

DECLARATION OF CONDOMINIUM

OF

MERCANTILE SQUARE

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THIS DECLARATION made this _____ day of January, 1975, by ALYCE PAMELA McCAULEY, hereinafter referred to as the declarant, pursuant to the provisions of the Condominium Ownership Act of the State of Wyoming (Sections 34-389.7 through 34-389.10, Wyoming Statutes, 1957), hereinafter called the Condominium Act.

WITNESSETH:

WHEREAS, declarant is the record owner of that certain real property described in Article II of this Declaration (sometimes hereinafter referred to as "said real property"); and

WHEREAS, it is the desire and intention of the declarant to divide the said real property into condominiums by means of this Declaration of Condominium and warranty deeds; and

WHEREAS, declarant has established a general plan of development of said property and desires that the rights, privileges and obligations of the declarant, unit owners, Board of Managers, mortgagees and others who may be interested therein be explicitly set forth;

NOW, THEREFORE, declarant hereby declares that said real property and each and every condominium therein and every part or parcel thereof or pertaining thereto is and shall be owned, held, transferred, sold, conveyed, hypothecated, encumbered, leased, rented, used, occupied, maintained, altered and improved subject to the limitations, covenants, conditions, restrictions, reservations, exceptions and terms (sometimes hereinafter

collectively referred to as "said covenants") hereinafter set forth and as part of and pursuant to a common plan of development and improvement of said real property and for the division thereof into condominiums, for the purpose of enhancing and protecting the value, desirability and attractiveness of said property and every part and portion thereof. Said covenants shall run with the land and shall bind, be a charge upon and inure to the benefit of all said real property and each and every condominium therein and every part or parcel thereof or pertaining thereto and shall bind and inure to the benefit of declarant, their successors and assigns, and each and every owner of any such condominium, their heirs, executors, administrators, successors and assigns. It is the intention of declarant that each and all of said covenants shall be covenants running with said real property and mutual and equitable servitudes upon and in favor of each and every condominium, part and parcel of or in or pertaining to said real property, all pursuant to the Condominium Ownership Act of the State of Wyoming.

ARTICLE I

INTENTION

The declarant states that Alyce Pamela McCauley is the owner in fee simple of and submits the property hereinafter described to the provisions of the Condominium Ownership Act. Michael McCauley, husband of the declarant, executes this declaration for the sole purpose of releasing any and all homestead rights which he may have in and to the property.

ARTICLE II

DESCRIPTION OF PROPERTY

The real property which is subject to this Declaration is situated in the Town of Jackson, County of Teton, State of Wyoming, and is described as follows:

The E½ of Lot 2 and all of Lot 3 of Block 1 of the First Cache Creek Addition to the Town of Jackson.

ARTICLE III

BUILDING ERECTED

The declarant has constructed upon the above premises a multi-unit store and office building containing approximately 29,000 square feet and is approximately 55 feet high including the basement or lower units, which space may be used for commercial and office purposes. In addition, the property has a common entry deck, rear deck, vestibule and common parking, all of which is shown on the condominium plans prepared by Paul N. Scherbal, Registered Land Surveyor, Big Piney, Wyoming.

ARTICLE IV

UNIT DESIGNATIONS

The unit designation of each unit, its location, dimensions, approximate area, number of rooms and common elements to which it has immediate access, and other data concerning its proper identification, are set forth in the condominium plans which are made a part hereof by this reference. Each unit is bounded both as to horizontal and vertical boundaries by the interior surface of its perimeter walls, ceilings and floors which are shown on such plans, subject to such encroachments as are contained in the building, whether the same now exist or may be caused or created by construction, settlement or movement of the building or by permissible repairs, construction or alteration.

ARTICLE V

DESCRIPTION OF COMMON ELEMENTS AND COMMON INTERESTS

The common elements and the undivided interest of each unit owner in such common elements are set forth in the condominium plans and on Exhibit "A" annexed hereto.

The common elements consist of all parts of the condominium property other than the individual units and the right of the owner of Unit No. 6-2 to use such portion of the entry deck for an outdoor cafe and seating area, provided the same does not interfere with foot traffic, and in addition, but not in limitation thereof, the common elements include the following:

(A) Land and parking areas, roofs, stairs, stairways, exterior walls including exits and interior walls except those partitioned walls wholly within a unit.

(B) The foundation and structural members, including columns, girders, beams and supports.

(C) All central and appurtenant installations, including all pipes, ducts, shafts, wires and cables used in connection therewith, required to provide power, light, telephone, water, heat, sewer and the sewer ejector systems, and fire protection devices or systems.

(D) Easements for access, maintenance, repair, reconstruction or replacement of the foregoing structural members, equipment, installations and appurtenances, and for all other services necessary or convenient to the existence, maintenance, safety and use of the property, and to subsequently install and maintain a sprinkler system for fire protection.

ARTICLE VI

CHARACTER AND USE

The building is intended to be used as a multi-unit office

and store building. The common elements shall be used for the benefit of the unit owners, and furnishing of services and facilities for which the same are reasonably intended, and for the enjoyment to be derived from such proper and reasonable use.

ARTICLE VII

EFFECTIVE DATE OF THE CONDOMINIUM

The effective date of the condominium is the date when this Declaration is recorded in the Office of the Clerk of the County of Teton, State of Wyoming. From and after the date of the recording of this Declaration, the property hereinabove described shall be and shall continue to be subject to each and all the terms hereof until this Declaration and this condominium is terminated or abandoned in accordance with the provisions of the Condominium Ownership Act and of this Declaration.

ARTICLE VIII

DEFINITION AND TERMS

The following terms when used in this Declaration and any other instruments constituting the condominium documents are intended to be consonant with the means ascribed to them by the Condominium Ownership Act and are defined herein as follows:

(A) "Assessment" means that portion of the cost of maintaining, repairing and managing the property which is to be paid by each unit owner as determined by the Board of Managers.

(B) "Board of Managers" means the group of persons selected, authorized and directed to manage and operate the condominium as provided by this Declaration.

(C) "Common charges" means each unit's share of the common expenses in accordance with its common interest in relation to the entire project, pursuant to the percentages set forth in the schedule attached hereto and marked Exhibit "A".

(D) "Common elements" means all that part of the condominium property which is not a part of the individual units as shown on the condominium plan.

(E) "Common expenses" means and includes the actual and estimated expenses of operating the property and any reasonable reserve for such purposes as found and determined by the Board of Managers and all sums designated common expenses by or pursuant to the Condominium Declaration.

(F) "Common interest" means the proportionate undivided interest in the fee-simple absolute in the common elements appertaining to each unit as expressed in this Declaration.

(G) "Common profits" means the excess of all receipts of the rents, profits and revenues from the common elements or other assets of the condominium organization remaining after the deduction of the common expenses and allowing for a reasonable reserve for future expenditures, all as fixed by the Board of Managers.

(H) "Common surplus" means the excess of all receipts of the condominium organization including but not limited to assessments, rents, profits and revenues on account of the common elements, over the amount of common expenses.

(I) "Condominium parcel" means a unit together with the undivided share in the common elements which are appurtenant to the unit.

(J) "Condominium property" means and includes the land in the condominium, whether or not contiguous, and all improvements thereon and all easements and rights appurtenant thereto for use in connection with the condominium.

(K) "Declaration" means this instrument and by which the property is submitted to the provisions of the Condominium Ownership Act and such instruments as from time to time amend the same in accordance with said Act and this Declaration.

(L) "Majority" of unit owners and specified percentages of unit owners is the "majority" as set forth in this Declaration.

(M) "Operation of the property" means and includes the administration of the project, the operation, maintenance, repair or replacement of and the making of any additions or improvements in the common elements.

(N) "Person" means a natural person, a corporation, partnership, the condominium organization herein referred to, trustee or other legal entity.

(O) "Plans" or "condominium plans" means the condominium plan for said real property recorded in the Office of the County Clerk of Teton County, Wyoming, on February 1975, in Book of Maps of said records, as Plat No.

(P) "Share" means the percentages in and to the common elements attributed to each unit as set forth in the condominium plan.

(Q) "Unit" means one of the office or commercial units, each of which is separately owned and has a unit designation as set forth on the condominium plans and on Exhibit "A".

(R) "Unit owner" means the person or persons owning one of more of the professional or commercial units in fee simple.

ARTICLE IX

COMMON ELEMENTS AND COMMON INTEREST

Section 1. Each unit has appurtenant to it a common proportionate undivided interest in the common elements as set forth in the condominium plan and as expressed in this Declaration. The amount of the percentage proportion of such interest in the common elements has been determined and fixed by taking the approximate proportion which the square feet in each unit bears to the total of the square feet in all of the units. For this purpose the amount of square feet of space in each unit shall be measured by the following boundaries: The exterior surface of the outside wall, the center line of partitions dividing office suites, and the common element face of any partitions abutting common elements such as stairways.

Section 2. The common interest appurtenant to each unit is declared to be permanent in character and cannot be altered without the consent of all unit owners affected and the first mortgagees of such unit owners as expressed in an amended declaration. Such common interest cannot be separate from the unit to which it appertains.

Section 3. The common elements shall not be divided nor shall any right to partition any thereof exist but nothing contained herein shall be deemed to prevent ownership of a unit by the entirety, jointly, or in common.

Section 4. Each unit owner may use the common elements in accordance with the purposes for which they are intended without hindering the exercise of or encroaching upon the rights of other unit owners. This section shall not be deemed to prevent some unit owners from enjoying substantially exclusive rights or

advantages in a part or parts of the common elements by reason of their ownership of a particular unit or units.

Section 5. The condominium on behalf of the unit owners shall have the irrevocable right, to be exercised by the Board of Managers, or its designee, to have access to each unit for the purpose of inspecting and making repairs, replacements or improvements to the common elements and to the unit itself where the responsibility therefor is upon the Board, contained therein or elsewhere in the buildings, or to prevent damage to the common elements or other units, or to abate any violation of law, orders, rules or regulations of any Governmental authorities having jurisdiction thereof, or to correct any condition which violates the provisions of any mortgage covering another unit.

Section 6. The Board of Managers shall, if any question arises, determine the purpose for which a common element is intended to be used. They shall have the right to promulgate rules and regulations limiting the use of the common elements to unit owners, their patients, clients, guests, invitees and employees as well as to provide for the exclusive use by a unit owner and his guests for special occasions of any facility. Such use may be conditioned, among other things, upon the payment by the unit owner seeking such use, of such assessment as may be established by the Board of Managers for the purpose of defraying the costs thereof. The Board of Managers shall have the right to fix a reasonable rent or charge for the use of the parking areas.

Section 7. The maintenance, repair, replacement, management, operation and use of the common elements shall be the responsibility of the Board of Managers, but nothing herein contained shall be construed so as to preclude the Board from delegating

these duties to a manager or agent or to other persons, firms or corporations.

Section 8. The expenses incurred or to be incurred for the maintenance, repair, replacement, management, operation and use of the common elements shall be collected from the unit owners and assessed as common charges by the Board of Managers.

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Section 9. (a) The Board of Managers shall have the right to make or cause to be made such alterations and improvements to the common elements as in its opinion may be beneficial and necessary or which is requested in writing by a unit owner or owners and the holders of first mortgages thereon. The Board may require the consent in writing before undertaking such work of such unit owners, and the holders of first mortgages thereon, whose rights, in the sole opinion of the Board, may be prejudiced by such alteration or improvement.

(b) When, in the sole opinion of the Board, the alteration or improvement is general in character the costs therefor shall be assessed as common expenses.

(c) When, in the sole opinion of the Board, as evidenced by a vote of not less than two-thirds thereof, the alteration or improvement is exclusively or substantially exclusively for the benefit of one or more unit owners that requested it, the cost shall be assessed against such owner or owners in such proportion as the Board shall determine is fair and equitable. Nothing herein contained shall prevent the unit owners affected by such alteration or improvement from agreeing in writing, either before or after the assessment is made, to be assessed in different proportions.

Section 10. No unit owner shall do any work which would affect or alter any of the common elements or impair any easement or hereditament therein.

Section 11. While the property remains subject to this Declaration and the Condominium Ownership Act no liens of any nature shall arise or be created against the common elements except with the unanimous consent in writing of all the unit owners and the holders of first liens thereon.

Section 12. All common charges received or to be received by the Board of Managers and the right to receive such funds shall constitute trust funds for the purpose of paying the cost of labor and materials furnished to the common elements at the express request or with the consent of the manager, managing agent or Board of Managers and the same shall be expended first for such purpose before expending any part of the same for any other purpose. Nothing herein contained shall require the Board of Managers to keep such charges in a separate bank account and no violation of said trust shall arise by reason of the commingling of the funds held by the Board of Managers in one bank account.

Section 13. Every unit owner shall comply strictly with the rules, regulations, resolutions and decisions adopted pursuant to this Declaration in relation to the units or the common elements. Failure to comply with any of the same shall be grounds for an action to recover sums due, for damages, or injunctive relief or any or all of them. Such action may be maintained by the Board of Managers on its own behalf or on behalf of the unit owners aggrieved. Nothing herein contained shall prevent, in a proper case, an independent action by an aggrieved unit owner for such relief.

ARTICLE X

UNITS: THEIR MAINTENANCE AND REPAIR

Section 1. No unit owner shall do or cause to be done any work affecting his unit which would jeopardize the soundness or safety of the property, reduce the value thereof, or impair any easement or hereditament therein. The unit owner shall cause any work being performed on the unit, which in the sole opinion of the Board of Managers violates this section, to be immediately stopped and he shall refrain from recommending or continuing the same without the consent in writing of the Board. He shall not repair, alter, replace, or move any of the common elements which are located within his unit without prior consent in writing of the Board. He shall not repair, alter, replace or perform work of any kind on the exterior of the building including balconies, or excavate an additional basement or cellar without in every such case first obtaining in writing the consent of the Board of Managers. He shall not alter or replace any walls except those nonbearing partition walls which are wholly within his unit.

Section 2. It shall be the responsibility of the Board of Managers to maintain, repair or replace:

(a) All portions of the unit which contribute to the support of the building, including main bearing walls, but excluding painting, wall papering, decorating or other work on the interior surfaces of walls, ceilings and floors within the unit.

(b) All portions of the unit which constitute a part of the exterior of the building.

(c) All common elements within the unit.

(d) All incidental damage caused by work done by direction of the Board of Managers.

(e) In the performance of any labor or in the furnishing of any material to a unit, under the direction of the Board of Managers, no lien shall be established or give rise to the basis for filing a mechanic's lien against the unit owner except such work performed for emergency repair. Nothing herein contained shall prevent such mechanic's lien being filed against a unit owner who expressly consents and requests in writing that the work be done.

Section 3. It shall be the responsibility of the unit owner:

(a) To maintain, repair or replace at his own expense all portions of the unit which may cause injury or damage to the other units or to the common elements except the portions thereof mentioned and described in Section 2 hereof.

(b) To paint, wall paper, decorate and maintain the interior surfaces of all walls, ceilings and floors within the unit.

(c) To perform his responsibilities in such a manner and at such reasonable hours so as not to unreasonably disturb other unit owners in the building.

(d) To refrain from repairing, altering, replacing, painting or otherwise decorating or changing the appearance of any portion of the common elements without first obtaining the consent in writing of the Board of Managers and to refrain from repairing, altering, replacing, painting, decorating or changing the exterior of the unit or any exterior appendages whether exclusively used by the unit owner or otherwise without obtaining the Board of Managers' consent.

(e) To promptly report to the Board of Managers or their agent all work that he intends to perform for repair of any kind, the responsibility for the remedying of which lies with the Board of Managers. Any consent by the Board of Managers to the performance of such work by the unit owner shall not constitute an assumption by the Board of Managers to pay therefor. Also, the failure of the Board of Managers to take action on the notice shall not be deemed a waiver by it of its rights and shall also not constitute a consent by the Board of an assumption by it to pay for any work performed by the unit owner. Any consent given by the Board of Managers may set forth the terms of such consent and the unit owner shall be required to abide thereby.

Section 4. Nothing in this article contained shall be construed so as to impose a personal liability upon any of the members of the Board of Managers for the maintenance, repair or replacement of any unit or common element or give rise to a cause of action against them. The Board of Managers, as such, shall not be liable for damages of any kind except for willful misconduct or bad faith.

ARTICLE XI

UNITS: HOW CONSTITUTED AND DESCRIBED

Section 1. Every unit, together with its undivided common interest in the common elements, shall for all purposes be and it is hereby declared to be and to constitute a separate parcel of real property and the unit owner thereof shall be entitled to the exclusive ownership and possession of his unit subject only to the covenants, restrictions, easements, bylaws, rules, regulations, resolutions and decisions adopted pursuant thereto as may be contained in this Declaration or as may from time to time be amended in accordance with this Declaration.

Section 2. A unit shall be described in the deed by unit designation as shown on the condominium plan and shall recite that it is part of the premises described in Article II of this Declaration and shall show the date and recording of this Declaration. It shall further recite that the conveyance is made together with the benefits, rights and privileges stated in the condominium documents and subject to all the duties, obligations and resolutions and decisions in accordance therewith as set forth in the condominium documents.

Section 3. Every conveyance or lien using the unit designation assigned to it on the condominium plan shall be deemed to include its proportionate undivided interest in the common elements and shall include without requiring specific reference thereto or enumerating them all the appurtenances and easements in favor of the unit and similarly be subject to all easements in favor of others.

Section 4. Any transfer of a unit shall include all appurtenances thereto whether or not specifically described.

ARTICLE XII

BOARD OF MANAGERS

The declarant does hereby declare that the affairs of the condominium shall be governed and controlled by a Board of Managers under this Declaration and such bylaws as may be adopted by the Board. There shall not be less than three nor more than nine members of the Board of Managers, the term of office of one-third to expire at the next annual meeting of the condominium, the term of office of one-third to expire at the second succeeding annual meeting of the condominium, and the term of office of one-third to expire at the third succeeding annual meeting of the

condominium. After the initial election, members of the Board of Managers shall be elected for a term of three years.

Section 2. The Board of Managers shall have charge of and be responsible for and is authorized to manage the affairs of the condominium organization, the common elements and other assets held by it on behalf of the unit owners except as herein otherwise limited. It shall have all the powers, rights, duties and obligations wherever set forth in this Declaration or in the condominium documents. It shall adopt and execute all measure of proceedings necessary to promote the interests of the condominium. It shall fix charges, assessments, fees and rents. It shall hold all of the foregoing and funds or assets of the condominium and administer them as trustees for the benefit of the unit owners. It shall keep accurate records and audit and collect bills. It shall contract for all loans, mortgages, leases and purchase or sale of units in the condominium acquired by it or its designee on behalf of all of the unit owners, where applicable. It shall approve or disapprove of sales, leases or mortgages on units as herein specified. It shall direct all expenditures, select, appoint, remove and establish the salaries of employees and fix the amount of bonds for officers and employees. It shall license or lease any concessions and installation of vending machines. It may, in its discretion and on behalf of the condominium, purchase or lease additional land for parking facilities. It shall maintain the common elements and other portions of the buildings as herein specified, paying for services and supervising repairs and alterations. It shall pass upon the recommendations of all committees and adopt rules and regulations as in their judgment may be necessary for the

management, control and orderly use of the common elements, and in general, it shall manage the condominium property as provided herein and in bylaws should the same be adopted, but nothing herein shall prevent the Board of Managers from employing and designating such powers as it deems advisable to professional management.

Section 3. In order to limit the liability of the unit owners, the members of the Board of Managers, or its designee, any contract or other commitment made by the Board of Managers, or a designee in its behalf, shall contain the following statement: "The Board of Managers, its managing agent, manager or other designee, as the case may be, in executing this instrument, is acting only as agent for the unit owners, and that the members of the Board of Managers, its managing agent, manager or other designee shall have no personal liability on any contract or commitment (except as unit owners), and that the liability of any unit owner on any such contract or commitment shall be limited to such proportionate share of the total liability as the common interest of each unit owner bears to the aggregate common interest of all unit owners." The Board shall have no liability to the unit owners for error of judgment or otherwise, except for willful misconduct or bad faith. It is discretionary with the Board whether its members shall be bonded for this purpose.

Section 4. True copies of the condominium plans, this Declaration, all rules, regulations, bylaws, resolutions and decisions adopted by the Board shall be kept on file in the office of the Board of Managers and shall be available for inspection at convenient hours of week days by persons having an interest therein.

date — Section 5. The Board of Managers, or a managing agent which it employs, as the case may be, shall keep detailed accurate records, in chronological order, of the receipts and disbursements arising from the operation of the property. It shall also keep an assessment roll as more fully set forth in this Declaration. Such records and vouchers authorizing the payments shall be available for examination by the unit owners at convenient hours of week days. A written report summarizing such receipts and disbursements shall be given by the Board to all unit owners at least once annually.

ARTICLE XIII

CHARGES -- ASSESSMENTS -- PROFITS

Section 1. No unit owner may exempt himself from the liability for payment of his common charges and expenses by waiver of the use or enjoyment of any of the common elements or by abandonment of his unit except as provided in Section 2 of this Article.

Section 2. Any unit owner, by complying with the terms and conditions specified in this Declaration and such bylaws as may be adopted, may convey his unit to the Board of Managers and from and after such conveyance he shall be exempt from the common charges thereafter accruing.

Section 3. The common expenses shall be charged by the Board of Managers to the unit owners, according to their respective common interest as shown on Exhibit "A". The common profits of the property, after offsetting the common expenses relating to the common elements and making due allowance for the retention of a reserve to cover future common expenses, shall be distributed among the unit owners in the same manner.

Section 4. Insurance shall be obtained upon the property and the cost thereof shall be borne and paid as common charges and as hereinafter more fully set forth.

Section 5. Assessments against the unit owners shall be made and approved by the Board of Managers and shall be paid by the unit owners and each owner shall be liable for his share of the common charges, except as in this article provided.

Section 6. Assessments for common charges shall be made for each fiscal year fifteen days in advance of the year for which the assessments are made. Such annual assessments shall be due and payable in four equal quarterly installments on the dates established by the Board of Managers, who may review and reconsider the assessments made and may increase or decrease the same and such increase required for the proper management, maintenance and operation of the common elements and the unit owners shall pay any such increase on the first day of the month following notice of the increase.

Section 7. All taxes, assessments, water rates, sewer, rents and like items which may be levied against the condominium property as a whole before separate assessments for each unit are made as provided herein shall be paid by the Board of Managers and shall be included in the budget and paid by the unit owners as a common charge.

Section 8. All liens against the common elements of any nature including taxes and special assessments levied by governmental authority may be paid by the Board of Managers and shall be assessed by it against the unit or units in accordance with their respective interest or to the common charges account, whichever in the judgment of the Board of Managers is appropriate.

Section 9. All other assessments, either for emergencies or otherwise, shall be made by the Board of Managers in accordance with the provisions of this Declaration and if the time of payment is not set forth herein, the same shall be determined by the Board of Managers.

Section 10. The assessments against all unit owners shall be set forth upon a roll of the units which shall be available in the office of the Board of Managers for inspection at all reasonable times by unit owners or their duly authorized representatives. Such roll shall indicate for each unit the name and address of the owner or owners, the assessments for all purposes and the amounts of all assessments paid and unpaid. A certificate made by the Board of Managers as to the status of a unit owner's assessment account shall limit the liability of any person for whom made other than the unit owner. The Board of Managers, or its agents, shall issue to the first mortgagee upon its demand a certificate showing the status on the assessments due from the unit owner and shall also issue such certificates to such persons as a unit owner may request in writing.

Section 11. The owners of a unit and his grantees shall be jointly and severally liable for all unpaid assessments due and payable at the time of a conveyance but without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee therefor. A purchaser of a unit at a judicial sale shall be liable only for assessments pro rated to the period after the date of such sale.

Section 12. If any assessment or common charge shall remain due and unpaid for more than fifteen days, the Board of Managers is empowered to file or record a lien therefor in the Office of

the County Clerk of Teton County. Such lien shall be signed on behalf of the Board of Managers and shall state the amount of such assessment, and such other charges as may be herein authorized, a description of the condominium unit affected, and the name of the record owner thereof. Upon payment of the assessment and all charges stated or referred to in such notice, the Board of Managers shall cause to be recorded a further notice stating the satisfaction and the release of the lien thereof.

Section 13. Such lien may be enforced by the sale of the condominium unit owned by the owner of such condominium by the Board of Managers after failure of the owner to pay any such assessment in accordance with its terms. Such sale shall be conducted in accordance with the provisions of Wyoming Statutes applicable to the exercise of powers of sale and mortgages and deeds of trust, or in any other manner permitted by law. The Board shall be authorized and shall have the power to bid for and purchase the condominium at such foreclosure sale and to hold, lease, mortgage or convey the same, subject to the terms of said covenants, and in accordance with the directions, if any, of the owners duly resolved at any meeting of the unit owners.

Section 14. Declarant shall be assessed as an owner in the manner herein provided with respect to any condominium owned by them.

ARTICLE XIV

RESTRICTIONS

Section 1. The declarant, and every unit owner by the acceptance of the deed, and their heirs, successors and assigns, covenant that they will faithfully observe all of the terms, covenants and conditions wherever imposed in this Declaration.

Section 2. Each unit owner, his heirs, successors and assigns, further covenants:

(a) He will not use, cause or permit the unit to be used other than as provided in this Declaration, nor will he use, cause or permit the unit to be subdivided, changed or altered without first having obtained the approval of the Board of Managers.

(b) That he will not use, permit or allow the unit or any part thereof to be used for an immoral, improper, offensive or unlawful purpose nor will he permit or allow any nuisance within the unit nor will he use, permit or allow the unit to be used in a manner which will be a source of annoyance or which in any way interferes with the peaceful possession, enjoyment and proper use of the property by the other unit owners.

(c) That he will not use, permit or allow the unit to be occupied by any persons who have not received approval from the Board of Managers of the condominium, nor will he sell or lease the unit without first obtaining the consent of the Board of Managers in accordance with the provisions hereinafter contained restricting the transfer of units.

(d) That he will supply to the Board of Managers the information relating to an occupant or occupants of a unit as may be necessary towards a proper determination as to his desirability as an approved occupant. Among these are: Former addresses, business and social references, financial status.

(e) That he will furnish a copy of any mortgage to the Board of Managers.

ARTICLE XV

TRANSFER OF UNITS

Section 1. The unit owner has the right to sell or lease his unit providing he gives thirty days' notice of the terms of a bona-fide sale or lease to the Board of Managers and obtains its approval for the sale. The failure of the Board of Managers to act within such thirty-day period shall be deemed to constitute approval. If the Board disapproves of the transaction, it shall within fifteen days after making its decision known produce a purchaser or lessee approved by it who will accept the transaction upon terms as favorable to the seller or landlord as the terms stated in the notice to the Board. If the Board does not produce such a purchaser or lessee, as the case may be, within the afore-said fifteen days, the unit owner shall have the right to execute such sale or lease on the terms submitted, as more specifically set forth herein.

The Board of Managers, or its designee, may elect to purchase or lease such unit on behalf of all of the unit owners in the manner set forth herein.

Section 2. Any sale, voluntary transfer, conveyance, lease or mortgage which is not authorized by the terms of this Declaration or for which authorization has not been obtained pursuant to the terms thereof is voidable and may be voided by certificate of the Board of Managers duly recorded in the recording office where the Declaration is recorded.

Section 3. All notices hereinafter referred to in this article shall be given by registered or certified mail. Delivery shall be deemed made and notice shall be deemed given by such mailing and shall not be dependent upon acceptance by the addressee.

Section 4. A unit owner intending to make a transfer, sale or lease of the unit or any part thereof, or interest therein, shall give notice to the Board of Managers of the condominium of such intention. He shall furnish at that time, for the information of the Board, the name and address of the intended grantee or lessee and shall furnish a statement of all the terms of the transaction. He shall use the form, if any, supplied by the Board in order to supply the information requested in orderly fashion. Notice, when given, shall constitute an offer to sell or lease to any purchaser or lessee produced by the Board.

Section 5. Where the Board has failed to act on a transaction and before the fifteen-day period for the production of a purchaser or lessee has passed, a unit owner may withdraw his offer to sell or lease. When the Board has produced a purchaser or a lessee who fulfills the requirements set forth in Section 1 of this article and agrees thereto, a binding contract shall be deemed to have come into existence and the unit owner shall be bound to consummate the transaction with such purchaser or lessee furnished by the Board in accordance with the terms thereof.

Section 6. The action by the Board consenting to a sale or lease shall be in recordable form signed by any officer of the condominium and attested to by the secretary thereof. The failure of the Board to act on a notice given to it within thirty days shall be deemed to constitute approval of the sale

or lease. The unit owner, the purchaser or lessee may demand and shall be entitled to receive from the Board its consent to the sale or lease in recordable form.

Section 7. The provisions of this article shall not apply to the declarant or a bank, life insurance company or savings and loan association holding title to a unit or units as a result of foreclosure sales or deeds taken in lieu thereof. Such institutions may, if they so desire, submit the name of their purchaser or lessee to the Board for its information but the approval of the Board to a sale or a lease by such institution shall in no event be required, nor shall the need therefore be inferred from any such voluntary submission.

ARTICLE XVI

DEFAULT ON AND FORECLOSURE OF AUTHORIZED OR OTHER LIENS ON UNITS

Section 1. Upon the happening of a default under the terms of an authorized first mortgage which would permit the holder to declare the entire principal sum due, notice of the intention of the holder to do so shall be given to the Board of Managers but the failure to give such notice shall not prevent the holder from instituting a foreclosure action and joining the Board of Managers as a party defendant therein.

Section 2. The Board of Managers shall have the following rights, powers and privileges with respect to authorized mortgages in default:

(a) By and with the consent of the holder thereof, to remedy the defaults existing under the terms of the mortgage and to put the same in good standing. In the event the Board shall make the advances necessary to remedy the defaults, the Board shall be deemed to hold a junior participating interest in the obligation and mortgage for the sum of principal together with interest, costs, disbursements, counsel fees, insurance, taxes or other charges so advanced with the right to foreclosure of such junior participating interest against the defaulting unit owner for the benefit of the remaining unit owners. The holder of the mortgage shall in no event be required, or have the obligation to collect the junior interest so created on behalf of the Board.

(b) To acquire by assignment either before or after institution of foreclosure action from the holder thereof said mortgage in the name of the Board or in the name of their designated nominee with all the powers and rights of the holder against the defaulting unit owner including the right to foreclosure of the same for the benefit of the remaining unit owners.

(c) To accept from the defaulting unit owner a deed transferring the unit and its common interest and by and with the consent of the holder of the mortgage to remedy the default existing under the terms thereof for the benefit of the other unit owners.

(d) To continue any pending action or to institute an action to foreclose any mortgage taken by assignment under subdivision (b) hereof, or to take a deed in lieu of foreclosure of the mortgage. In no event shall a unit owner be relieved from liability already incurred for past due common expenses and charges nor be relieved from personal liability on the bond, note or other obligation by reason of any conveyance made under subdivision (c) hereof or under this subdivision.

Section 3. The Board of Managers shall be a necessary party in every action brought to foreclose any mortgage or other lien affecting a unit. The Board of Managers shall be entitled to bid at any sale, whether the action be in its name or they be a defendant therein, and to purchase any unit at such sale for such amount as shall be approved by a majority of the Board taking into consideration the amount due the plaintiff, the costs and disbursements, and all other charges affecting the unit. The Board shall not, however, be limited in its bidding to such amount or total but may bid any higher sum that it finds necessary in order to protect the interests of the other unit owners.

Section 4. In all actions or proceedings, other than the foreclosure of an authorized first mortgage, resulting in a sale, mortgage, letting or leasing of a unit and its common interest, one of the provisions of the terms of sale, mortgage, letting or lease shall be the obtaining of the approval of the Board of Managers.

ARTICLE XVII

COMPLIANCE AND DEFAULT

Each unit owner shall be governed by and shall comply with the terms of the condominium documents, regulations, resolutions,

decisions and bylaws adopted pursuant thereto as they may be amended from time to time. A default shall entitle the Board of Managers or other unit owners to the following relief:

Section 1. Failure to comply with any of the same shall be ground for an action to recover sums due for damages or injunctive relief or both maintainable by the Board of Managers on behalf of the unit owners, or in a proper case, by an aggrieved unit owner. In any case of flagrant or repeated violation by a unit owner, he may be required by the Board of Managers to give sufficient surety or sureties for his future compliance with the bylaws, rules, resolutions and decisions.

Section 2. Each unit owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, to the extent that such expense is not met by the proceeds of insurance carried by the Board of Managers. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

Section 3. In any proceeding arising because of an alleged default by a unit owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be determined by the Court.

Section 4. The failure of the Board of Managers or of a unit owner to enforce any right, provision, covenant or condition which may be granted by the condominium documents shall not constitute a waiver of the right of the Board of Managers or unit owner to enforce such right, provision, covenant or condition in the future.

Section 5. All rights, remedies and privileges granted to the Board of Managers, its designated agent, or a unit owner, pursuant to any terms, provisions, covenants or conditions of the condominium documents shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be granted to such party by the condominium documents or at law or in equity.

ARTICLE XVIII

AMENDMENT

Except for alteration in the common interest which cannot be done except with the consent of all unit owners and of the holders of first mortgages thereon, the condominium documents may be amended in the following manner:

Section 1. Notice of the subject matter of the proposed amendment in reasonably detailed form shall be included in the notice of any meeting at which a proposed amendment is considered.

Section 2. A resolution adopting a proposed amendment may be proposed by either the Board of Managers or by the unit owners approved by the unit owners at a meeting called for this purpose. Unit owners not present at the meeting considering such amendment may express their approval in writing or by proxy. Such approvals must be by sixty-six and two-thirds (66-2/3%) percent of the common interest.

Section 3. A copy of each amendment shall be certified by the Chairman, Vice Chairman, or Acting Chairman and the Secretary or Treasurer of the Board of Managers as having been duly adopted

and shall be effective when recorded with the recording officers. Copies of the same shall be sent to each unit owner in the manner elsewhere provided for the giving of notices but the same shall not constitute a condition precedent to the effectiveness of such amendment.

ARTICLE XIX

INSURANCE

Section 1. Except title insurance, builders risk insurance and any other insurance which may be furnished by the declarant during construction, the Board of Managers shall obtain and maintain, to the extent available, insurance on the condominium building and all other insurable improvements upon the land, including but not limited to, all of the units, the lavatory equipment initially installed therein by the declarant, together with the service of machinery and equipment and all other personal property as may be held and administered by the Board of Managers for the benefit of the unit owners covering the interest of the condominium organization, the Board of Managers and all unit owners and their mortgagees as their interest may appear. The insurance shall be purchased from recognized insurance companies duly licensed to operate in the State of Wyoming.

Section 2. The Board of Managers shall obtain master policies of insurance which shall provide that the loss thereunder shall be paid to the Board of Managers as insurance trustees under this Declaration. Under the said master policies certificates of insurance shall be issued which indicate on their face that they are a part of such master policies of insurance covering each and every unit of the condominium and its common elements. A certificate of insurance with proper mortgagee

endorsements shall be issued to the owner of each unit and the original thereof shall be delivered to the mortgagee, if there be one or retained by the unit owner if there is no mortgage. The certificate of insurance shall show the relative amount of insurance covering the unit and the interest in the common elements of the condominium property and shall provide that improvements to a unit or units which may be made by the unit owner or owners shall not affect the valuation for the purposes of this insurance of the buildings and other improvements upon the land. Such master insurance policies and certificates shall contain provisions that the insurer waives its right to subrogation as to any claim against the Board of Managers, its agents and employees, unit owners, their respective employees, agents and guests, and any defense based on the invalidity arising from the acts of the insured, and providing further that the insurer shall not be entitled to contribution against casualty insurance which may be purchased by individual unit owners as hereinafter permitted. The original master policy of insurance shall be deposited with the Board of Managers as insurance trustee and a memorandum thereof shall be deposited with any first mortgagee who may require same. The Board of Managers must acknowledge that the insurance policies and any proceeds thereof will be held in accordance with the terms hereof. The Board of Managers shall pay, for the benefit of the unit owners and each unit mortgagee, the premiums for the insurance hereinafter required to be carried at least thirty (30) days prior to the expiration date of any such policies and will notify each unit mortgagee of such payment within ten (10) days after the making thereof.

Section 3. The property shall be covered by:

(a) Casualty or physical damage insurance in an amount equal to the full replacement value of the condominium buildings as determined annually by the Board of Managers with the assistance of the insurance company affording such coverage. Such coverage shall afford protection against the following:

(1) Loss or damage by fire and other hazards covered by the standard extended coverage endorsement together with coverage for the payment of common expenses with respect to damaged units during the period of reconstruction.

(2) Such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and use as the condominium buildings, including but not limited to vandalism, malicious mischief, windstorm, and water damage, plate glass damage, and such other insurance as the Board of Managers may determine. The policies providing such coverage shall provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the approval of the Board of Managers or where in conflict with the terms of this Declaration, and shall further provide that the coverage thereof shall not be terminated for nonpayment of premiums without thirty (30) days' notice to all of the insured, including each unit mortgagee.

All policies of casualty or physical damage insurance shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days' prior written notice to all of the insureds, including all mortgagees

of the units, and certificates of such insurance and all renewals thereof, together with proof of payment of premiums, shall be delivered to all unit owners and their mortgagees at least ten (10) days prior to the expiration of the then current policies.

(b) Public liability insurance in such amounts and in such forms as shall be required by the Board of Managers, including but not limiting the same to water damage, legal liability, hired automobile, nonowned automobile and off-premises employee coverage.

(c) Workmen's Compensation insurance to meet the requirements of law.

(d) Fidelity insurance covering those employees of the Board of Managers and those agents and employees hired by the Board of Managers who handle condominium funds, in amounts as determined by the Board of Managers.

Section 4. Each unit owner shall obtain additional insurance at his own expense affording coverage upon his personal property, equipment and inventory, for plate glass and water damage, a minimum or one year's business disruption insurance, and for his personal liability, but all such insurance shall contain the same waiver of subrogation as that referred to in the preceding Section 2 hereof. Each unit owner shall obtain casualty insurance at his own expense upon his unit but such insurance shall provide that it shall be without contribution as against casualty insurance purchased by the Board of Managers or shall be written by the same carrier. If a casualty loss is sustained and there is a reduction in the amount of the proceeds which would otherwise be payable on the insurance purchased by the Board of Managers pursuant to the preceding section due to proration of insurance purchased by the unit owner under this section, the unit owner agrees to assign the proceeds of this

latter insurance, to the extent of the amount of such reduction, to the Board of Managers to be distributed as herein provided.

Section 5. Premiums upon insurance policies purchased by the Board of Managers shall be paid by it and charged as common expenses.

Section 6. All proceeds payable as a result of casualty losses sustained which are covered by insurance purchased by the Board of Managers hereinabove set forth shall be paid to it. The Board of Managers shall act as the insurance trustee. The sole duty of the insurance trustee shall be to receive such proceeds as are paid to hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the unit owners and their respective mortgagees.

Section 7. Each unit owner shall be deemed to have delegated to the Board of Managers his right to adjust with the insurance companies all losses under policies purchased by the Board of Managers.

Section 8. In no event shall any distribution of proceeds be made by the Board of Managers directly to a unit owner where there is a mortgagee endorsement on the certificate of insurance.

In such event any remittances shall be to the unit owner and his mortgagee jointly. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by him.

ARTICLE XX

RECONSTRUCTION OR REPAIR OF CASUALTY DAMAGE

Except as hereinafter provided, damage to or destruction of the building shall be promptly repaired and reconstructed by the Board of Managers, using the proceeds of insurance, if any, on the building for that purpose, and any deficiency shall constitute common expenses; provided, however, that if three-fourths or more the the building is destroyed or substantially damaged and seventy-five percent or more of the unit owners do not duly and promptly resolve to proceed with repair or restoration, then and in that event the property, or so much thereof as shall remain, shall be subject to an action for partition at the suit of any unit owner or lienor as if owned in common, in which event the net proceeds of the sale, together with the net proceeds of insurance policies, if any shall be considered as one fund and shall be divided among all the unit owners in proportion to their respective common interest, provided, however, that no payment shall be made to a unit owner until there has first been paid off out of his share of such fund all liens on his unit.

(a) Any such reconstruction or repair shall be

(a) Any such reconstruction or repair shall be substantially in accordance with the original plans and specifications.

(b) Immediately after a casualty causing damage to property for which the Board of Managers has the responsibility of maintenance and repair, the Board of Managers shall obtain

reliable and detailed estimates of the cost to place the damaged property in condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Board of Managers desires.

(c) The proceeds of insurance collected on account of casualty, and the sums received by the Board of Managers from collections of assessments against unit owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner:

(1) If the amount of the estimated cost of reconstruction and repair is less than \$25,000.00, then the construction fund shall be disbursed in payment of such costs upon order of the Board of Managers, provided, however, that upon request of a mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner hereafter provided in the following Paragraph 2.

(2) If the estimated cost of reconstruction and repair of the building or other improvement is more than \$25,000.00, then the construction fund shall be disbursed in payment of such costs upon approval of an architect qualified to practice in Wyoming and employed by the Board of Managers to supervise such work, payment to be made from time to time as the work progresses. The architect shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, subcontractors, materialmen, the architect, or other persons who have rendered services or furnished materials in connection with the work, (a)

that the sums requested by them in payment are justly due and owing and that said sums do not exceed the value of the services and materials furnished; (b) that there is no other outstanding indebtedness known to the said architect for the services and materials described; and (c) that the cost as estimated by said architect for the work remaining to be done subsequent to the date of such certificate, does not exceed the amount of the construction fund remaining after payment of the sum so requested.

(d) Encroachments upon or in favor of units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis of a proceeding or action by the unit owner upon whose property such encroachment exists, provided that such reconstruction was either substantially in accordance with the plans and specifications or as the building was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the building stands.

(e) In the event that there is any surplus of moneys in the construction fund after the reconstruction or repair of the casualty damage has been fully completed and all costs paid, such sums may be retained by the Board of Managers as a reserve or may be used in the maintenance and operation of the condominium property, or, in the discretion of the Board of Managers, it may be distributed to the unit owners and their mortgagees who are beneficial owners of the fund. The action of the Board of Managers in proceeding to repair or reconstruct damage shall not constitute a waiver of any rights against a member for committing willful or malicious damage.

ARTICLE XXI

TERMINATION

Section 1. Declarant reserves the right to terminate this Declaration and to discharge same of record provided that no titles have been conveyed to independent owners. It is distinctly understood and agreed by all persons having any interest in this condominium that a declaration by the declarant herein to this effect shall be sufficient to discharge same of record.

Section 2. If the condominium shall be terminated by at least eighty percent (80%) in number and in common interest of the units, or by such larger percentage either in number or in common interest, or in both number and common interest, as may be specified by the bylaws, then the property shall be subject to an action for partition by any unit owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the unit owners in proportion to their respective common interests, provided, however, that no payment shall be made to a unit owner until there has first been paid off out of his share of such net proceeds all liens on his unit. Such withdrawal of the property from the Condominium Ownership Act shall not bar its subsequent submission to the provisions thereof in accordance with the terms of the Condominium Ownership Act.

Section 3. The condominium shall be terminated, if it is so determined in the manner elsewhere provided that the property shall not be reconstructed after casualty and the condominium documents shall be revoked. The determination not to reconstruct after casualty shall be evidenced by a certificate of the Board of Managers signed by the Chairman, Vice Chairman or Acting

Chairman and Secretary certifying as to the facts effecting the termination, which certificate shall become effective upon being recorded with the recording officer.

Section 4. After termination of the condominium, the unit owners shall own the property as tenants in common in undivided shares and the holders of mortgages and liens against the unit or units formerly owned by such unit owners shall have mortgages and liens upon the respective undivided common interest of the unit owners. Such undivided common interest of the unit owners shall be as set forth in the condominium plan. All funds held by the Board of Managers and insurance proceeds, if any, shall be and continue to be held for the unit owners in proportion to the amount of their common interest. The costs incurred by the Board of Managers in connection with a termination shall be a common expense.

Section 5. Following termination, the property may be partitioned and sold upon the application of any unit owner. If the Board of Managers following a termination, by not less than a three-fourths vote, determines to accept an offer for the sale of property, each unit owner shall be bound to execute such deeds and other documents reasonably required to effect such sale at such times and in such forms as the Board of Managers directs. In such event, any action for partition or other division of the property shall be held in abeyance pending such sale, and upon the consummation thereof shall be discontinued by all parties thereto.

Section 6. The members of the Board of Managers, acting collectively as agent for all unit owners shall continue to have such powers as in this article are granted, notwithstanding the

fact that the Board of Managers and/or the condominium organization itself may be dissolved upon a termination.

ARTICLE XXII

PROVISIONS PERTAINING TO DECLARANT

Section 1. Notwithstanding any other provisions herein contained, for so long as the declarant continues to own any of the units the following provisions of this article shall be deemed to be in full force and effect, none of which shall be construed so as to relieve declarant from any obligations of a unit owner to pay assessments as to each unit owned by it, in accordance with the condominium documents.

Section 2. The declarant reserves the unrestricted right to sell, assign, mortgage, lease or subdivide units which it continues to own after the recording or filing of the condominium documents and to post signs on the condominium property.

Section 3. For so long as the declarant owns fifty percent (50%) or more of the aggregate unit space, but not later than July 1, 1985, the members of the Board of Managers shall be designated by the declarant and such members as may be so designated need not be unit owners in the building.

Section 4. The declarant specifically disclaims any intent to have made any warranty or representation in connection with the property except as specifically set forth herein and no person shall rely upon any warranty or representation not so specifically made therein.

ARTICLE XXIII

CAPTIONS

Captions used in the condominium documents are inserted solely as a matter of convenience and shall not be relied upon or used in construing the effect or meaning of any of the text of the condominium documents.

ARTICLE XXIV

GENDER, SINGULAR, PLURAL

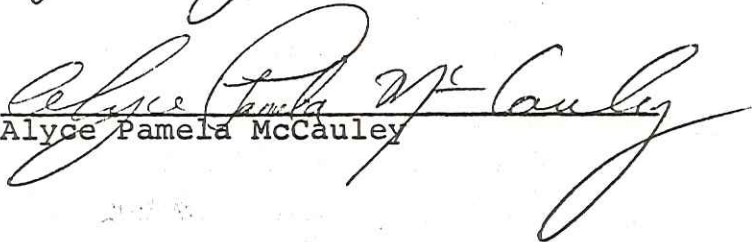
Whenever the context so permits, the use of the plural shall include the singular, the plural and any gender shall be deemed to include all genders.

ARTICLE XXV

SEVERABILITY

If any provision of this Declaration, or any section, sentence, clause, phrase or word, or the application thereof in any circumstances be judicially held in conflict with the laws of the State of Wyoming, then the said laws shall be deemed controlling and the validity of the remainder of this Declaration and the application of any such provision, section, sentence, clause, phrase or word in other circumstances shall not be affected thereby.

IN WITNESS WHEREOF, the declarant has executed this Declaration this 17 day of January, 1975.


Alyce Pamela McCauley

ACKNOWLEDGMENT

STATE OF Virginia)
County of Albemarle) ss.

The foregoing instrument was acknowledged before me by
Alyce Pamela McCauley this 17th day of January,
1975.

WITNESS my hand and official seal.

Louise R. Talley
Notary Public

(SEAL)

My Commission expires: August 5, 1977.

RELEASE OF HOMESTEAD

Michael McCauley, husband of Alyce Pamela McCauley, hereby
releases and waives all rights under and by virtue of the
homestead exemption laws of the State of Wyoming.

Dated this day of February, 1975.

Michael McCauley

STATE OF WYOMING)
) ss.
County of Teton)

The foregoing instrument was acknowledged before me by
Michael McCauley this day of February, 1975.

WITNESS my hand and official seal.

Notary Public

EXHIBIT "A"

<u>UNIT NUMBER</u>	<u>PERCENTAGE OWNERSHIP</u>
1-1	13.9
2-1	6.9
3-1	12.9
4-2	15.9
5-2	7.7
6-2	11.4
7-3	14.6
8-3	5.5
9-3	11.3
	<u>100.0</u>

The percentage ownership is determinative of the percentage ownership in common areas, of each unit's pro-rata share of common charges and expenses, and of number of votes allowed on any issue requiring the unit owners' votes.

BOB 15.9 15.9
BROOKE 14.6 } 20.1
5.5 }