

RECEIVED

MAY 17 2005

TETON CO., ID
CLERK RECORDER

168083

DECLARATION OF
COVENANTS FOR
TETON CREEK TOWNHOMES

Teton Creek Resort, Idaho

* * * * *

RECITALS:

WHEREAS, There is filed in Teton County, Idaho, as Instrument No. 122068, dated November 13, 1995, that certain DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR TETON CREEK RESORT IN TETON COUNTY, IDAHO, (hereafter "Master Declaration"), and

WHEREAS, Said DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, by Article XIV, allow amendments thereto by a vote of those holding at least two-thirds of the votes of the Members in the Teton Creek Resort Owners Association, and

WHEREAS, the undersigned constitute at least two-thirds of the votes of the Members in the Association, and

WHEREAS, Teton Creek Resort, LLC, as the Declarant of said DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is now undertaking the development of that certain property within the Teton Creek Resort, as depicted on Exhibit A hereto, which development shall be known as "Teton Creek Townhomes":

NOW, THEREFORE, TETON CREEK RESORT, LLC, as Declarant herein, with the assent of the Members of the Teton Creek Resort Owners Association, hereby declares that the following

DECLARATION OF COVENANTS FOR TETON CREEK TOWNHOMES, 1

S:\MICK\Clients\Teton Creek Resort\Teton Creek Townhomes\Declaration of Covenants .wpd

168083

shall constitute the covenants, conditions and restrictions for that property described in Exhibit A hereto and commonly known as "Teton Creek Townhomes."

ARTICLE I

Controlling Documents

This Declaration of Covenants, Conditions and Restrictions shall be controlling, and take precedence over, the Master Declaration, as to that Property described in Exhibit A hereto. Unless and until otherwise modified, said Master Declaration shall be controlling as to all other property of Teton Creek Resort. In the event there is any subject or issue not set forth herein, but which is addressed in said Master Declaration, the provisions of said Master Declaration—to the extent not in conflict with any provision hereof—are confirmed as controlling as to those issues.

ARTICLE II

Definitions

2.1 "Articles" shall mean any Articles of Incorporation of the Association when and if same may be prepared, and filed, hereafter, and from time to time be amended.

2.2 "Assessments" shall mean those payments required of Owners and Association Members including regular, special, limited and such Assessments of the Association as further defined in this Declaration.

2.3 "Association" shall mean and refer to the Teton Creek Townhomes Association, its successors and assigns, whether or not incorporated. The Association shall include, when the context requires, its Board of Directors, officers and other authorized representatives and agents as the same, or any of them, may from time to time be constituted.

2.4 "Association Rules" shall mean those rules and regulations promulgated by the Association governing conduct upon and use of the Property under the jurisdiction or control of the

DECLARATION OF COVENANTS FOR TETON CREEK TOWNHOMES, 2

S:\MICK\Clients\Teton Creek Resort\Teton Creek Townhomes\Declaration of Covenants .wpd

168888

Association, the imposition of fines and forfeitures for violation of Association Rules and Regulations, and procedural matters for use in the conduct of business of the Association.

2.5 "Board" Shall mean the Board of Directors or other governing board or individual, if applicable, of the Association.

2.6 "Bylaws" shall mean the bylaws of the Association, if any.

2.7. "Canals" shall refer to any presently existing and hereafter constructed ditches and canals upon the property.

2.8 "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, road 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.

2.9 "Committee" shall mean the Architectural Control Committee as hereinafter described.

2.10 "Declaration" or "Amended Declaration" shall refer to this declaration as hereafter amended and supplemented from time to time, and as recorded in the records of Teton County.

DECLARATION OF COVENANTS FOR TETON CREEK TOWNHOMES, 3

S:\MICK\clients\Teton Creek Resort\Teton Creek Townhomes\Declaration of Covenants .wpd

108000

2.11 "Declarant" shall mean and refer to the TETON CREEK RESORT, LLC, an Idaho Limited Liability Company, or its successors and assigns.

2.12 "Ditches" shall refer to any presently existing and hereafter constructed ditches and canals upon the property.

2.13 "Improvement" shall mean any structure, facility or system, or other improvement or object, whether permanent or temporary, which is erected, constructed or placed upon, under or in any portion of the Property, including, but not limited to buildings, fences, streets, drives, driveways, sidewalks, curbs, landscaping, signs, lights, mailboxes, electrical lines, pipes, pumps, ditches, waterways, and other recreational facilities and fixtures of any kind whatsoever.

2.14 "Lighting" shall refer to "dark sky lighting" defined as low wattage lighting that is downward directed.

2.15 "Lot" shall mean one of several parcels into which Property is divided, and which may not be further divided.

2.16 "Member" shall mean each person or entity holding membership in the Association.

2.17 "Mortgage" shall mean and refer to any mortgage or deed of trust and "Mortgagee" shall refer to the mortgagee, or beneficiary under a deed of trust, and "Mortgagor" shall refer to the mortgagor, or grantor of a deed of trust.

2.18 "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of any ownership interest to any townhouse which is a part of the Property, but excluding those having such interest merely as security for the performance of an obligation.

2.19 "Plat" shall mean the real property described in Exhibit A hereto.

2.20 "Private Road" or "Private Roads" shall refer to all roads within the Property used for vehicular travel and all are designated as "private", as opposed to "public".

DECLARATION OF COVENANTS FOR TETON CREEK TOWNHOMES, 4

S:\MICK\Clients\Teton Creek Resort\Teton Creek Townhomes\Declaration of Covents .wpd

2.21 "Properties" or "Property" shall mean and refer to the real property hereinbefore described, and the improvements thereon, to include the townhouses.

ARTICLE III

Purpose

Declarant is owner of that certain real property the subject hereof and wishes to ensure that each townhome therein shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the terms, covenants, conditions, reservations, easements and restrictions set forth herein, in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sell and use of the property, and to enhance the value, desirability and attractiveness of the property. The terms, covenants, conditions, reservations, easements and restrictions set forth herein shall run with the land, and shall be binding upon all persons having or acquiring any right, title or interest in the property or any lot, parcel or portion of the property and interest therein, and shall inure to the benefit of and be binding upon Declarant, its successors in interest and each Grantee or Owner and his respective successors in interest.

ARTICLE IV

General Covenants, Conditions and Restrictions

4.1 Land Use and Building Type. No property shall be used except for residential purposes, and no property shall be used for the conduct of any trade or business or professional activity.

Except as specifically provided otherwise in this Declaration or any Supplemental Declaration, no Improvement shall be erected, altered, placed or permitted.

4.2 Architectural Control. No Improvements which shall be visible above the ground or which will ultimately affect the visibility of the above ground Improvement shall be built, erected,

DECLARATION OF COVENANTS FOR TETON CREEK TOWNHOMES, 5

S:\MICK\Clients\Teton Creek Resort\Teton Creek Townhomes\Declaration of Covenants .wpd

placed or materially altered on the Property, including without limitation, change of exterior colors or materials, unless and until the Architectural Control Committee has provided written approval. The Committee, may in its reasonable discretion, approve or disprove such Improvements based upon all relevant factors, including without limitation: design and style, mass and form, value, topography, setback requirements, exterior color and materials, and such Improvements, physical or aesthetic conformity to surrounding terrain and the other Improvements on the Property. Said requirements as to the approval of the architectural design shall apply only to the exterior appearance of the Improvements.

No improvements may encroach upon the Common Areas unless first approved in writing by the Committee.

4.3 Certificate of Occupancy. No Certificate of Occupancy will be issued until such time as the Phase II infrastructure is completed.

4.4 Nuisances. No noxious or offensive activity, including without limitation, those creating an offensive odor or offensive noise, shall be carried on upon any Property nor shall anything be done thereon which may be or may become an annoyance or nuisance.

4.5 Temporary Improvements. No Improvements of a temporary character and no trailer, tent, shack, garage, or other outbuildings shall be placed or used on any Property at any time, except during construction activities. Property owner will obtain permission of the Association for such activities and said construction equipment and material will remain no longer than 30 days.

4.6 Signs. No sign of any kind shall be displayed to the public view on any property, unless approved in advance by the Architectural Control Committee.

4.7 Animals. No animals shall be raised, bred or kept on any property, except that dogs, cats or other household pets may be kept provided they are not kept, bred, or maintained for any

DECLARATION OF COVENANTS FOR TETON CREEK TOWNHOMES, 6

S:\MICK\clients\Teton Creek Resort\Teton Creek Townhomes\Declaration of Covents .wpd

commercial purpose and provided that the keeper of such pets complies with all State, City and County laws, rules and regulations related thereto. No dog runs or kennels shall be permitted, absent express written authority by the Committee. Any such pets shall be maintained and cared for by Owner, to include repair of damages and removal and disposition of waste.

4.8 Refuse Storage and Disposal. No rubbish, trash, garbage, refuse or debris shall be placed or allowed to remain on the Property except trash kept and maintained in designed sanitary containers, and in specific areas as specified by the Association.

4.9 Boats, Campers and Other Vehicles. No boats, trailers, tractors, recreational vehicles shall regularly be parked or stored on any portion of the property except in areas expressly designated by the Committee.

4.10 Hazardous Activities. No activities which might be unsafe or hazardous to any person or the Property shall be conducted. Without limiting the generality of the foregoing, no firearms shall be discharged upon said property and no open fires shall be lighted or permitted except in a self-contained barbecue unit while attended and in use for cooking purposes.

4.11 Unsightly Articles. No unsightly articles shall be permitted to remain on the Property as to be visible from any other portion of the Property.

4.12 Fences. No fences are allowed upon the property except as may be first approved by the Committee, in its sole discretion, and otherwise in compliance with all existing codes and regulations of the State of Idaho and Teton County.

4.13 Landscaping, Landscaping Plan and Screening. The Property shall be landscaped by Declarant, or Declarant's designee. No landscaping shall be had by any Owner upon any Property except upon advance written authority of the Committee. Any proposed screening shall be installed by Declarant, or Declarant's designee, only.

DECLARATION OF COVENANTS FOR TETON CREEK TOWNHOMES, 7

S:\MICK\Clients\Teton Creek Resort\Teton Creek Townhomes\Declaration of Covents .wpd

4.14 Ditches and Canals. All ditches and canals are owned by the Association subject to certain easements, water, carrying and ditch rights in favor of designated irrigation districts and other down stream water right owners and users. The maintenance and upkeep of the ditches and canals shall be as determined by the Association and such irrigation districts, and in the absence of any such agreement, shall be the responsibility of Association. However, all Owners shall refrain from obstructing the canals and ditches and by any means, and from placing debris therein.

4.15 Hot Tubs. No owner shall be allowed to place any hot tub upon the property unless and until advance written approval is provided by the Committee, and in any event, any such approval shall be given only with the condition that the Owner is solely responsible for the use and operation of any such hot tub, and any and all liability of any kind and nature arising by reason of the presence or use of a hot tub shall be in Owner who shall hold harmless and indemnify Association and Members and Declarant.

4.16 Barbecue Area. There is designated as a Common Area for the Common use and enjoyment of all of the Members of the Association an area, with grill, for barbecuing activities. To ensure equal access and orderly use thereof the area shall be made available on a reservation basis through such individual as is designated by the Association from time to time.

4.17 Right to Farm. Property is subject to the Right to Farm Act as stated in Idaho Code Section 22-4500, *et seq.* and recognizes the neighboring land rights under this law.

4.18 Lighting. All Lighting shall be "dark sky lighting" and utilized in areas designated by the Association.

4.19 Lots. No lot shall be further subdivided.

ARTICLE V

Teton Creek Townhomes Association

5.1 Organization of Association. Teton Creek Townhomes Association ("Association") shall be charged with the duties and invested with the powers prescribed by law and set forth in this Declaration. (In the event the Association is incorporated, neither the Articles nor the Bylaws shall, for any reason, be adopted, or amended, or otherwise charged or interpreted so as to be inconsistent with this Declaration.)

5.2 Board of Directors and Officers. The affairs of the Association shall be conducted by a Board of Directors and such officers as the Directors may elect or appoint, in accordance with this Declaration as the same may be amended and supplemented from time to time. Initially, the Board of Directors shall consist of the Members of the Architectural Control Committee.

5.3 Voting. The Association shall have two classes of voting memberships:

5.3.a. Class A: Class A members shall be the Owners, with the exception of Declarant, and shall be entitled to one vote for each townhome owned. When more than one person holds an interest in any townhome, all such persons shall be entitled to vote. However, the vote for such townhome shall be exercised as they determine, and in no event shall more than one vote be cast with respect to any townhome.

5.3.b. Class B: The Class B member shall be the Declarant. Upon the recording hereof, Declarant shall be entitled to three votes for each townhome owned. The Class B membership shall cease and be converted to Class A membership upon the sale of all townhomes owned by the Declarant.

5.4 Powers and Duties of the Association. The Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done in accordance with this Declaration, including the following:

- a. Assessments. The power to levy assessments (initial, annual, special and limited) on the Owners and to enforce payment of such assessments.

DECLARATION OF COVENANTS FOR TETON CREEK TOWNHOMES, 9

S:\WICK\Clients\Teton Creek Resort\Teton Creek Townhomes\Declaration of Covenants .wpd

10808

- b. Common Areas. The power to acquire, own or control all landscape easements, and Common Areas in the Property, to maintain the same for the benefit of the Property, to levy assessments and pay and provide for the maintenance of said Common Areas, and to take all necessary and proper action to provide for the management and use of the same.
- c. Enforcement. The power and authority from time to time to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration, including the Association rules adopted pursuant to this Declaration, and to enforce by mandatory injunction or otherwise, all provisions thereof.
- d. Delegation of Powers. The authority to delegate its power and duties to committees, officers and employees, or to appoint any person, firm or corporation to act as manager. Neither the Association nor the members of its Board shall be liable for any omission or improper exercise by the manager of any such duty or power to be delegated.
- e. Association Rules. The power to adopt, amend and repeal by majority vote of the Board such rules and regulations as the Association deems reasonable and which are consistent with this Declaration (the Association Rules).
- f. Emergency Powers. The Association or any person authorized by the Association may enter upon any Property in the event of any emergency involving illness or potential danger to life or property or when necessary in connection with any maintenance or construction for which it is responsible.
- g. Licenses, Easements and Rights-of-Way. The power to grant and convey to any third party such licenses, easements, rights-of-way or fee title in, on, through or under the Common Areas or any landscape easement as may be necessary or appropriate for the orderly maintenance, preservation, and enjoyment of such Common Areas and for the preservation of health, safety, convenience and welfare of the Owners, for the purpose of constructing, erecting, servicing, operating or maintaining underground lines, cable, wires, pipes, conduits and other devices for the transmission of any utility service or other public or quasi-public service.
- h. Landscape Easements. The power to control, administer and maintain vegetation on, aesthetic quality of and the means and manner of water distribution to all landscape easements running in favor of the Association and the power to take all measures necessary to control, administer and maintain the same.

DECLARATION OF COVENANTS FOR TETON CREEK TOWNHOMES, 10

S:\MICK\Clients\Teton Creek Resort\Teton Creek Townhomes\Declaration of Covents .wpd

168987

5.5 Duties of the Association. The Association or its agents shall have the obligation to conduct all business affairs of common interest to all Owners, and to perform each of the following duties:

- a. Insurance. Obtain from reputable insurance companies authorized to do business in the State of Idaho and maintain in effect the following policies of insurance:
 - i. Full coverage directors and officers liability insurance if the Board so elects.
 - ii. Such other insurance, including but not necessarily limited to workers compensation insurance to the extent necessary to comply with all applicable laws.
 - iii. Any liability, casualty or other insurance the Board may deem necessary to carry out the Association functions or to insure the Association against any loss.
 - iv. The Association shall be deemed trustee in the interests of all Members of the Association for any insurance proceeds paid to it under such policies, and shall have full power to receive their interests in such proceeds and to deal therewith.
 - v. Insurance premiums for the above insurance coverage shall be deemed a common expenses to be included in the annual assessments levied by the Association.
- b. Rule Making. Make, establish, promulgate, amend and repeal the Association Rules.
- c. Architectural Control Committee. Appoint and remove members of the Committee, upon the conditions specified in this Declaration.
- d. Rights of Way and Pedestrian Accesses. Maintain, repair and replace any landscaping, fencing or other Improvements located on or within the Property and designated as pedestrian accesses, walkways, paths or open spaces.
- e. Common Areas. Maintain, operate, repair, and provide for the use and management of all Common Areas, storage facilities, screening fences, subdivision entrances, and recreational facilities.
- f. Landscape Easements. Provide, maintain and protect the vegetation on, and aesthetic quality of landscape easements, and to provide, maintain and repair water delivery

DECLARATION OF COVENANTS FOR TETON CREEK TOWNHOMES, 11

S:\MICK\clients\Teton Creek Resort\Teton Creek Townhomes\Declaration of Covents .wpd

systems necessary to nurture such vegetation and create and maintain such aesthetic quality.

5.6 Personal Liability. No member of the Board or any committee of the Association (including the Architectural Control Committee) or any officer of the Association, or the Declarant, or the manager, if any, shall be personally liable to any Owner, or any other party, including the Association, for any damage, loss, or prejudice suffered or claimed on the account of any act, omission, error or negligence of the Association, the Board, the manager, if any, or any other representative or employee of the Association, the Declarant or the Architectural Control Committee, any other committee or any other officer of the Association, or the Declarant, provided that such person has, upon the basis of such information as may be possessed by him, acted in good faith without willful or intentional misconduct.

ARTICLE VI

Covenant For Maintenance and Assessments

6.1 Creation of the Lien and Personal Obligation of Assessments. Each owner of any townhouse, is deemed to covenant and agree to pay the Association the following:

- a. Annual regular Assessments or charges;
- b. Special Assessments for capital improvements;
- c. Limited Assessments as hereinafter provided.

The regular, special and limited Assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such Assessment is made. Each such Assessment, together with interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of

DECLARATION OF COVENANTS FOR TETON CREEK TOWNHOMES, 12

S:\MICK\clients\Teton Creek Resort\Teton Creek Townhomes\Declaration of Covents .wpd

100087

such property at the time when the Assessment fell due. The personal obligation for delinquent Assessments shall not pass to any successor in interest unless expressly assumed by such successor.

6.2 Purpose of Assessments.

- a. Regular Assessments. The regular Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Properties and for the improvement and maintenance of landscaped areas maintained by the Association, to pay property taxes and other assessments, to maintain, operate and improve any Common Areas, and to pay other reasonable costs and expenses which are incurred by the Association in carrying out the duties and business of the Association.
- b. Special Assessments for Capital Improvements. In addition to the annual regular Assessments authorized above, the Association may levy, in any assessment year, a special Assessment applicable to that year only for the purpose of defraying, in whole or in part, costs and expenses of the Association which exceed the regular assessments provided that any such assessment shall be approved by a majority vote of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.
- c. Limited Assessments. Limited Assessments may be levied against any Owner in an amount equal to the costs and expenses incurred by the Association, including legal fees, for corrective action necessitated by such Owner, and costs and expenses incurred for the repair and replacement of any property maintained by the Association damaged by negligent or willful acts of any Owner or occupant of a townhouse who is occupying same with the consent of such Owner.

6.3 Uniform Rate of Assessment. Except as otherwise specifically provided herein, both regular and special Assessments must be fixed to the uniform rate for all townhomes and may be collected on a monthly or other basis as determined by the Association from time to time.

6.4 Date of Commencement of Regular Assessments - Due Dates. The regular Assessments or any special Assessments then in effect, shall commence as to a townhouse on the first day of the first month following the occupancy of a townhouse by an Owner. The Board of Directors shall fix the amount of the regular Assessment against each townhouse on or before October 31 of each calendar year, and provide notice in writing to each Owner on or before

DECLARATION OF COVENANTS FOR TETON CREEK TOWNHOMES, 13

S:\MICK\clients\Teton Creek Resort\Teton Creek Townhomes\Declaration of Covenants .wpd

November 30 of each year. The due date shall be the first day of each month unless otherwise established by the Board of Directors.

6.5 Effect of Non-Payment of Assessments. Any Assessment not paid within 15 days after the due date shall bear interest from the due date at a rate of 18% per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the Assessments by non-use of the Common Area or abandonment of his townhouse.

6.6 Lien for Unpaid Assessments. A lien shall attach to each townhouse for unpaid assessments and interest accruing thereon as set forth herein.

ARTICLE VII

Architectural Control Committee

7.1 Member of the Committee. The Architectural Control Committee for the Property, sometimes referred to as the "Committee", shall consist of three members. The following persons are hereby designated by Declarant as the initial members of the Committee:

- a. Teton Creek Resort, LLC by its designee
- b. Cora Capital Idaho, LLC by its designee
- c. Teton Creek Townhomes Association, by its designee

Each of said persons shall hold office until such time as he has resigned or has been removed or a successor has been appointed.

7.2 Right of Appointment and Removal. At any time Declarant is the Owner of at least one townhouse, Declarant shall have the right to appoint and remove two members of the

DECLARATION OF COVENANTS FOR TETON CREEK TOWNHOMES, 14

S:\MICK\clients\Teton Creek Resort\Teton Creek Townhomes\Declaration of Covents .wpd

Committee. Thereafter the Board of Directors of the Association shall have the power to appoint and remove all members of the Committee.

Members of the Committee may be removed at any time, without cause.

7.3 Review of Proposed Activities. The Committee shall consider and act upon any and all proposals or plans and specifications submitted for approval pursuant to the Declaration, and shall inspect activities to assure conformance with plans approved by the Committee. The Committee shall have the power to determine, by rule or written designation consistent with this Declaration, which types of improvements and activities shall be submitted to the Committee for review and approval and shall approval only those activities which are not detrimental to the appearance of any structure affected thereby and which will be harmony with the surrounding environment. The maintenance of property values is a primary object hereof.

7.4 Committee Decisions. Decisions of the Committee and the reasons therefor shall be transmitted by the Committee to any applicant within 10 business days after filing all materials required by the Committee.

7.5 Meetings of the Committee. The Committee shall meet from time to time as necessary to perform its duties hereunder. The Committee from time to time by resolution unanimously adopted in writing, designate a Committee Representative (who may, but need not be, one of its members) to take any action or perform any duties for or on behalf of the Committee, except the granting of variances. In the absence of any such designation, the vote of any two members of Committee shall constitute an act of the Committee.

7.6 Waiver of Future Approvals. Any approval by the Committee of any proposals or plans, specifications or drawings for any work done or proposed, shall not be deemed to constitute

DECLARATION OF COVENANTS FOR TETON CREEK TOWNHOMES, 15

S:\MICK\Clients\Teton Creek Resort\Teton Creek Townhomes\Declaration of Covenants .wpd

a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications subsequently or additionally submitted for approval or consent.

7.7 Compensation of Members. The members of the Committee shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties hereunder.

7.8 Nonliability of Committee Members. Neither the Committee nor any member thereof, nor its duly authorized Committee representative, shall be liable to the Association, or to any Owner for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's duties hereunder, provided such person has, upon the basis of such information possessed by him, acted in good faith without willful or intentional misconduct.

ARTICLE VIII

General Provisions

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

8.2 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

8.3 Interpretation. The terms, covenants and conditions hereof are to be read and interpreted consistently and in a manner to protect property values.

8.4 Conflict. In the event of any conflict between the provisions hereof, and those of the "Master Declaration", the provisions of the Master Declaration are controlling.

DECLARATION OF COVENANTS FOR TETON CREEK TOWNHOMES, 16

S:\MICK\Clients\Teton Creek Resort\Teton Creek Townhomes\Declaration of Covenants .wpd

8.5. Amendment. This Declaration may be amended, restated, replaced, terminated or superceded only by Declarant, or its successor in interest, and with the written consent and approval of two-thirds of the then existing Owners of townhomes.

DATED This 13 day of May, 2005.

TETON CREEK RESORT, LLC

By [Signature]

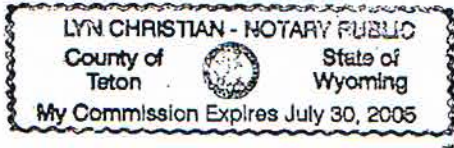
Its Manager

PETER L. COOK

Wyoming
STATE OF ~~IDAHO~~)
County of Teton)

On the 13th day of May, 2005, personally appeared before me, Peter L. Cook, and duly sworn and known by me to be the Manager of TETON CREEK RESORT, LIMITED LIABILITY COMPANY, and that the within and foregoing instrument was signed on behalf of said Limited Liability Company upon approval of the Members of the Limited Liability Company, and he acknowledged to me that said Limited Liability Company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.



Lyn Christian
NOTARY PUBLIC FOR ~~IDAHO~~ Wyoming
Residing at: Jackson, Wyoming
My commission expires: July 30, 2005

Approved and accepted on the 17 day of MAY, 2005, on behalf of Teton Creek Resort Owners:

[Signature]

DECLARATION OF COVENANTS FOR TETON CREEK TOWNHOMES, 17

S:\MICK\Clients\Teton Creek Resort\Teton Creek Townhomes\Declaration of Covents .wpd

STATE OF Wyoming)
)
County of Teton)

On this 17th day of May, 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared Ron Sappol & Peter Cook, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that s/he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.



Lyn Christian
NOTARY PUBLIC FOR Wyoming
Residing at: Jackson WY
My commission expires: July 30, 2005

EXHIBIT "A"
Declaration of Covenants For Teton Creek Townhomes

DECLARATION OF COVENANTS FOR TETON CREEK TOWNHOMES, 19
S:\MICK\Clients\Teton Creek Resort\Teton Creek Townhomes\Declaration of Covenants .wpd

408080