regular or special meetings of the Management Committee shall be held at such places within or without the State of Wyoming as all members of the Management Committee shall determine. Otherwise, meetings shall be held at the Property. A simple majority of the members of the Management Committee shall constitute a quorum, and if a quorum is present, unless otherwise required by law or the Declaration, the decision of a majority of the entire Management Committee shall be binding on the Management committee. The Management Committee shall appoint all of the officers of the Association. A meeting for the annual appointment of officers shall be held at the first meeting of the Management Committee immediately following the annual meeting of the Association.

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

(h) Special meetings of the Management Committee may be called by the president of the Association or by any two Management Committee members.

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

(j) Until a date which is eight years from the date of recordation of this Declaration, the Declarant shall have the option to appoint and remove all members of the Management Committee and to exercise the powers and responsibilities otherwise assigned by the Declaration to the Association. The initial

membership of the Management Committee may be less than five, as determined by Declarant during the period referred to in the preceding sentence. Declarant shall have the option at any time, by an express written declaration, to turn over to the Association the total responsibility for electing and removing members of the Management Committee and the officers.

(k) The fiscal year of the Association shall end on December 31 of each year, or as otherwise determined by the Management Committee.

Section 4. Meetings of the Association. (a) The presence in person or by proxy at any meeting of the Association of 30% in interest of the Owners shall constitute a quorum. In the event that such quorum is not present in person or by proxy, the meeting shall be adjourned for up to two weeks as designated by the chairman presiding at the meeting, at which time it shall reconvene and any number of Owners present at such subsequent meeting shall constitute a quorum. Unless otherwise expressly provided in the Declaration, any action may be taken at any meeting of the Owners upon a vote of a majority in interest of the Owners who are present in person or by proxy.

(b) At all meetings of the Association, Owners may vote in person or by proxy executed in writing by the Owner or their duly authorized attorney in fact. Proxies shall be filed with the secretary of the Management Committee before or at the time of the meeting.

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

(d) Special meetings of the Association may be held at any time at the Property or at some other place in Wyoming to consider matters which, by the terms of the Declaration, law, or the by-laws, require the approval of all or some of the Owners, or for any other reasonable purpose. Special meetings shall be called by written notice, signed by a majority of the Management Committee, or by Members representing at least 20% in interest of all Owners and delivered to all Members not less than fifteen (15) days prior

to the date fixed for said meeting. The notice shall specify the date, time and place of the meeting, and the matters to be considered.

Section 5. Officers. (a) The Management Committee shall perform its functions and responsibilities through those members of the Committee who are elected as officers annually by the Committee, and through such agents or employees as the Management Committee may appoint. The primary officers shall consist of a president, a secretary and a treasurer. The offices of secretary and treasurer may be combined as one office. The Management Committee may appoint such assistant officers as the Management Committee may deem to be necessary or desirable. No officer shall receive compensation for serving as such unless a majority in interest of a quorum of the Members vote otherwise.

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

Section 6. Other Matters. The Association may adopt by-laws containing more detailed provisions governing the internal affairs of the Association, to the extent the Management Committee deems such by-laws to be consistent with this Declaration.

ARTICLE III

STATUS OF OWNERS; MANAGEMENT COMMITTEE

Section 1. Legal Status. The Owners do not constitute an association or entity of any kind, and the sole legal entity created hereunder is the Association.

Section 2. Management of Association. The management and maintenance of the property and the business, property and affairs of the Association shall be managed by the Management Committee as provided in this Declaration and its articles and by-laws. All agreements and determinations with respect to the Property lawfully made or entered into by the Management Committee shall be binding upon all of the Owners and their successors and assign.

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

following:

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

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

C. To operate, maintain, repair, improve, and replace the Common Areas, including the entering into of agreements for the use and maintenance of the Common Areas and adjacent contiguous property for the benefit of the Association.

D. To determine and pay Common Expenses and other expenses of the Association, and to borrow money for such purposes.

E. To assess and collect the proportionate shares of Common Expenses and other applicable expenses from the Owners.

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

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

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

I. To bring, prosecute and settle litigation for itself, the Association and the Property.

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

K. To repair or restore the Property following damage or destruction or a permanent taking by a power in the enure of eminent domain or by an action or deed in lieu of condemnation.

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

M. To keep adequate books and records, which will be available to the Owners for inspection on a reasonable basis.

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

Section 4. Delegation of Powers. The Management Committee may delegate to a manager or managing company all of its foregoing powers, duties and responsibilities referred to in Section 3 above except: the final determination of common expenses, budgets and assessments based thereon; the promulgation of rules and regulations; the power to purchase, hold, sell, convey, mortgage, or lease any property in the name of the Association; or any other power, duty or responsibility nondelegable by law.

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

Section 6. Indemnification. The Association hereby indemnifies and holds harmless any person, their heirs and personal representatives from and against all personal liability and all expenses, including reasonable attorney's fees, incurred or imposed or arising out of or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, instituted by any one or more Owners or any other persons or entities to which he shall be or shall be threatened to be made a party by reason of the fact that he or she was a member of the Management Committee or an officer or assistant officer, member, attorney or manager of the Association or the Site Committee, other than to the extent, if any, such liability or expense shall be attributable to the willful misconduct or bad faith of the applicable indemnified person; provided, further that in the case of any settlement that the Management Committee shall have approved, the indemnification shall apply only when the Management Committee approves the settlement as being in the best interests of the Association. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement or vote of Owners or of the Management Committee or otherwise. The indemnification by the Owners as contained herein shall be paid by the Management Committee on behalf of the Owners and shall constitute a Common Expense and shall be assessed and collectable as such.

Section 7. No Amendment Without Consent. The provision of Section 5 and Section 6 above may not be amended with any retroactive effect so as to limit the rights of any person otherwise entitled to the benefits thereof.

ARTICLE IV

OWNERSHIP OF COMMON AREAS

The Association, as a separate entity, shall own the Common Areas. It is expressly understood that the applicable provisions of this Declaration set forth elsewhere herein shall govern assessments and charges, voting and consents, and certain other matters.

ARTICLE V

ASSESSMENTS

The making and collection of assessments of any nature from Owners for their share of common expenses (determined pursuant to this Article and the other applicable provisions of this Declaration) shall be carried out by the Management Committee in accordance with the following provisions:

Section 1. Shares of Common Expenses. Each Owner of a Lot (other than commercial area lots and recreation lots, which will be assessed separately) shall be responsible for an equal proportionate share of all General Common Expenses. Such "General Common Expenses" include and of the following services obtained by the Association: road maintenance and snow removal services, recreational uses, water and sewer maintenance, utility line maintenance, landscaping, installation and maintenance of any walkways, security systems and security personnel and equipment and facilities, installation and maintenance of Common Area facilities, maintenance of common areas and the cost of the administration of the Property (including accounting, legal, equipment, insurance, personnel and overhead) and landscaping, including without limitation the cost of liability insurance covering the Association and its directors, officers and employees. The Association in its discretion may bill specific Owners for specific services such as cable television services, or repairs and maintenance of an Owners improvements and land), as a special assessment against the applicable Owner and the Lot of that Owner. Services such as cable television and landscaping, may or may not be provided by the Association and is subject to the discretion of the Management Committee. Certain services such as water and sewer services may be provided by other entities, and may be paid by the Association and billed by the Association to the Applicable Owners as common expenses.

It is expressly understood and agreed that the cost of maintenance, operation and improvement of the water and sewer systems may be charged to Owners as common expenses, and debt service or lease payments for the installation of these facilities may also be assessed to the Owners by the Association, based upon an assessment allocation formula adopted in good faith by the Association.

The Declarant will convey the water and sewer systems at cost to the Association or a special district following completion of

the basic systems, when acceptable to the Association or said district, and thereafter the authority and responsibility for the systems will reside in the Association or said district, as the case may be.

Section 2. Payment of Assessments; Lien. Assessments not paid on or before 15 days after the date due may bear interest at the rate of 12% per annum, in the discretion of the Management Committee. The Management Committee may also impose a late charge of up to 4% of any amount remaining unpaid for 30 days or more. All payments on account shall be first applied to interest or other charges and then to the assessment payments in the order of when due (that is, the oldest unpaid amounts shall be paid first). All annual and special assessments, together with interest, reasonable attorney's fees and all costs and expenses incurred by the Management Committee incident to the collection of such assessments, shall be a charge upon the Lot involved and shall be a continuing lien upon the Lot (including all improvements thereon) for which the assessment was made, as well as the personal obligation of each Owner, jointly and severally, who had any interest of record in or to such Lot at the time the assessment became due or at any time thereafter.

It is expressly understood and agreed that fines for any violations of this Declaration or the rules and regulations of the Management Committee may be assessed against a Lot and against an Owner, for violations by that Owner or by the Owner's tenants or invitees.

ARTICLE VI

PURPOSES AND CERTAIN RESTRICTIONS ON USE

Section 1. General Purpose. The general purpose of this Declaration is to provide for the maintenance, administration and control of the Property.

Section 2. Use. Each Owner shall use or occupy their Lot in a manner consistent with all applicable Teton County, Idaho ordinances, rules and regulations.

Section 3. Parking, Roadways and Storage. The Management Committee shall have full power and authority to regulate the parking and storage of cars and any and all motor homes, recreational vehicles, boats, bicycles, motorbikes, motorcycles,

snowmobiles, trailers and other similar vehicles and equipment, and to regulate the use of roadways by imposing and enforcing speed limits and other restrictions, all with full power and authority to impose and enforce (by special assessments hereunder or otherwise) fines and other penalties for violations of such regulations.

Section 4. Certain Additional Restrictions. The following additional restrictions are applicable to Lots. Each reference to "Owners" includes their tenants and invitees.

a. Keeping Outside Areas Clean and Sightly. The Owners shall not place or store anything within the Common Areas without the prior written consent of the Management Committee or its designee except in a facility specifically designated or approved for their storage. All Owners shall keep their residences and their Lots in a reasonably clean, safe, sightly and tidy condition, except for reasonable activities permitted by the Site Committee during the construction of an authorized improvement. No clotheslines will be permitted. No antennas or television "dishes" or other similar items may be placed upon any of the Common Areas or Lots without the express written consent of the Management Committee. Refuse, garbage and trash shall be kept at all times in a covered container, and such covered container shall be screened from view other than at specified regular time periods for garbage pick-up.

b. Obstructing Common Areas. Owners shall not obstruct Common Areas. Owners shall not place or store anything within the Common Areas without the prior written consent of the Management Committee or its designee except in a facility specifically designated or approved for such storage.

c. No Fireworks. The discharge of firearms, firecrackers or fireworks is forbidden.

d. Signs. Without prior written consent of the Management Committee, Owners shall not permit any sign of any kind to be displayed to the public view from their Lot or from the appurtenant Common Areas. Said restrictions shall not apply to the Declarant during the construction or sales period or to traffic signs, Lot designations, project designations or similar signs displayed by the Management Committee or the Declarant.

e. Animals. Owners shall not permit animals or livestock of any kind to be raised or kept in their Lot, except that dogs,

cats and other household pets are permitted, subject to leashing requirements and other rules and regulations adopted by the Management Committee from time to time. Any animals permitted to be kept on the Property shall be restrained and controlled at all times so that they do not cause a nuisance to other Owners or wildlife.

THE KEEPING OF ANY LOOSE DOGS ON THE PROPERTY IS FORBIDDEN, AND STRICT DOG CONTROL WILL BE ENFORCED. No dogs will be allowed on the Property at any time unless they are actually owned by an Owner or the Owner's family or guest. Large dogs, dogs which are not kept strictly as house pets, and dogs owned by tenants, may be banned completely by the Management Committee at any time and from time to time. Any dogs on the Property at any time may be impounded by the Management Committee, and their release may be conditioned upon the payment of a fine or penalty, no matter who owns the dog.

f. Limitations on Certain Activities. Owners shall not permit any obnoxious or offensive activity or nuisance to be carried on in or around their Lot or in the Common Areas. No light shall be emitted or reflected from any Lot which is unreasonably bright or causes unreasonable glare for any adjacent Owner. No unreasonably loud or annoying noises, or noxious or offensive odors, shall be emitted from any Lot. No snowmobile or similar device shall be operated on the Property for recreational or access purposes. The Management Committee is expressly authorized to regulate and limit the use of woodburning stoves and fireplaces.

g. Architectural Control. No building, fence, wall, driveway, excavation or improvement of any kind shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change or alteration therein be made (including without limitation any closing in of a porch or balcony), by any Owner other than Declarant, until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing by the Site Committee, as to harmony of external design and location in relation to surrounding structures and topography, and in relationship to the quality and appearance of the project.

h. Compliance with Rules and Regulations. Owners shall not violate any rules and regulations for the use of Common Areas

adopted by the Management Committee and furnished in writing to the Owners. Fines and other penalties for violations thereof may be imposed and enforced (by special assessment or otherwise) by the Management Committee for violations of such rules and regulations, and it is expressly understood that Owners may be held responsible for acts of their tenants and invitees.

i. Limitation of Owner's Use. Each Owner's right to the use of Common Areas, shall be restricted to their personal family, tenants, and guests, with the right of the Management Committee to reasonably limit the number of guests which an Owner, tenant or lessee may invite to use such facilities. No "for sale" signs may be utilized by any Owner other than Declarant.

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

Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for Declarant to maintain during the period of construction and sale of improvements upon the Project such facilities and to conduct such construction and sale activities as may be reasonably required, in the sole opinion of the Declarant, in connection with the construction and sale of said improvements. Such facilities may include a business office, storage areas, construction yards, signs, model units and sales offices.

k. Provisions in Addition to Land Use Regulations. Conformity with any and all applicable land use regulations of Teton County, Idaho all be required, in addition to the requirements of these covenants. In cases of any conflict, the more stringent requirements shall govern.

l. Construction. All construction shall be completed within one year from the commencement date of construction, unless the Site Committee in its discretion approves an extension for good cause, not to exceed ten months in length. All construction work shall be subject to full regulation at all times by the Site Committee and the Management Committee, as

to access to the site, site and work conditions (including temporary structures, hours of operations, cleanliness and other matters), and scheduling of construction work.

m. Fences. The following are the only fences permitted on the property: fences placed around the perimeter of the Property and around the Common Areas by the Management Committee or the Declarant.

n. Utilities. Connections from Lots to the underground utility lines shall be completed at the applicable Lot Owners' expense, and shall be underground.

o. Temporary Structures Prohibited. No temporary structures, such as trailers, tents, shacks or other similar buildings, shall be permitted on any Lot, except during construction as authorized by the Site Committee.

Section 5. Special Restrictions. The following special restrictions will apply to the Property.

a. Right to Farm Act. Owners are hereby notified that there are agricultural operations in nearby areas, which are protected by the Idaho Right to Farm Act, including but not limited to impacts caused by noise, odors and movements of farm equipment.

b. Water Rights. The Property has certain water rights relating to the Central Canal Ditch and the South Ditch Canal, but the Owners do not have the right to change the use, place or means of conveyance, or any rights to the flow of streams within or adjacent to the Property. The Association will maintain irrigation ditches on the Property in the normal course through a Water Stewart appointed by the Site Committee, but other users (such as the canal company) will retain full legal rights under Idaho water right laws and ditch easements.

c. Wildlife. There will be no hunting or artificial feeding of big game animals allowed on the Property. The fencing and dog control provisions of this Declaration are also intended to benefit wildlife. Any new agricultural operations are discouraged in riparian areas on the Property. Burning of any materials is discouraged, except in accordance with applicable regulations. The Site Committee may appoint an Environmental Coordinator for purposes of protecting wildlife.

Section 6. Site Committee.

a. General. The Site Committee shall consist of up to five natural persons appointed by the Management Committee for two year renewable terms. Ownership of a Lot is not required for membership on the Site Committee. The Site Committee shall adopt such rules for the conduct of its business as it deems appropriate.

b. Authority and Duties. Subject to Section 4(g) of Article VI, the Site Committee shall be responsible for the administration of the requirements of these covenants relating the issuance of development permits. The Site Committee shall meet from time to time (by conference telephone call or directly) as necessary to administer its duties.

c. Design Guidelines. Subject to Section 4(g) of Article VI, the Site Committee shall have full power and authority to adopt design guidelines to carry out the purpose and intent of these covenants, to provide for landscaping, to protect the property values of Lot Owners and to insure that incompatible development does not occur. All Lot use and development shall conform to any design and landscaping guidelines adopted by the Site Committee, in addition to the other provisions of these covenants.

ARTICLE VII

MAINTENANCE

Section 1. General Maintenance. The maintenance, alteration, replacement and repair of the Common Areas shall be the responsibility of the Management Committee. The Management Committee, as part of its responsibility, shall maintain, repair and provide for snow removal and maintenance activities on all roadways constituting part of the Common Areas. The maintenance, repair and replacement of all improvements on each Lot shall be the responsibility of the Owner of such Lot and not the Management Committee except as otherwise expressly set forth below.

Section 2. Cluster Units. Certain of the Lots may be platted for construction of cluster units (townhouses or condominiums). In order to ensure efficient and relatively uniform work in preserving an attractive appearance, the Association (or a special association as noted in Article VIII) shall have the sole right to perform landscaping and regular maintenance for the exterior of any such unit at the expense of the applicable Owner (as a special assessment against such Lot). Any such special

assessment shall be paid in the same manner and shall have the same weight and effect as any other assessment made pursuant to this Declaration, provided that the Association shall be entitled to bill all of the Owners of cluster Lots for such maintenance work, on such basis as is deemed by the Management Committee to be appropriate (based upon completion of construction and other factors).

Section 3. Access; Additional Improvements. The Management Committee or manager shall have the irrevocable right to have access to each Lot from time to time during reasonable hours as may be necessary for the maintenance, repair, or replacement of any of the Common Areas and facilities, for activities referred to in Paragraph 2 above, and for making emergency repairs necessary to prevent damage to the common Areas or to a lot, although there shall be no affirmative duty to do so.

‡ The Declarant reserves full rights, but not the obligation, to conduct landscaping activities on the Property, and to implement additional improvements (including without limitation fencing, pathways, signs, outdoor lighting and maintenance sheds) on the Property in the future without the requirement of obtaining the consent or other authorization of the Association, the Management Committee, the Site Committee or the Owners. It is expressly understood and agreed that the Declarant may utilize common areas for leachfields and other purposes, serving one or more Lots and commercial properties, on such terms as the Declarant deems to be appropriate.

ARTICLE VIII

INSURANCE; DAMAGE

Each Owner is solely responsible for obtaining their own insurance covering any and all improvements on their Lot.

Each Owner of a Lot is solely responsible for any damage, destruction, obsolescence, condemnation or abandonment of any improvements thereon, and for repair and reconstruction of such Lot and all improvement thereon, provided that condominium owners association(s) or townhouse owners association(s) may be responsible for repairs, maintenance and insurance for cluster home units, pursuant to separate instruments recorded hereafter.

ARTICLE IX

EMINENT DOMAIN

Whenever any proceeding is instituted that could result in the temporary or permanent taking, injury or destruction of all or part of the common Areas and facilities by the exercise of the power or power in the nature of eminent domain or by an action or deed in lieu of condemnation, the Management Committee and Declarant shall be entitled to timely written notice thereof and the Management Committee and Declarant may participate in the proceedings incident thereto.

ARTICLE X

CONVEYANCES

Every deed, lease, mortgage, instrument of conveyance or sale, or other instrument affecting title to a Lot may describe the Lot by its identify number as set forth in the Applicable Plat with appropriate reference to said Plat and its identity number as set forth in the Plat, as each shall appear on the records of the Clerk of Teton County, Idaho. Every such description shall be deemed to convey, transfer, encumber or otherwise affect the Owner's corresponding percentage of undivided ownership in the association, as set forth herein, also incorporating all rights and limitations incident to Ownership described in this Declaration, even though the same are not exactly mentioned or described.

ARTICLE XI

NOTICES

Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail.

ARTICLE XII

NO WAIVER

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

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

ARTICLE XIII

ENFORCEMENT

Each Owner shall strictly comply with the provisions of the Declaration, and the rules and regulations issued by the Management Committee and the Site Committee. Failure to so comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, or any other remedy allowed by the Act, other statutes or common law, maintainable by the Management Committee or its designee on behalf of the Association or by Declarant or, in an appropriate case, by an aggrieved Owner. Any violation of the provisions of the Declaration or any related rules or regulations is declared to be and shall constitute a nuisance and may be abated by Declarant or the Management Committee. Such remedy shall be deemed cumulative and not exclusive of others, provided that only the Owners, the Association, its board of directors and committees, and the public entity referred to herein shall have rights set forth herein, but there shall be no other persons or entities entitled to enforce the provisions hereof as third party beneficiaries or otherwise. The Association shall be entitled to payment of all reasonable attorneys fees incurred by the Association (or the Management Committee or Site Committee), payable by an Owner in violation of this Declaration or any such rules or regulations.

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

ARTICLE XIV

AMENDMENTS

Except as provided in the following paragraph, the provisions of this Declaration may be amended by the vote of those holding at least two-thirds (2/3) of the votes of the Members in the Association. Any amendment so authorized shall be accomplished by recordation of an instrument executed by the Management Committee. In such instrument said Committee shall certify that the vote required hereby for amendment has been duly obtained. The Plat may be supplemented, amended and modified from time to time by the Declarant in its discretion.

Notwithstanding anything to the contrary contained in this Declaration, (a) no material amendments to the common expense and maintenance provisions of Article V, shall be adopted without the written approval of at least 51% of all of the Owners affected thereby, (b) no amendment of any provision hereof which amendment adversely affects the Declarant may be adopted without the express written consent of Declarant and (c) the provisions of Section 5 of Article VI above may not be amended without the consent of the County Commissioners of Teton County, Idaho.

ARTICLE XV

GENERAL PROVISIONS

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

Section 2. Governing Law. This Declaration shall be governed by and construed in accordance with the laws of the State of Wyoming.

ARTICLE XVI

EFFECTIVE DATE

This Declaration shall take effect when recorded with the Clerk of Teton County, Idaho.

16008

IN WITNESS WHEREOF, the undersigned Declarant has executed this instrument.

DECLARANT:

TETON CREEK RESORT

By Cyril K. Richard

STATE OF WYOMING)
) ss.
COUNTY OF TETON)

The foregoing Declaration was acknowledged before me by Cyril K. Richard duly acting as Manager of Teton Creek Resort, this 13th day of November, 1995.

WITNESS my hand and official seal.

Mary Kimpel
Notary Public

(seal)

My commission expires:



1995