

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

for

**MKGS TOWNHOMES ADDITION
TO THE
TOWN OF JACKSON**

RELEASED	
INDEXED	
ABSTRACTED	/
SCANNED	/

Grantor: MKGS INVESTMENTS LLC
 Grantee: THE PUBLIC
 Doc 0708026 bk 672 pg 476-503 Filed at 12:53 on 07/27/07
 Sherry L Dalgle, Teton County Clerk fees: 89.00
 By MARY SKITH Deputy

Upon recording, please return to:

**Levy Coleman LLP
 P.O. Box 7372
 1110 Maple Way, Second Floor
 Jackson, WY 83002**

Declaration of Covenants, Conditions, and Restrictions

for

MKGS Townhomes Addition to the Town of Jackson

This DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS (this "Declaration") is made this _____ day of July, 2007, by MKGS Investments, LLC, a Wyoming limited liability company (individually and collectively, the "Declarant").

PART ONE: INTRODUCTION TO THE COMMUNITY

Declarant, as the developer of the MKGS Townhomes Addition to the Town of Jackson, has established this Declaration to provide a governance structure and a flexible system of standards and procedures for the overall development, administration, maintenance and preservation of the MKGS Townhomes Addition to the Town of Jackson.

ARTICLE I – CREATION OF THE COMMUNITY

1.1 Purpose and Intent. The Declarant, as the owner of the real property described on **Exhibit A** attached hereto and made a part hereof by this reference, intends by the recording of this Declaration to create a general plan of development for the residential units known as the MKGS Townhomes Addition to the Town of Jackson. This Declaration provides for the overall development, administration, maintenance and preservation of the real property now or hereafter comprising the MKGS Townhomes Addition to the Town of Jackson. An integral part of the development plan is the creation of the MKGS Townhomes Homeowners Association, an association comprised of all owners of the MKGS Townhomes Addition to the Town of Jackson, to own, operate and/or maintain various common areas and community improvements and to administer and enforce this Declaration and the other Governing Documents referred to in this Declaration.

1.2 Binding Effect. All property described on **Exhibit A** hereto and any additional property that is made a part of the MKGS Townhomes Addition to the Town of Jackson in the future by filing one or more Supplemental Declarations in the Public Records, shall be owned, conveyed and used subject to all of the provisions of this Declaration, which shall run with the title to such property. This Declaration shall be binding upon all Persons having any right, title or interest in any portion of the Properties, their heirs, successors, successors-in-title, and assigns. This Declaration shall be enforceable in perpetuity by the Declarant, the Association, any Owner, and their respective legal representatives, heirs, successors, and assigns.

1.3 Governing Documents. The Governing Documents create a general plan of development for the MKGS Townhomes Addition to the Town of Jackson that may be supplemented as set forth herein. In the event of a conflict between or among the Governing Documents and any such additional covenants or restrictions, the Governing Documents shall control. Nothing in this Section shall preclude any Supplemental Declaration or other recorded covenants applicable to any portion of the Properties from containing additional restrictions or provisions that are more restrictive than the provisions of this Declaration. The Association may, but shall not be required to, enforce any such covenants, restrictions or other instruments. All provisions of the Governing Documents shall apply to all

Owners as well as their respective family members, tenants, guests and invitees. If any provision of this Declaration is determined by judgment or court order to be invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or applications.

ARTICLE II – DEFINITIONS

The terms used in the Governing Documents shall generally be given their natural, commonly accepted definitions unless otherwise specified. Capitalized terms shall be defined as set forth below.

2.1 Association. The MKGS Townhomes Homeowners Association, a Wyoming nonprofit corporation, its successors or assigns. The “Articles” shall refer to those Articles of Incorporation of the Association, as they may be amended from time to time. The “Bylaws” shall refer to those Bylaws adopted by the Association, as they may be amended from time to time.

2.2 Base Assessment. Assessments levied on all Lots subject to assessment under Article VIII to fund Common Expenses, as determined in accordance with Section 8.1.

2.3 Board of Directors or Board. The body responsible to the Members for operations of the Association, selected as provided in the Bylaws and generally serving the same role as a board of directors under Wyoming corporate law. The Board of Directors may also be referred to as the “Board”.

2.4 Common Elements. “Common Elements” shall mean Lot 7 as shown on the Plat, including those areas designated as General Common Elements, Limited Common Elements – Yard, Limited Common Elements - Storage and Limited Common Elements – Parking and Limited Common Elements-Decking, in the aggregate, or a portion thereof, and all other real and personal property, including easements for access and utilities, which the Association owns, leases or in which it otherwise holds, or acquires in the future, possessory or use rights for the common use and enjoyment of the Owners.

2.5 Common Expenses. The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of the Lots and Units including any reasonable reserve, as the Board may find necessary and appropriate pursuant to the Governing Documents.

2.6 Community-Wide Standard. The standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. Such standard shall be established initially by the Declarant and may be more specifically defined in the Master Rules and Regulations, and in Board resolutions.

2.7 Declarant. MKGS Investments, LLC, a Wyoming limited liability company, and/or its successors or assigns.

2.8 Governing Documents. A collective term referring to this Declaration and any applicable Supplemental Declaration, the Bylaws, the Articles and the Master Rules and Regulations, if any, and as they may be amended.

2.9 Limited Common Expense. A Common Expense that does not benefit all Lots and Units, such as those expenses incurred with respect to the Limited Common Elements.

2.10 GCE-Drive. Shall mean that area designated as GCE-Drive on the Final Plat and shall include an asphalt road therein.

2.11 General Common Elements. Shall mean the entire Lot 7 excepting all Limited Common Elements. Without limiting the generality of the foregoing, the General Common Elements shall include the real property designated as GCE-Drive on the Final Plat. General Common Elements may be referred to herein and on the Final Plat as “General Common Element” or “GCE”.

2.12 Limited Common Elements. “Limited Common Elements” means those portions of the Common Elements as designated on the Plat for the exclusive use of one or more but fewer than all of the Lots and/or Units. Limited Common Elements may be referred to herein or on the Plat as “Limited Common Element” or “LCE”.

2.13 Limited Common Elements – Decking. “Limited Common Elements – Decking” means those Limited Common Elements for the exclusive use of one or more Lot(s) and/or Unit(s) for decking as designated by the Declarant herein and/or as designated on the Plat and/or in one or more separately recorded instruments and upon which decking shall be constructed by Declarant as shown on the Plat. Limited Common Elements – Decking may also be referred to herein and on the Plat as “Limited Common Element – Decking”, “LCE – Decking”, “LCE – D” or “Decking Limited Common Elements”.

2.14 Limited Common Elements – Parking. “Limited Common Elements – Parking” means those Limited Common Elements for the exclusive use of one or more Lot(s) and/or Unit(s) for parking as designated by the Declarant herein and/or as designated on the Plat and/or in one or more separately recorded instruments and upon which driveways or parking spaces shall be constructed by Declarant as shown on the Plat. Limited Common Elements – Parking may also be referred to herein and on the Plat as “Limited Common Element – Parking”, “LCE – Parking”, “LCE – P” or “Parking Limited Common Elements”.

2.15 Limited Common Elements – Storage. “Limited Common Elements – Storage” means those Limited Common Elements for the exclusive use of one or more Lot(s) and/or Unit(s) as storage as designated by the Declarant herein, on the Plat and/or in one or more separately recorded instruments. Limited Common Elements – Storage may also be referred to herein and on the Plat as “Limited Common Element – Storage”, “LCE – Storage”, “LCE – S” or “Storage Limited Common Elements”.

2.16 Limited Common Elements – Yard. “Limited Common Elements – Yard” means those Limited Common Elements for the exclusive use of one or more Lot(s) and/or Unit(s) as a yard as designated by the Declarant herein, on the Plat and/or in one or more separately recorded instruments. Limited Common Elements – Yard shall also contain patios, decking and stairways to be constructed by Declarant, as shown on the Final Plat. Limited Common Elements – Yard may also be referred to herein and on the Final Plat as “Limited Common Element – Yard”, “LCE – Yard”, “LCE – Y” or “Yard Limited Common Elements”.

2.17 Lot. Shall be any Lot as shown on the Plat within the Properties, along with any other properties annexed into the Association pursuant to a Supplemental Declaration and defined as “Lots” in such Supplemental Declaration. Such Lots shall be referred to collectively as “Lots”.

2.18 Master Rules and Regulations. The Master Rules and Regulations are the Rules and Regulations adopted by the Board, if any, pursuant to Section 3.2 hereof.

2.19 Member. A Person subject to membership in the Association pursuant to Section 6.2.

2.20 Mortgage. A mortgage, a deed to secure debt, or any other form of security instrument affecting title to any Lot or all or any portion of the Properties. "Mortgagee" shall refer to a beneficiary of a deed of trust or holder of a Mortgage.

2.21 Owner or Owners. One or more Persons who hold the record title to any Lot or Lots and/or Unit or Units, but excluding in all cases any party holding an interest merely as security for the performance of an obligation.

2.22 Person. A natural person, a corporation, a partnership, a trustee, or any other legal entity.

2.23 Plat or Final Plat. That subdivision plat map of the real property recorded in the Public Records contemporaneously with this Declaration.

2.24 Properties. The real property comprised of the Lots and described on **Exhibit A** attached hereto and incorporated herein by this reference and any additional property that is made a part of the MKGS Townhomes Addition to the Town of Jackson in the future by filing one or more Supplemental Declarations in the Public Records.

2.25 Public Records. The official records of the Clerk of Teton County, Wyoming.

2.26 Special Assessment. Assessments levied in accordance with Section 8.3.

2.27 Specific Assessment. Assessments levied in accordance with Section 8.4.

2.28 Supplemental Declaration. An instrument filed in the Public Records pursuant to Article IX that imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument.

2.29 Unit. The residential structure located on any Lot within the subdivision. A "Unit" may also be referred to herein as a "Townhouse".

PART TWO: CREATION AND MAINTENANCE OF COMMUNITY STANDARDS

ARTICLE III – USE AND CONDUCT

3.1 Framework for Regulation. The Governing Documents establish, as part of the general plan of development for the Properties, a framework of affirmative and negative covenants, easements and restrictions which govern the Properties. However, within that framework, the Board and the Members must have the ability to respond to unforeseen problems and changes in circumstances, conditions, needs, desires, trends and technology that inevitably will affect the MKGS Townhomes Addition to the Town of Jackson, its Owners and residents. Toward that end, this Article establishes procedures for modifying and expanding the initial Master Rules and Regulations.

3.2 Rule Making Authority.

(a) Subject to the terms of this Article and the Board's duty to exercise business judgment and reasonableness on behalf of the Association and its Members, the Board may modify, cancel, limit, create exceptions to, or expand the Master Rules and Regulations. The Board shall send notice by mail to all Owners concerning any such proposed action as least five (5) business days prior to

the Board meeting at which time such action is to be considered. Members shall have a reasonable opportunity to be heard at a Board meeting prior to such action being taken.

Such action shall become effective after compliance with Section 3.2(c) below unless disapproved at a meeting of the Members by more than fifty percent (50%) of the total votes entitled to vote on the matter. The Board shall have no obligation to call a meeting of the Members to consider disapproval except upon receipt of a petition of the Members as required for special meetings in the Bylaws. Upon such petition of the Members prior to the effective date of any Board action under this Section 3.2(a), the proposed action shall not become effective until after such meeting is held, and then is subject to the outcome of such meeting.

(b) Alternatively, the Members, at an Association meeting duly called for such purpose, may adopt rules which modify, cancel, limit, create exceptions to, or expand the Master Rules and Regulations by a vote of more than fifty percent (50%) of the total votes entitled to vote on the matter pursuant to the Bylaws of the Association.

(c) At least thirty (30) days prior to the effective date of any action taken under subsections (a) or (b) of this Section, the Board shall send a copy of the new rule or explanation of any changes to the Master Rules and Regulations to each Owner specifying the effective date. The Association shall provide, at no additional charge, a copy of the Master Rules and Regulations then in effect to any requesting Member or Mortgagee.

3.3 Owners' Acknowledgment and Notice to Purchasers. All Owners are given notice that use of their Lot and/or Unit is limited by the Master Rules and Regulations as they may be amended, expanded and otherwise modified hereunder. Each Owner, by acceptance of a deed for their Lot and/or Unit, acknowledges and agrees that the use and enjoyment and marketability of his or her Lot and/or Unit can be affected by this Declaration and the other Governing Documents and that the Master Rules and Regulations may change from time to time. All purchasers are on notice that changes may have been adopted by the Association that are not recorded in the Public Records. Copies of the current Master Rules and Regulations or any other Governing Documents may be obtained from the Association, or if no Association has yet been formed, from the Declarant.

3.4 No Mining, Excavating or Drilling. The Properties shall not be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing geothermal resources, oil, gas, or other hydrocarbons, minerals, rocks, stones, gravel, sand, top soil, or earth. Nothing contained herein shall be construed to limit the rights of the owner of a mineral interest severed from the surface of any portion of the Properties prior to the recording of this Declaration and nothing herein shall prevent the Declarant or an Owner from moving dirt, gravel rocks and other soils necessary for the development of their respective properties.

3.5 Protection of Owners and Others. No rule shall be adopted in violation of the following provisions, except as may be specifically set forth in this Declaration (either initially or by amendment) or in the initial Master Rules and Regulations.

(a) **Equal Treatment.** Similarly situated Owners shall be treated similarly by the Board and the Association.

(b) **Displays.** The rights of Owners to display religious and holiday signs, symbols, and decorations inside structures of the kinds normally displayed in dwellings located in single-family residential neighborhoods shall not be abridged, except that the Association may adopt reasonable time, place, and manner restrictions with respect to displays visible from outside the dwelling. Such

restrictions may be contained in the Master Rules and Regulations. No rules shall regulate the content of political signs; however, rules may regulate the time, place and manner of posting such signs (including design criteria).

(c) **Household Composition.** No rule shall interfere with the freedom of Owners to determine the composition of their households, except that at least one of the dwelling occupants must have an ownership interest in a Lot and/or Unit, as applicable.

(d) **Activities Within Dwellings.** No rule shall interfere with the activities carried on within the confines of dwellings, except that the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other Lots or Units, as applicable, that generate excessive noise or traffic, that create unsightly conditions visible outside the dwelling, or that create an unreasonable source of annoyance as reasonably determined by the Board.

(e) **Insurance Rates.** Nothing shall be done or kept on the Properties that would increase the rate of insurance or cause the cancellation of insurance on any Lot or any of the improvements located upon any Lot or the Common Area without prior written approval of the Board.

(f) **Allocation of Burdens and Benefits.** No rule shall alter the allocation of financial burdens among the various Lots or Units, as applicable, to the detriment of any Owner over that Owner's objection expressed in writing to the Association. This provision does not affect the right to increase the amount of assessments as provided by Article VIII.

(g) **Abridging Existing Rights.** If any rule would otherwise require Owners to dispose of personal property which they maintained in or on a Lot and/or Unit prior to the effective date of such rule, or to vacate a Lot and/or Unit in which they resided prior to the effective date of such rule, and such property was maintained or such occupancy was in compliance with this Declaration and all rules previously in force, such rule shall not apply to any such Owners without their written consent.

(h) **Rights to Develop.** No rule or action by the Association or Board shall impede the Declarant's right to develop the Properties or any property annexed into the regime of the Properties as provided for herein.

The limitations in subsections (a) through (h) of this Section 3.5 shall only limit rulemaking authority exercised under Section 3.2; they shall not apply to amendments to this Declaration adopted in accordance with Article XII.

3.6 Domestic Animals. Each Lot shall be entitled to a maximum of no more than a total of two Household Pets. The term Household Pet(s) means generally recognized Household Pets such as dogs, cats, fish, birds, rodents, and non-poisonous reptiles. Household Pets may not be kept for any commercial purpose, may not be kept in unreasonable numbers, and may not cause an unreasonable amount of noise, odor, or do not otherwise become a nuisance to other Owners. All Owners or Occupants with Household Pets shall keep the animals restrained and controlled at all times so they do not cause a nuisance to others and do not harass or endanger others. Pets shall be fed indoors or, if fed outdoors shall be fed in a manner as not to become a wildlife attractor. "Nuisance" means any noisy animal, any vicious animal, any non-domestic household pet, or any animal which chews, tears, digs in or scratches, litters or soils, destroys, or in any other manner injures clothing, garbage containers, gardens, flower beds, lawns, trees, shrubbery, or any other property within the Properties. Excessive, continued, or untimely barking, molesting passersby, chasing vehicles, habitually attacking other animals, trespassing upon private

property in such a manner as to damage property shall also be deemed a nuisance. "Noisy animal" means any animal which habitually, constantly, or frequently disturbs the sleep, peace, or quiet of any person. The Board shall have, and is hereby given, the right and authority to determine in its sole discretion that Household Pets are being kept for commercial purposes, or are otherwise a Noisy animal or a Nuisance, or that a Owner is otherwise in violation of this Section, and to take such action or actions as it deems reasonably necessary to remedy the violation. Without limiting the generality of the foregoing, the Association may require the owner or custodian of a dog that barks or howls excessively, or of a Household Pet with other offensive habits, to confine such animal indoors. Further, the Association may require an Owner, at its own expense, to remove a pet determined by the Association to be a Noisy animal or a Nuisance pet and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the Lot and/or Unit and remove the Noisy animal or a Nuisance; it being understood that any such action shall not be deemed a trespass and that the Association may assess a penalty of \$500.00 per animal plus the costs of impoundment. On the third violation, in addition to the foregoing penalties, the Noisy animal or Nuisance shall be removed from the Properties and the Association has the right, in its sole discretion, to terminate the right of an Owner to keep Household Pets on the Properties. No Owner of any animal or animals impounded shall have the right to bring any action against the Association or any member thereof, for the impoundment of such animal(s). In addition, violation of these restrictions on a third occasion may result in the termination of the right of an Owner to keep a Household Pet on the Properties in the sole discretion of the Board.

No owner or keeper of any animal who is visiting or working on the Properties shall be permitted to allow such animals to run free. Also, no pet or animal shall be restrained by leash, cord, chain, rope, or other attachment fixed to any vehicle, post, tree, or other structure or object within the Properties thereby allowing such animal to become a nuisance or interfere with pedestrian or vehicular traffic in and around any public area within the Properties. Contractors, sub-contractors and any other person providing services to a Lot and/or Unit may not bring dogs onto the Properties.

The Owner of a Lot and/or Unit where a Household Pet is kept, as well as the legal owner of such pet (if not such Owner), shall be jointly and severally liable for any and all damage and destruction caused by the pet, and for any clean-up of driveways, walkways, Common Area or other Lots necessitated by such Household Pet. All animals not considered to be a domestic Household Pet, including, but not limited to pigs, poultry, fowl, wild animals, cattle, sheep and goats, are prohibited from being maintained or cared for on the Properties or in a Unit thereof.

Litters of puppies or kittens may remain on the Properties for no more than 90 days, after which time the limit of 2 Household Pets per Lot shall prevail.

3.7 Wildlife. In accordance with any Teton County Wildlife feeding ordinance, no elk, deer, moose, bear, or other big game animals shall be fed hay or any other food, manufactured or otherwise, within the Properties in order to prevent migrating animals from interrupting their migrations to winter range and to prevent such animals from becoming habituated to unnatural food sources.

3.8 Fencing. No fencing shall be erected or maintained on the Properties.

3.9 Vehicle Parking, Storage, Operation and Repair.

(a) No parking is permitted on the GCE-Drive. "Permitted Vehicles" shall mean all passenger automobiles and one ton or smaller pick-up trucks. Only Permitted Vehicles may be parked on the LCE – Parking.

(b) No boats, trailers, buses, motor homes, campers (on or off road supporting vehicles), motorcycles, snowmobiles, go carts, recreational vehicles, golf carts, trucks, industrial or commercial vehicles (both cabs or trailers), abandoned or inoperable vehicles (as defined below), or any other similar vehicles (collectively, the "Prohibited Vehicles") shall be parked or stored in or upon the LCE - Parking or streets within the Properties, and no vehicle of any kind shall be maintained, repaired, repainted, serviced or rebuilt on any LCE - Parking or street.

(c) Notwithstanding the foregoing, Prohibited Vehicles may be temporarily parked on LCE - Parking or on the GCE-Drive for loading, delivery or emergency purposes, but only for the time required to accomplish such purpose, and as necessary for the construction or maintenance of the Properties upon compliance with the Master Rules and Regulations.

(d) An "abandoned or inoperable vehicle" shall mean any motorized vehicle which does not display a current valid motor vehicle license and registration tag or which does not have an operable propulsion system within the vehicle.

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

3.10 Garbage Storage. Garbage set out for pick up shall be stored in wildlife-proof dumpsters or containers, and shall not, in any event, be set out in such a manner to allow persons, vehicles, animals, or weather to scatter such garbage among the Properties.

3.11 Nuisance. No noxious or offensive activity shall be carried on upon the Properties or any Lot or Unit within the Properties, nor shall anything be done or placed thereon which may be or become a nuisance, or cause unreasonable embarrassment, disturbance or annoyance to other Owners or occupants in their enjoyment of their Lots and/or Units, or in their enjoyment of the Common Area. Without limiting the foregoing, no horns, whistles, bells or other sound devices, except security devices used exclusively to protect the security of the Properties and improvements located thereon, shall be placed or used upon any Lot and/or Unit.

ARTICLE IV – ARCHITECTURE AND LANDSCAPING

4.1 General. The design, plans and specifications of each Unit, showing the nature, kind, shape, height, materials and color of the Unit, shall be approved by Declarant in writing prior to the commencement of construction of each Unit. After the construction of the approved Unit on each Lot, no structure shall be placed, erected, or installed upon any Lot, and no improvements (including staking, clearing, excavation, grading and other site work, fencing, exterior additions and/or alterations of existing improvements, and planting or removal of landscaping materials) shall take place. Any Owner may remodel, paint or redecorate the interior of its Unit without approval. However, modifications to the interior of patios, and similar portions of a Lot or Unit visible from outside the structures on a Lot shall be subject to approval. No approval shall be required to repaint the exterior of a structure in accordance with the originally approved, or pre-existing, color scheme or to rebuild in accordance with originally approved, or pre-existing, plans and specifications.

4.2 Enforcement. Any structure, improvement or landscaping placed or made in violation of this Article shall be deemed to be nonconforming. Upon written request from the Declarant or the Board, Owners shall, at their own cost and expense, remove such structure or improvement and restore the property to substantially the same condition as existed prior to the nonconforming Work. Should an Owner fail to remove and restore as required, the Declarant, the Association or its designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, together with interest at the maximum rate then allowed by law, may be assessed against the benefited Lot and collected as a Specific Assessment. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article may be excluded from the Properties, subject to the notice and hearing procedures contained in the Bylaws. In such event, neither the Declarant, nor the Association its officers, or directors shall be held liable to any Person for exercising the rights granted by this Section. In addition to the foregoing, the Association and the Declarant shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article.

4.3 Development and Use Restrictions. All development of the Properties shall conform to the following requirements:

(a) **Provisions in Addition to Town Land Use Regulations.** Conformity with any and all applicable land use regulations of the Town of Jackson, Wyoming shall be required, in addition to the requirements of this Declaration.

(b) **Authorized Use.** Only single-family residential use shall be permitted, together with the keeping of Household Pets subject to the limitations set forth in this Declaration. The short term rental of a Unit for periods less than 30 days in length is prohibited.

(c) **Authorized Structures.** No building or structure shall be constructed on the Properties except one single family residence and attached garage on each Lots 1 through 5 and two single family residences on Lot 6. The conversion of an attached garage on the Properties into habitable space is prohibited.

The restrictions set forth in this Section 4.3 may only be amended after complying with Article XII and obtaining the prior approval of the Town Council of the Town of Jackson.

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

4.5 Satellite Dishes. Except as otherwise approved by the Board, a 18” or smaller diameter satellite dish shall be permitted on any Lot, provided that such satellite dish must be visually shielded from adjacent Lots with shielding approved by the Board before such satellite dish is installed.

4.6 Noxious Weeds and Exotic Plant Species. Sources of all sod, seed and landscaping materials shall not contain noxious weeds or exotic species disfavored by the Teton County Weed and Pest Department. The Association may adopt and enforce a program in cooperation with the Teton County Weed and Pest Department to eradicate noxious weeds present or occurring on the Properties. In no event shall the Association have an obligation to chemically or manually remove noxious weeds or exotic plant species from the Properties.

ARTICLE V – MAINTENANCE AND REPAIR;

RESTRICTIONS ON LIMITED COMMON ELEMENTS

5.1 Maintenance by Owners.

(a) Each Owner shall remove all snow, leaves and debris from the driveway, porch, patio, balcony and/or exterior stairwells located within the Limited Common Elements appurtenant to each Owner's Unit and/or Lot.

(b) Each Owner shall maintain, replace and repair the exterior of its Townhouse in accordance with the Community-Wide Standard.

If any Owner fails to maintain, repair and/or replace the items that it is obligated to maintain, repair and replace, the Declarant and/or the Association shall be authorized, after providing notice to the Owner of such failure and an opportunity to be heard in accordance with procedures adopted by the Board, to enter upon the Lot and/or Unit to cure such failure and to assess all costs incurred against the Lot and/or Unit and the Owner thereof as a Specific Assessment.

5.2 Limited Common Elements – Storage. The following items are prohibited from being stored within a Limited Common Elements – Storage: paint, highly flammable materials, food products and any item that attracts vermin or produces an odor.

5.3 Limited Common Elements – Yard; Limited Common Elements - Decking. No outside clothing lines or other outside clothes drying or airing facilities shall be permitted whatsoever on the LCE-Yard and/or LCE-Decking. There shall be no outside recreational or playground equipment permitted on the Properties except upon prior written approval by the Board. There shall be no outside cutting and/or storage of firewood on the LCE-Yard and/or LCE-Decking.

PART THREE: COMMUNITY GOVERNANCE AND ADMINISTRATION

ARTICLE VI – THE ASSOCIATION AND ITS MEMBERS

6.1 Function of Association. The Association shall be the entity responsible for management, maintenance, operation and control of the Common Area. The Association also shall be the primary entity responsible for enforcement of the Governing Documents. The Association shall perform its functions in accordance with the Governing Documents and the laws of the State of Wyoming.

6.2 Membership. Every Owner of a Unit, by virtue of their purchase of a Unit or the acceptance of a deed therefore, shall be a Member of the Association. There shall be only one membership per Unit. If a Unit is owned by more than one Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 6.3(a), and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner which is not a natural person may be exercised by any officer, director, partner or trustee, or by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association except where such privileges may be restricted by the Master Rules and Regulations.

6.3 Voting. The Association shall have one class of membership. Members shall have one equal vote for each Unit in which they hold the interest required for membership under Section 6.2. All votes shall be cast as provided in Section 6.3(a).

(a) Exercise of Voting Rights. The vote for each Unit owned by a Member shall be exercised by the Owner of the Unit. In any situation where there is more than one Owner of such Unit,

the vote for such Unit shall be exercised as the co-Owners determine among themselves and advise the Secretary of the Association in writing prior to the vote being taken. Absent such advice, the Unit's vote shall be suspended if more than one Person seeks to exercise it in a conflicting manner.

(b) **Commencement of Voting Rights.** Voting rights as to each Unit shall vest upon the commencement of assessment obligations for such Unit.

ARTICLE VII – ASSOCIATION POWERS AND RESPONSIBILITIES

7.1 **Acceptance and Control of Association Property.**

(a) The Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property.

(b) The Declarant and its designees may convey real or personal property to the Association.

7.2 **Maintenance of Common Area.**

(a) The Association shall maintain, repair and replace all utility services or other types of elements and easements which are utilized in common, such as, but not limited to, sewer or water lines, up to the connection point at the boundary of each Lot. The costs associated with maintenance, repair and replacement of the utility services shall be a Common Expense.

(b) The Association, acting through the Board, shall be obligated to maintain the landscaping and irrigation system located within the Common Area. The costs associated with maintenance, repair and replacement of the landscaping and irrigation system located within the Common Area shall be a Common Expense.

(c) The Association shall maintain, repair and replace the GCE-Drive and such expenses associated with such maintenance, repair and replacement shall be allocated equally to Lots 2, 3, 4, and 5 as a Special Assessment.

(d) The Association shall repair and replace all driveways located within LCE-Parking and such expenses associated with such repair and replacement shall be allocated to the Lots and/or Units as a Special Assessment.

Unless otherwise designated, the costs associated with the maintenance, repair and replacement of those items that it is obligated to maintain, repair and replace shall be a Common Expense; provided, if the Board reasonably determines that the maintenance, repair or replacement is necessitated by the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such maintenance, repair or replacement against such Owner(s) and their Lot(s) and/or Units as a Specific Assessment. Any expense associated with the maintenance, repair or replacement of improvements within a Limited Common Element shall be assessed as a special assessment against the Lot(s) and/or Unit(s) to which the Limited Common Element is assigned.

7.3 **Insurance.**

(a) **Required Coverages.** The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(i) Blanket property insurance covering “risks of direct physical loss” on a “special form” basis (or comparable coverage by whatever name denominated) for all insurable improvements within the Common Area to the extent that the Association has assumed responsibility in the event of a casualty, regardless of ownership. If such coverage is not generally available at reasonable cost, then “broad form” coverage may be substituted. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement costs of the insured improvements under current building ordinance and codes;

(ii) Commercial general liability insurance on the Common Area, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, such coverage (including primary and any umbrella coverage) shall have a limit of at least one million dollars (\$1,000,000.00) per occurrence with respect to bodily injury, personal injury, and property damage; provided, should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits. If the policy does not contain “severability of interest” in its terms, the Association shall acquire an endorsement to preclude the insurer’s denial of an Owner’s claim because of negligent acts of the Association or of other Owners;

(iii) Such additional insurance as the Board, in its best business judgment, determines advisable.

Premiums for all insurance on the Common Area shall be assessed by the Board as a Common Expense.

(b) **Policy Requirements.** All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Member insured.

The policies may contain a reasonable deductible, and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 7.3(a). In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the Bylaws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Lots and/or Units as a Specific Assessment.

All insurance coverage obtained by the Board shall:

(i) Be written with a company authorized to do business in the State of Wyoming;

(ii) Be written in the name of the Association as trustee for the benefited parties.

(iii) Not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;

(iv) Contain an inflation guard endorsement;

(v) Include an agreed amount endorsement if the policy contains a co-insurance clause;

(vi) Provide a waiver of subrogation under the policy against any Owner or household member of an Owner;

(vii) Include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure;

(vii) Include an endorsement precluding cancellation, invalidation, or condition to recovery under the policy on account of any act or omission of any one or more individual Owners, unless such Owner is acting within the scope of its authority on behalf of the Association;

(ix) Provide that the policy will be primary, even if an Owner has other insurance that covers the same loss.

In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners as additional insureds and provide:

(i) A waiver of subrogation as to any claims against the Association's Board, officers, employees, and its manager, its attorneys, the Owners and their tenants, servants, agents, and guests;

(ii) A waiver of the insurer's rights to repair and reconstruct instead of paying cash;

(iii) An endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(iv) An endorsement requiring at least thirty (30) days prior written notice to the Association of any cancellation, substantial modification, or non-renewal; and

(v) A provision vesting in the Board exclusive authority to adjust losses; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any related to the loss.

(c) **Restoring Damaged Improvements.** In the event of damage to or destruction of property that the Association is obligated to insure, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Damaged improvements on the property shall be repaired or reconstructed unless at least seventy-five percent (75%) of Members decide within sixty (60) days after the loss not to repair or reconstruct. If either the insurance proceeds or estimates of the loss, or both, are not available to the Association within such sixty (60) day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed sixty (60) additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If a decision is made not to restore the damaged improvements, and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by the Association for the benefit of its Members or the Owners of Lots and/or Units, as appropriate, and placed in a capital improvements account.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may, without a vote of the Members, levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 7.3(a).

7.4 Compliance and Enforcement. The Association and every Owner and occupant of a Lot and/or Unit shall comply with the Governing Documents. The Board may impose sanctions against Owners for violation of the Governing Documents after notice and a hearing in accordance with the procedures set forth in the Bylaws. Such sanctions may include, without limitation:

(a) Imposing reasonable monetary fines (which shall not, except in the case of nonpayment of assessments, constitute a lien upon the violator's Lot or Unit). In the event that any occupant, guest or invitee of a Lot or Unit violates the Governing Documents and a fine is imposed, the fine shall first be assessed against the violator; provided however, if the fine is not paid by the violator within the time period set by the Board, the Owner shall pay the fine upon notice from the Board;

(b) Suspending an Owner's right to vote;

(c) Suspending any Person's right to use any Common Area within the Properties; provided, however, nothing herein shall authorize the Board to limit ingress or egress to or from a Lot or Unit;

(d) Suspending any services provided by the Association to an Owner or the Owner's Lot or Unit if the Owner is more than thirty (30) days delinquent in paying any assessment or other charge owed to the Association;

(e) Exercising self-help or taking action to abate any violation of the Governing Documents in a non-emergency situation;

(f) Requiring an Owner, as its own expense, to remove any structure or improvements on such Owner's Lot and/or Unit in violation of Article IV and to restore the Lot and/or Unit to its previous condition and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass;

(g) Without liability to any Person, precluding any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of Article IV from continuing or performing any further activities in the Properties; and

(h) Levying Specific Assessments to cover costs incurred by the Association to bring a Lot and/or Unit into compliance with Governing Documents.

In addition, the Board may take the following enforcement procedures to ensure compliance with the Governing Documents without the necessity of compliance with the procedures set forth in the Bylaws:

- (a) Exercising self-help in any emergency situation (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations); and
- (b) Bringing suit at law or in equity to enjoin any violation or to recover monetary damages to both.

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

All remedies set forth in the Governing Document shall be cumulative of any remedies available at law or in equity. In any action to enforce the Governing Documents, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys fees and court costs, reasonably incurred in such action.

The Association shall not be obligated to take any action if the Board reasonably determines that the Association's position is not strong enough to justify taking such action. Such a decision shall not be construed a waiver of the right of the Association to enforce such provision at a later time under other circumstances or estop the Association from enforcing any other covenant, restriction or rule.

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

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

7.6 Indemnification of Officers, Directors and Others. The Association shall indemnify every officer, director, and committee member against all damages and expenses, including counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement or any suit or proceeding, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer, director, or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under Wyoming law or the Bylaws.

7.7 Maintenance of Association Standing. The Association shall be obligated to maintain itself in good standing with the Wyoming Secretary of State and any other governmental entities having jurisdiction over the activities or existence of the Association.

ARTICLE VIII – ASSOCIATION FINANCES

8.1 Budgeting and Allocating Common Expenses; Base Assessments. At least sixty (60) days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses for the coming year, including any contributions to be made to a reserve fund pursuant to Section 8.2. The budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Lots and Units, and the amount to be generated through the levy of Base Assessments, Special Assessments and Specific Assessments against each.

The Association is hereby authorized to levy Base Assessments against all Units subject to assessment under Section 8.6 to fund the Common Expenses. The liability for Common Expenses described herein shall be allocated based on a fraction, the numerator of which shall be one and the denominator of which shall be the number of Units then existing on the Properties. Notwithstanding the foregoing, any Limited Common Expense shall be assessed only against the Lots or Units benefited. Notwithstanding any other provision in this Declaration, if a Lot is conveyed to a Person not affiliated with Declarant without a Unit constructed thereon, such Owner shall be a Member of the Association with one vote and the Common Expenses shall be allocated to such Owner in the same manner as if a Unit was located upon such Lot.

The Board shall send a copy of the final budget, together with notice of the amount of the Base Assessment to be levied pursuant to such budget, to each Owner not less than thirty (30) nor more than sixty (60) days prior to the effective date of such budget. Such budget and assessment shall automatically become effective unless subject to the limitation on increases of assessments provided for in Section 8.5.

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

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

8.2 Budgeting for Reserves. The Board shall prepare and review at least annually a reserve budget for the Common Area. The budget shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall include in the Common Expense budget adopted pursuant to Section 8.1, a capital contribution paid by Owners to fund reserves in an amount sufficient to meet the projected need with respect both to amount and timing by annual contributions over the budget period.

8.3 Special Assessments. In addition to other authorized assessments, the Association may, subject to the limitations of Section 8.5, levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against the entire membership, if such Special Assessment is for Common Expenses, which shall be allocated in the same proportion as set forth in Section 8.1 for the Common Expenses, or against an individual Lot or Lots if such Special Assessment is for an unbudgeted expense relating to less than all of the Lots. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved. The Board shall provide notice by first class mail to the Owner(s) subject to the Special Assessment not less than thirty (30) nor more than sixty (60) days prior to the Special Assessment becoming due.

8.4 Specific Assessments. The Association shall have the power to levy Specific Assessments against a particular Lot and/or Unit to cover costs incurred in bringing a nonconforming Lot and/or Unit into compliance with the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or occupants of a nonconforming Lot and/or Unit, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the nonconforming Owner prior written notice and an opportunity for a hearing, in accordance with the Bylaws, before levying any Specific Assessment under this Section.

8.5 Limitation on Increases of Assessments. Notwithstanding any provision to the contrary, and except for assessment increases necessary for emergency situations or to reimburse the Association pursuant to Sections 8.4, the Board may not impose a Base Assessment that is more than twenty percent (20%) greater than each of those assessments for the immediately preceding fiscal year, nor impose a Special Assessment which in the aggregate exceeds twenty percent (20%) of the budgeted Common Expenses for the current fiscal year, without a majority vote of a quorum of the Members who are subject to the applicable assessment at a meeting of the Association, or action without meeting by written ballot in lieu thereof signed by all of the Members of the Association.

For purposes of this Section, “quorum” means more than fifty percent (50%) of the total voting power of the Association subject to the applicable assessment. For purposes of this Section, the term “Base Assessment” shall be deemed to include the amount assessed against each Lot and/or Unit for the year immediately preceding the year for which the assessment is to be increased.

An emergency situation justifying a Special Assessment may be, but shall not be limited to, any one of the following:

- (a) An extraordinary expense required by an order of a court;
- (b) An extraordinary expense necessary to repair or maintain the Properties or any part of them for which the Association is responsible where a threat to personal safety on the Properties is discovered; or
- (c) An extraordinary expense necessary to repair or maintain the Properties or any part of them for which the Association is responsible which expense could not have been reasonably foreseen by the Board in preparing and distributing the budget as provided for in Section 8.1. However, prior to the imposition or collection of such an assessment, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process. Such resolution shall be distributed to the Members with the notice of such assessment.

8.6 Authority to Assess Owners; Date of Commencement of Assessments; Time of Payment. The Declarant hereby establishes that the Association is authorized to levy assessments as provided for in this Article and elsewhere in the Governing Documents. Subject to Sections 8.1 and 8.7, the obligation to pay the assessments provided for herein shall commence as to all Lots and Units on the first day of the month following the first conveyance of a Lot and/or Unit to an Owner not affiliated with the Declarant. The first annual assessment shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on the Lot and/or Unit. Any assessments collected but not spent prior to the Association incurring expenses shall be placed into the Association’s reserve account for maintenance, repair and replacement of the Common Areas and any other common amenities.

Assessments shall be paid in such manner and on such dates as the Board may establish. The Board may require advance payment of assessments at closing of the transfer of title to a Lot and/or Unit and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, annual assessments may be paid in two or more installments. Unless the Board otherwise provides, the Base Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his or her Lot and/or Unit, the Board may require the outstanding balance on all assessments to be paid in full immediately.

8.7 Personal Obligation.

(a) Each Owner, by accepting a deed or entering into a recorded contract of sale for any portion of the Properties, is deemed to covenant and agree to pay all assessments authorized in the Governing Documents. All assessments, together with interest (computed from its due date at a rate of eighteen percent (18%) per annum or such other rate as the Board may establish, subject to the limitations of Wyoming law), late charges as determined by Board resolution, costs, and reasonable attorneys' fees, shall be the personal obligation of each Owner and a lien upon each Lot and/or Unit until paid in full. Upon a transfer of title to a Lot and/or Unit, the grantee shall not be personally liable for any assessments and other charges due at the time of conveyance unless expressly assumed by him/her, but such transferred Lot and/or Unit shall remain subject to any liens imposed upon it pursuant to Section 8.8 herein.

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

No Owner may exempt himself from liability for assessments by non-use of the Common Area, by abandonment of his Lot and/or Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

The Association shall, upon request, furnish to any Owner liable for any type of assessment a certificate in writing signed by an Association officer setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

(b) **Declarant's Obligations for Assessments.** The Declarant is subject to the payment of assessments against Lots and/or Units that it owns.

8.8 Lien for Assessments. Each Owner, by his or her acceptance of a deed to a Lot and/or Unit, hereby vests in the Association and its agents the right and power to bring all appropriate actions against such Owner personally for the collection as a debt of any unpaid and delinquent billings for Base Assessments, Special Assessments, Specific Assessments, interest, late fees, enforcement costs and other charges owing by such Owner in accordance with the terms hereof. Additionally, in order to secure payment of any billings for Base Assessments, as well as Special Assessments and Specific Assessments, interest, late fees, enforcement costs and other charges due hereunder, Declarant hereby retains, and each Owner by his or her acceptance of a deed to a Lot and/or Unit, hereby grants the Association and its agents a lien for such Base Assessments, Common Assessments, as well as Special Assessments and

Specific Assessments, interest, late fees, enforcement costs and other charges for which such Owner is responsible under the terms hereof. The Board, acting on behalf of the Association, is authorized to record a notice of any unpaid amounts secured by such lien in the Public Records, which shall include a description of the applicable Lot and/or Unit and the name of the Owner thereof and the basis for the amount of the lien. Said lien shall be enforceable by the Association or its agents through all appropriate methods available under applicable Wyoming law for the enforcement of such liens, including without limitation, non-judicial foreclosure, and the Declarant and each such Owner hereby expressly grant to the Association a power of sale in connection with said lien. The Association may designate a trustee in writing from time to time to post or cause to be posted the required notices and to conduct such foreclosure sale. The trustee may be changed at any time and from time to time by an instrument in writing and signed by the President or a Vice President of the Association and attested by the Secretary or any Assistant Secretary of the Association and filed for record in the Public Records. The lien herein retained and granted is and shall be expressly subordinate in all respects to any Mortgage predating the charge in question (as evidenced by the recording date of a notice of unpaid assessments in the Public Records). Any holder of a Mortgage that predates the date of the charge in question and who acquires title to a Lot through foreclosure of its Mortgage or acceptance of a deed in lieu of foreclosure thereunder, shall not be liable for the unpaid portion of any such charges relating to the Lot and/or Unit in question that arose prior to such acquisition. Additionally, after any such foreclosure or deed in lieu of foreclosure, such Lot and/or Unit shall remain subject to this Declaration and the above-described lien and the new Owner of such Lot and/or Unit shall thereafter be personally liable for all charges of the type described above which relate to such Lot and/or Unit and which become due after such new Owner acquires title to said Lot and/or Unit by foreclosure or by acceptance of a deed in lieu of foreclosure. Except as otherwise provided above as to holders of Mortgages or by applicable law, no sale or transfer of any Lot and/or Unit shall: (a) relieve any Owner thereof from personal liability for any of such unpaid charges attributable to the applicable Lot and/or Unit which become due prior to the date of such sale or transfer; or (b) satisfy or extinguish the above-described lien in respect of such unpaid charges.

PART FOUR: COMMUNITY DEVELOPMENT

ARTICLE IX – ADDITIONAL RIGHTS RESERVED TO DECLARANT

9.1 Expansion by the Declarant. Until the Declarant has sold 100% of the Properties subject to this Declaration, the Declarant may annex additional properties into the regime of this Declaration provided such property is contiguous to the Properties. Such annexation shall be accomplished by filing a Supplemental Declaration in the Public Records describing the property to be annexed and specifically subjecting it to the terms of this Declaration. Such Supplemental Declaration shall not require the consent of Members, but shall require the consent of the owner of such property, if other than Declarant. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein.

9.2 Additional Covenants and Easements. The Declarant may subject any portion of the Properties to additional covenants and easements, including covenants obligating the Association to maintain and insure such property and authorizing the Association to recover its costs through the various Assessments as provided for herein. Such additional covenants and easements may be set forth either in a Supplemental Declaration subjecting such property to this Declaration or in a separate Supplemental Declaration referencing property previously subjected to this Declaration. If the property is owned by someone other than Declarant, then the consent of the Owner(s) shall be necessary and shall be evidenced by their execution of the Supplemental Declaration. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

9.3 Effect of Filing Supplemental Declarations. Any Supplemental Declaration filed pursuant to this Article shall be effective upon recording in the Public Records unless otherwise specified in such Supplemental Declaration. On the effective date of the Supplemental Declaration, any additional property subjected to this Declaration shall be assigned voting rights in the Association and assessment liability in accordance with the provisions of this Declaration.

9.4 Budget Considerations. As additional properties are annexed to the Properties pursuant to this Article IX, the budget of the Association may be affected, as well as assessment obligations of the Owners as a result thereof.

9.5 Right to Add Lot 6 Condominium Units to this Declaration. Declarant hereby reserves the right to add the two individual airspace units and condominium common elements to be located on Lot 6 to this Declaration by filing a Supplemental Declaration in the Public Records. Such Supplemental Declaration shall amend the definitions, the provisions and the exhibits of this Declaration as necessary for the orderly development of the Properties.

9.6 Right to Approve Additional Covenants. So long as Declarant owns any property subject to this Declaration, no Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Properties without Declarant's review and written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed by the Declarant and recorded in the Public Records.

9.7 Right to Approve Changes in Community Standards. No amendment to or modification of any Master Rules and Regulations shall be effective without prior notice to and the written approval of Declarant so long as the Declarant owns property subject to this Declaration.

9.8 Right to Appoint Members of Board. The Declarant shall have the right to appoint the initial members of the Board of Directors of the Association and the initial members of any committee of the Board except as otherwise provided in the Bylaws.

9.9 Right to Delay Commencement of Association, Meetings or Assessments. The Declarant hereby reserves the right to delay the filing of the Articles for the Association, creation of Bylaws and Master Rules and Regulations, or to delay the commencement of Association meetings or to delay implementation of Association assessments as required hereunder and in the Bylaws. In the event that the Declarant elects to delay the creation of the association, the rights, but not the obligations, of the Association created by this Declaration are hereby assigned to the Declarant until such time as the Association is created.

9.10 Termination of Rights. The rights contained in this Article shall not terminate until the Declarant, or any individual Declarant, is no longer a record owner of any real property subject to this Declaration unless Declarant elects to terminate such reservations at an earlier date. Declarant may from time to time relinquish and surrender one or more but less than all of the reserved rights, in which event the unrelinquished reserved rights shall remain fully valid and effective for the remainder of the term thereof.

PART FIVE: PROPERTY RIGHTS WITHIN THE COMMUNITY

The nature of living in a community requires the creation of special property rights and provisions to address the needs and responsibilities of the Owners, the Declarant, the Association, and others within or adjacent to the community.

ARTICLE X – EASEMENTS

10.1 Easements in General Common Area. The Declarant grants to each Owner a non-exclusive right and easement of use (subject to the rights of other Owners, Members and the Association), access, and enjoyment in and to the General Common Area.

The Declarant grants to each Owner (subject to the rules, regulations, and restrictions contained in the Governing Documents) an exclusive right and easement of use, access, and enjoyment in and to the Limited Common Elements that are appurtenant to the Lot(s) or Unit(s) owned by such Owner, which shall include without limitation the storage, yard, decking and parking areas. Such exclusive right and easement of use, access, and enjoyment in the Limited Common Elements shall not be severable from the Lot or Unit to which it is appurtenant.

The foregoing grants are subject to:

- (a) The Governing Documents and any other applicable covenants;
- (b) Any restrictions or limitation contained in any deed conveying such property to the Association;
- (c) The right of the Board to adopt rules regulating the use and enjoyment of the Common Area;
- (d) The right of the Board to suspend the right of an Owner to use the Common Area (i) for any period during which any charge or assessment against such Owner's Lot remains delinquent, and (ii) for a period not to exceed thirty (30) days for a single violation or for a longer period in the case of any continuing violation of the Governing Documents after notice and a hearing pursuant to the Bylaws.

Any Owner may extend his or her right of use and enjoyment of the Common Area to the members of his or her family, lessees, and social invitees, as applicable, subject to reasonable regulation by the Board. An Owner who leases his or her Lot and/or Unit, subject to the terms and conditions of this Declaration, shall be deemed to have assigned all such rights to the lessee of such Lot and/or Unit for the period of the lease.

10.2 Easements for Utilities.

(a) All dedications, limitations, restrictions and reservations of easements, including those for drainage, prepared and recorded by Declarant are incorporated herein by reference and made a part of this Declaration for all purposes as if fully set forth in this Declaration.

(b) The Declarant hereby grants to the Association and each Owner of a Lot and/or Unit, and, so long as the Declarant owns any property described on **Exhibit A** of this Declaration, reserves for itself, and reserves the right to grant to utility providers, the Association, and the owners of any of the properties described on **Exhibit A** of this Declaration perpetual non-exclusive utilities easements located as described on the Plat for the purpose of:

(i) Installing utilities, including without limitation, cable and other systems for sending and receiving data and/or other electronic signals; security and similar systems; and drainage systems; to serve the Properties;

(ii) Inspecting, maintaining, repairing and replacing such utilities and infrastructure to serve the Properties; and

(iii) Access to read utility meters.

(c) All work associated with the exercise of the easements described in subsections (a) and (b) of this Section shall be performed in such a manner as to minimize interference with the use and enjoyment of the property burdened by the easement. Upon completion of the work, the Person exercising the easement shall restore the property, to the extent reasonably possible, to its condition prior to the commencement of the work. The exercise of these easements shall not extend to permitting entry into the structures on any Lot, nor shall it unreasonably interfere with the use of any Lot and, except in an emergency, entry onto any Lot shall be made only after reasonable notice to the Owner or occupant.

10.3 Easements for Maintenance, Emergency and Enforcement. The Declarant grants to the Association easements over the Common Area as necessary to enable the Association to fulfill its maintenance responsibilities under Section 7.2. The Association shall also have the right, but not the obligation, to enter upon any Lot, but not to enter any structure thereon, for emergency, security, and safety reasons and to inspect for the purpose of ensuring compliance with the Governing Documents and to enforce the Governing Documents. Such right may be exercised by any member of the Board and its duly authorized agents and assignees, and all emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner.

10.4 Easements for Cross-Drainage. Every Lot shall be burdened with easements for natural drainage of storm water runoff from other portions of the Properties; provided, no Person shall alter the natural drainage on any Lot to increase materially the drainage of storm water onto adjacent portions of the Properties without the consent of the Owner(s) of the affected Lot and the Board.

10.5 Easement for Emergency Vehicles. The Properties are hereby burdened with an easement allowing all policemen, firemen, ambulance personnel, and similar emergency personnel entry to perform their duties, including the enforcement of traffic regulations.

10.6 Easement for Encroachments. If any part of the Common Elements encroaches or shall hereinafter encroach upon a Unit, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches or shall hereinafter encroach upon the Common Elements, or upon an adjoining Unit, an easement for such encroachment and for the maintenance of the same shall and does exist. Such encroachments shall not be considered to be encumbrances either on the Common Elements or the Units. Encroachments referred to herein are limited to encroachments caused by engineering errors, settling, rising, or shifting of the earth, or by changes in position caused by construction, repair or reconstruction or any part thereof in accordance with the original plans and any encroachment due to building overhang or projection.

10.7 Owner's Right to Ingress and Egress and Support. Each Owner shall have the right to ingress and egress over, upon, and across the Common Elements necessary for access to her/his Unit and to the Limited Common Elements designated for use in connection with his/her Unit, and shall have the right to the horizontal and lateral support of her/his Unit, and such rights shall be appurtenant to and pass with the title to each Unit.

PART SIX: RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY

The growth and success of the MKGS Townhomes Addition to the Town of Jackson as a community in which people enjoy living requires good faith efforts to resolve disputes amicably, attention to and understanding of relationship within the community and with our neighbors, and protections of the rights of others who have an interest in the community.

ARTICLE XI – DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

Section 11.1 Consents for Association Litigation. Except as provided in this Section, the Association shall not commence a judicial or administrative proceeding without the approval of a majority of a quorum of the Owners, which quorum shall be established pursuant to the Bylaws. This Section shall not apply, however, to (a) actions brought by the Association to enforce the Declaration (including, without limitation, the foreclosure of liens); (b) the collection of assessments; or (c) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Section 11.2 Alternative Method for Resolving Disputes. The Declarant, the Association, its officers, directors, and committee members, if any, all persons subject to this Declaration, and any person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, the “Bound Parties” and individually, the “Bound Party”) agree to encourage the amicable resolution of disputes involving the Properties, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that those claims, grievances or disputes described in Section 11.3 hereof shall be resolved using the procedures set forth in Section 11.4 in lieu of filing suit in any court.

Section 11.3 Claims. Unless specifically exempted below, all claims arising out of or relating to the interpretation, application or enforcement of the Declaration, or the rights, obligations and duties of any Bound Party under the Declaration or relating to the design or construction of improvements on the property (collectively, the “Claims” or individually, the “Claim”) shall be subject to the provisions of Section 11.4.

Notwithstanding the above, unless all parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 11.4:

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

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

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

(d) Any suit as to which the applicable statute of limitations would expire within one-hundred twenty (120) days of the Request for Resolution pursuant to Section 11.4, unless the party or

parties against whom the Claim is made agree to toll the statute of limitations for such periods as may be reasonably be necessary to comply with this Article; and

Notwithstanding the foregoing, with the consent of all parties thereto, any of the above may be submitted to the alternative dispute resolution procedures set forth in Section 11.4.

Section 11.4 Mandatory Procedures.

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

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

(b) **Negotiation and Mediation.**

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

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

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

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

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

Section 11.5 Allocation of Costs of Resolving Claims.

a. Subject to Section 11.5(b), each Party shall bear its own costs, including attorneys’ fees, and each Party shall share equally all charges rendered by the mediator(s) (“Post Mediation Costs”).

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

Section 11.6 Enforcement of Resolution. After resolution of any Claim, if any Party fails to abide by the terms of any agreement or award, then any other Party may file suit to enforce such agreement or award without the need to again comply with the procedures set forth in Section 12.4. In such event, the Party taking action to enforce the agreement or award shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement or award, including, without limitation, attorneys’ fees and court costs.

Section 11.7 Board Authorization. The Board may perform any act reasonably necessary to institute, defend, settle, or intervene on behalf of the Association in binding arbitration, non-binding arbitration, mediation, litigation, or administrative proceedings in matters pertaining to (a) enforcement of this Declaration, (b) damage to the Common Elements, (c) damage to the Lots or Units which arises out of, or is integrally related to, damage to the Common Elements, or (d) any other civil claim or action.

ARTICLE XII – AMENDMENT OF DECLARATION

12.1 By Declarant. In addition to specific amendment rights granted elsewhere in this Declaration, until the conveyance of 100% of the Properties to an Owner unaffiliated with Declarant, Declarant may unilaterally amend or repeal this Declaration for any purpose. Thereafter, the Declarant may unilaterally amend this Declaration if such amendment is necessary to (i) bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) enable any reputable title insurance company to issue title insurance coverage on the Lots; (iii) enable any institutional or Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guaranty mortgage loans on the Lots; or (iv) to satisfy the requirements of any local, state or federal governmental agency; provided, however, that any such amendment shall not adversely affect the title to any Lot unless the Owner thereof shall consent in writing. Notwithstanding

the foregoing, any amendment right of Declarant set forth in this Section 12.1 shall automatically terminate upon the date that neither Declarant nor any of its affiliates owns any of the property described on Exhibit A hereto.

12.2 By Members. Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of at least seventy-five percent (75%) of the Members. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

12.3 Validity and Effective Date. No amendment may remove, revoke, or modify any right or privilege of the Declarant without the written consent of the Declarant. If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Any amendment shall become effective upon recording in the Public Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within thirty (30) days of its recordation, or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration the date and year first written above.

“Declarant”

MKGS Investments, LLC
a Wyoming limited liability company

Sean Scarlett, Managing Member
Sean Scarlett, Managing Member

STATE OF Wyoming)
) ss.
COUNTY OF Teton)

On this 11th day of July, 2007, before me personally appeared Sean Scarlett, as managing member of MKGS Investments, LLC, a Wyoming limited liability company, personally known to me, or proved to me on the basis of satisfactory evidence, to be the person whose name is subscribed within this instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on this document, the entity upon behalf of which the person acted executed this instrument.

Dawn Webster
Notary Public
My commission expires: Sept. 30, 2009

(seal)

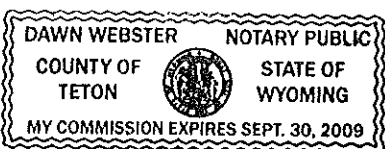


Exhibit "A"

Lots 1, 2 and 3 of Block 6 of the John D. Hall Plat No. 2, Town of Jackson, Teton County, Wyoming according to that plat recorded July 8, 1948 as Plat No. 135.

PIDN: 22-41-16-34-1-30-001 (Lots 1 & 2) and 22-41-16-34-1-30-026 (Lot 3)

**FIRST SUPPLEMENTAL
DECLARATION
to the**

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

for

**MKGS TOWNHOMES
ADDITION TO THE
TOWN OF JACKSON**

RELEASED	<input checked="" type="checkbox"/>
INDEXED	<input checked="" type="checkbox"/>
ABSTRACTED	<input checked="" type="checkbox"/>
SCANNED	<input checked="" type="checkbox"/>

**to
include the**

**MKGS CONDOMINIUMS
ADDITION TO THE
TOWN OF JACKSON**

and

DECLARATION OF CONDOMINIUM

Grantor: MKGS INVESTMENTS LLC
Grantee: THE PUBLIC
Doc 0714851 bk 681 pg 434-449 Filed at 2:20 on 10/24/07
Sherry L Daigle, Teton County Clerk fees: 53.00
By NICHELE E. FAIRHURST Deputy

First Supplemental Declaration to the Declaration of Covenants, Conditions and Restrictions for MKGS
Townhomes Addition to the Town of Jackson

**FIRST SUPPLEMENTAL
DECLARATION**

TO THE

**DECLARATION FOR
MKGS TOWNHOMES ADDITION
TO THE TOWN OF JACKSON**

THIS FIRST SUPPLEMENTAL DECLARATION TO THE DECLARATION FOR MKGS TOWNHOMES ADDITION TO THE TOWN OF JACKSON (the "Supplemental Declaration") is made this 18th day of October, 2007, by MKGS Investments, LLC, a Wyoming limited liability company (hereinafter, with its successors and assigns, referred to as "Declarant").

W I T N E S S E T H

WHEREAS, on July 27, 2007, Declarant filed that certain Declaration for MKGS Townhomes Addition to the Town of Jackson (the "Declaration") in the Office of the Clerk in Teton County, Wyoming in Book 672 of Photo, Pages 476 to 503; and

WHEREAS Declarant owns that real property shown on the Final Plat for MKGS Townhomes Addition to the Town of Jackson as recorded in the Office of the Clerk in Teton County, Wyoming as Plat No. 1208, including Lots 1 through 7 and all improvements located thereon (the "Properties"); and

WHEREAS, Declarant has vacated Lot 6 and a portion of Lot 7 and has replatted such real property as shown on the Final Plat for MKGS Condominiums Addition to the Town of Jackson as recorded in the Office of the Clerk in Teton County, Wyoming the same date hereof, as Unit 1 and Unit 2 and as Condominium Common Elements (collectively, Unit 1, Unit 2 and the Condominium Common Elements shall be referred to herein as the "Additional Property"); and

WHEREAS, pursuant to the terms of Section 9.1, Section 9.5 and Section 12.1 of the Declaration, Declarant may submit certain additional property to the terms of the Declaration and may amend the Declaration for the orderly development of the Properties; and

WHEREAS, Declarant desires to submit the Additional Property to the terms of the Declaration by executing and recording this Supplemental Declaration and to amend the Declaration as set forth herein for the orderly development of the Properties.

NOW, THEREFORE, pursuant to the powers retained by Declarant under the Declaration, Declarant hereby declares that the Additional Property shall be subject to the terms of the Declaration and Declarant hereby amends the provisions of the Declaration to facilitate the addition of the Additional Property to the covenants, conditions and restrictions of the Declaration, as set forth below:

1. **Amendment to Section 2.23 of the Declaration.** Section 2.23 of the Declaration shall be deleted in its entirety and the following shall be inserted in lieu thereof:

2.23 Plat or Final Plat. Shall collectively mean the Final Plat of MKGS Townhomes Addition to the Town of Jackson and the Final Plat of the MKGS Condominiums Addition to the Town of Jackson as recorded in the Public Records.

2. **Amendment to Section 2.29 of the Declaration.** Section 2.29 of the Declaration shall be deleted in its entirety and the following shall be inserted in lieu thereof:

2.29 Unit or Units. Shall individually mean a Condominium Unit or a Townhome and shall collectively mean more than one Condominium Unit and/or Townhome.

3. **Amendment to Section 2.4 of the Declaration.** Section 2.4 of the Declaration shall be deleted in its entirety and the following shall be inserted in lieu thereof:

2.4 Common Elements or Common Area. “Common Elements” or “Common Area” shall mean those areas designated on the Final Plat as General Common Elements, Limited Common Elements – Yard, Limited Common Elements - Storage and Limited Common Elements – Parking and Limited Common Elements-Decking, in the aggregate, or a portion thereof, and all other real and personal property, including easements for access and utilities, which the Association owns, leases or in which it otherwise holds, or acquires in the future, possessory or use rights for the common use and enjoyment of the Owners.

4. **Amendment to Section 2.11 of the Declaration.** Section 2.11 of the Declaration shall be deleted in its entirety and the following shall be inserted in lieu thereof:

2.11 General Common Elements. Shall mean those areas designated as “General Common Elements” or “GCE” on the Final Plat.

5. **Additional Definitions.** The following definitions shall be inserted at the End of Article II:

2.30 Condominium Unit. Condominium Unit shall mean those certain individual air spaces as designated and delineated on the Final Plat for MKGS Condominiums Addition to the Town of Jackson as Unit 1 and Unit 2. Each Condominium Unit shall consist of that part of the building as bounded by the interior surfaces of the perimeter walls, floors, ceilings, windows and window frames, doors and door frames, and trim, and the interior surfaces of built-in fireplaces, if any, as shown and numbered on the Final Plat for MKGS Condominiums Addition to the Town of Jackson. Each Condominium Unit shall include all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of its finished surfaces and the exterior surfaces so described. All other portions of the walls, floors or ceilings shall be a part of the Condominium General Common Elements. In addition, each Condominium Unit shall include the following: (a) all spaces, nonbearing interior partitions and all other fixtures and improvements within the boundaries of the Condominium Unit; (b) all outlets, lines and ducts of utility service lines, including but not limited to power, light, gas, hot and cold water, heating and waste disposal, within the boundaries

of the Condominium Unit; and (c) all heating and hot water apparatus exclusively serving the Condominium Unit. The interior surfaces of a perimeter window or door means at the points at which such surfaces are located when such windows or doors are closed; the physical windows and doors themselves are part of the Condominium General Common Element as herein defined. This Declaration provides a means for ownership in fee simple of separate interests in the Condominium Unit together with an undivided fee simple interest in the Condominium Common Elements, as those terms are herein defined.

2.31 Condominium Common Elements. Shall mean the entire Condominium Project excepting the Condominium Units. Each Owner of a Condominium Unit shall own an undivided interest in the Condominium Common Elements as a tenant in common with all the other Owners of Condominium Units, and, except as otherwise limited in this Declaration, shall have the right to use the Condominium Common Elements for all purposes incident to the use and occupancy of his Condominium Unit which right shall be appurtenant to the Condominium Unit.

2.32 Condominium General Common Elements. Shall mean the entire Condominium project excepting all Condominium Units and Condominium Limited Common Elements as shown on the Final Plat for MKGS Condominiums Addition to the Town of Jackson. Without limiting the generality of the foregoing, the Condominium General Common Elements shall include (i) all pipes, ducts, flues, chutes, conduits, wires and other utility installations to (but not at) the outlets; and (ii) such component parts of walls, floors, ceilings, and other structures and installations as are outside of the Condominium Unit boundaries as delineated or described on the Final Plat for MKGS Addition to the Town of Jackson.

2.33 Condominium Common Expense. The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of the Condominium Units, including any reasonable reserve, as the members may find necessary and appropriate pursuant to the Governing Documents.

2.34 Condominium Declaration. Shall mean the condominium declaration provision set forth in Article XIII of this Declaration applicable to Unit 1 and Unit 2 of this development.

2.35 Condominium Limited Common Elements. Condominium Limited Common Elements means those portions of the Condominium General Common Elements as described by Wyoming Statute § 34-20-103 for the exclusive use of one or more but fewer than all of the Condominium Units, and any limited common elements specifically allocated to Condominium Units as shown on the Final Plat for MKGS Condominiums Addition to the Town of Jackson, including but not limited to the Limited Common Elements-Parking, Limited Common Elements-Storage and Limited Common Elements- Decking and Limited Common Elements-Yard.

2.35 Project. The real property and all improvements set forth on the Final Plat for the MKGS Condominiums Addition to the Town of Jackson.

2.36 Townhome or Townhouse. Each residential structure located on Lots 1, 2, 3, 4 & 5 within the Properties. A "Townhouse" or "Townhome" may also be referred to herein as the other or as "Unit". A "Townhouse" and/or "Townhome" shall not include a "Condominium Unit".

6. **Article XIII - Condominium Declaration.** The following Article shall be inserted at the end of the Declaration as Article XIII:

ARTICLE XIII – CONDOMINIUM DECLARATION

13.1 Estates of an Owner. The Project is hereby divided into Condominium Units, each consisting of a separate interest in a Condominium Unit and an undivided interest in common in the Condominium Common Elements in accordance with the Final Plat of MKGS Condominium Addition to the Town of Jackson which sets forth the Condominium Common Elements appurtenant to each Condominium Unit. The percentage of ownership interest in the Condominium Common Elements which is to be allocated to each Condominium for purposes of taxes, assessments and other charges under Wyoming Statute § 34-20-104(a) and for purposes of liability shall be the same as set forth on **Exhibit “B”** attached hereto and incorporated herein. Such undivided interests in the Condominium Common Elements are hereby declared to be appurtenant to the respective Condominium Unit.

13.2 Title. Title to a Condominium Unit may be held or owned by an entity and in any manner in which title to any other real property may be held or owned in the State of Wyoming.

13.3 Inseparability. No part of a Condominium Unit or of the legal rights comprising ownership of a Condominium Unit may be separated from any other part thereof during the period of Condominium Unit ownership prescribed herein, so that each Condominium Unit and the undivided interest in the Condominium Common Elements shall always be conveyed, devised, encumbered, and otherwise affected only as a complete Condominium Unit. Every gift, devise, bequest, transfer, encumbrance, conveyance, or other disposition of a Condominium Unit shall be presumed to be a gift, devise, request, transfer, encumbrance, or conveyance, respectively, of the entire Condominium Unit, together with all appurtenant rights created by law or by this Declaration.

13.4 Partition Not Permitted. The Condominium Common Elements shall be owned in common by all owners of Condominium Units and no owner may bring any action for partition thereof.

13.5 Owner’s Right to Condominium General Common Elements and Condominium Limited Common Elements. Subject to the limitations contained in this Declaration, each Owner of a Condominium Unit shall have the nonexclusive right to use and enjoy the Condominium General Common Elements shown on the Final Plat for MKGS Condominiums Addition to the Town of Jackson and defined herein. Each Owner shall have the exclusive right to use and enjoy the Condominium Limited Common Elements designated to such Owner on the Final Plat for the MKGS Condominiums Addition to the Town of Jackson.

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

levied against the Project or any part of the Condominium Common Elements in proportion to her/his interest in the Condominium Common Elements, such payment to be made to the Association at least thirty (30) days prior to the delinquency of such tax or assessment. Each such unpaid tax or assessment shall bear interest at eighteen percent (18%) per annum from and after the time the same becomes payable by each Owner and shall be secured by the lien created by Section 8.8 hereof. Notwithstanding the foregoing, taxes, assessments, or other charges attributable to the Condominium Common Elements shall be apportioned among the Owners of Condominium Units in proportion to their interest in the Condominium Common Elements.

13.7 Owner's Rights with Respect to Interiors; Satellite Dishes and Temporary Structures. Except as provided in this Declaration, each Owner shall have the exclusive right to paint, repaint, tile, wax, paper, or otherwise maintain, refinish, and decorate the interior surfaces of the walls, ceilings, floors, doors and clean the exterior and interior surfaces of the windows, all of which form the boundaries of his/her Condominium Unit and all walls, ceilings, floors, and doors within such boundaries. No temporary structures, such as trailers, tents, tepees, shacks or other similar buildings shall be permitted within the Project. Except as otherwise approved by the Board, only one 18" or smaller diameter satellite dish may be attached to the Condominium building and such dish shall be visually shielded from adjacent Lots with shielding approved by the Board before such satellite dish is installed.

13.8 Declarant's Right Incident To Construction. Declarant, and persons it shall select, shall have the right to ingress and egress over, upon, and across the Condominium Common Elements, the right to store materials thereon and to make such other use thereof as may be reasonably necessary incident to complete development of the Project.

13.9 Legal Description. Every contract for the sale of a Condominium Unit and every other instrument affecting title to a Condominium Unit may describe that Condominium Unit by the number shown on the Final Plat and this Declaration as each appears on the records in the Office of the Teton County Clerk, in the following fashion:

Unit _____ as shown on the Final Plat of MKGS Condominiums Addition to the Town of Jackson, appearing in the Records in the Office of the Teton County Clerk as Plat No. _____ as defined and described in the Declaration of the MKGS Townhomes Addition to the Town of Jackson recorded in the Records in the Office of the Teton County Clerk, in Book _____ of Photo at Pages __ to __, and the First Supplemental Declaration of the MKGD Townhomes Addition to the Town recorded in the Records in the Office of the Teton County Clerk, in Book _____ of Photo at Pages __ to __ and all supplements and amendments or supplements thereto.

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

7. Amendment to Section 3.6 of the Declaration. The following sentence is hereby added to the end of Section 3.6:

Notwithstanding any other provision in this Declaration, each Condominium Unit shall be

entitled to a maximum of no more than one Household Pet.

8. Amendment to Section 7.2 of the Declaration. Section 7.2 is hereby deleted in its entirety and the following is hereby inserted in lieu thereof:

7.2 Maintenance of Common Area.

(a) The Association shall maintain, repair and replace all utility services or other types of elements and easements which are utilized in common, such as, but not limited to, sewer or water lines, up to the connection point at the boundary of each Lot. The costs associated with maintenance, repair and replacement of the utility services shall be a Common Expense.

(b) The Association, acting through the Board, shall be obligated to maintain the landscaping and irrigation system located within the Common Elements. The costs associated with maintenance, repair and replacement of the landscaping and irrigation system located within the Common Elements shall be a Common Expense.

(c) The Association shall maintain, repair and replace the GCE-Drive and such expenses associated with such maintenance, repair and replacement shall be allocated equally to Lots 2, 3, 4, and 5 as a Special Assessment.

(d) The Association shall repair and replace all driveways located within LCE-Parking and such expenses associated with such repair and replacement shall be allocated to the Lots and/or Units as a Special Assessment.

(e) The Association, acting through the Board, shall be obligated to maintain the landscaping and irrigation system located within the Condominium Common Elements. The costs associated with maintenance, repair and replacement of the landscaping and irrigation system located within the Condominium Common Elements shall be a Common Expense.

(f) The Association, acting through the Board, shall be obligated to maintain the Condominium General Common Elements, including the maintenance, repair and replacement of the exterior of the Condominium building in accordance with the Community Wide Standard and such costs associated therewith shall be a Condominium Common Expense.

(g) The Association, acting through the Board, shall be obligated to maintain, repair and replace the Condominium Limited Common Elements and such costs associated therewith shall be a Condominium Common Expense.

Unless otherwise designated, the costs associated with the maintenance, repair and replacement of those items that it is obligated to maintain, repair and replace shall be a Common Expense; provided, if the Board reasonably determines that the maintenance, repair or replacement is necessitated by the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such maintenance, repair or replacement against such Owner(s) and their Lot(s) and/or Units as a Specific Assessment. Any expense associated with the maintenance, repair or replacement of improvements within a Limited Common Element shall be assessed as a special

assessment against the Lot(s) and/or Unit(s) to which the Limited Common Element is assigned.

9. **Amendment to Article VI of the Declaration.** Article VI of the Declaration is hereby deleted in its entirety and the following is inserted in lieu thereof:

ARTICLE VI – THE ASSOCIATION AND ITS MEMBERS

6.1 **Function of Association.** The Association shall be the entity responsible for management, maintenance, operation and control of the Common Area. The Association also shall be the primary entity responsible for enforcement of the Governing Documents. The Association shall perform its functions in accordance with the Governing Documents and the laws of the State of Wyoming. The Association shall be responsible for assessing the Condominium Common Assessment and shall be responsible for the management, maintenance and operation of the Condominium Common Elements as designated in this Declaration.

6.2 **Membership.** Every Owner of a Lot and/or Condominium, by virtue of their purchase of a Lot and/or Condominium Unit or the acceptance of a deed therefore, shall be a Member of the Association. There shall be only one membership per Lot or Condominium Unit. If a Lot or Condominium Unit is owned by more than one Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 6.3(a), and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner which is not a natural person may be exercised by any officer, director, partner or trustee, or by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association except where such privileges may be restricted by the Master Rules and Regulations.

6.3 **Voting.** The Association shall have one class of membership. Members shall have one equal vote for each Lot and/or Condominium Unit in which they hold the interest required for membership under Section 6.2. All votes shall be cast as provided in Section 6.3(a).

(a) **Exercise of Voting Rights.** The vote for each Lot and/or Condominium Unit owned by a Member shall be exercised by the Owner of the Lot and/or Condominium Unit. In any situation where there is more than one Owner of such Lot and/or Condominium Unit, the vote for such property shall be exercised as the co-Owners determine among themselves and advise the Secretary of the Association in writing prior to the vote being taken. Absent such advice, the Lot and/or Condominium Unit's vote shall be suspended if more than one Person seeks to exercise it in a conflicting manner.

(b) **Commencement of Voting Rights.** Voting rights as to each Lot and/or Condominium Unit shall vest upon the commencement of assessment obligations for such Lot and/or Condominium Unit.

Only Owners of Condominium Units may vote on matters regarding Condominium Units and/or the Condominium Common Assessments.

10. **Amendment to Section 7.3(a) of the Declaration.** The following is hereby added to the end of Section 7.3(a) as item (iv):

(iv) Blanket property insurance covering “risks of direct physical loss” on a “special form” basis (or comparable coverage by whatever name denominated) for all Condominium Units and insurable improvements within the Project. If such coverage is not generally available at reasonable cost, then “broad form” coverage may be substituted. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement costs of the insured improvements (including all Condominium Units) under current building ordinance and codes. The Declarant shall be named as an additional insured on all policies of insurance covering direct physical loss to any Condominium Unit. Premiums for all insurance on the Condominium Units under this Section shall be assessed against the Owners of the Condominium Units as a Specific Assessment the cost of which shall be divided pro-rata among the Owners of Condominium Units according to those percentages set forth on Exhibit “B”.

11. Amendment to Section 7.3(c). The first sentence of the second paragraph of Section 7.3(c) is hereby deleted and the following shall be inserted in lieu thereof:

Damaged improvements on the property shall be repaired or reconstructed unless at least seventy-five percent (75%) of Members decide within sixty (60) days after the loss not to repair or reconstruct; provided, however, if the damaged improvements only affect the Condominium Units, then it will only be required for both Owners of the Condominium Units to decide within sixty (60) days after the loss not to repair or reconstruct.

12. Amendment to Section 8.1. The following shall be inserted to the end of the first paragraph of Section 8.1:

At least sixty (60) days before the beginning of each fiscal year, the Association shall prepare a separate condominium budget covering the estimated Condominium Common Expenses. The condominium budget shall reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Condominiums Units, and the amount required to be generated through the levy of the Base Assessment. The Association is hereby authorized to levy the Base Assessments against the Condominium Units with the understanding that the Base Assessments for the Condominium Units will include both Common Expenses and Condominium Common Expenses. The Association shall deliver the condominium budget to the Owners of Condominium Units with the general budget. The Association may revise the condominium budget from time to time during the year, subject to the notice requirements and the limitations on increases of assessments provided for in Section 8.5.

13. Amendment to Section 8.1. The second sentence of the second paragraph of Section 8.1 shall be deleted in its entirety and the following sentence shall be inserted in lieu thereof:

The liability for Common Expenses described herein shall be allocated as follows: each Townhome shall be liable for 1/6 of the total and each Condominium Unit shall be liable for 1/12 of the total. Each Condominium Unit shall be liable for one-half of the Condominium Common Expenses.

14. Amendment to Section 8.2. The following shall be added to the end of Section 8.2:

The Association shall prepare and review at least annually a reserve budget for capital expenses of the Condominium Common Elements. The budget shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall include in the condominium budget adopted pursuant to Section 8.1, a capital contribution to fund reserves in an amount sufficient to meet the projected need with respect both to amount and timing by annual contributions over the budget period.

15. Amendment to Section 8.3. The following shall be added to the end of Section 8.3:

A Special Assessment may also be assessed against a Condominium Unit for unbudgeted Condominium Common Expenses.

16. Article XIV and Article XV. The following Articles shall be inserted at the end of the Declaration as Article XIV and Article XV:

ARTICLE XIV - MECHANIC'S LIEN RIGHTS

No labor performed or services or materials furnished with the consent of or at the request of a Owner of a Condominium Unit or his/her agent or her/his contractor or subcontractor shall be the basis for the filing of a lien against the Condominium Unit of any other Owner of a Condominium Unit, or against any part thereof, or against any other property of any other Owner of a Condominium Unit, unless such other Owner of a Condominium Unit has expressly consented to or requested the performance of such labor or furnishing of such materials or services. Such express consent shall be deemed to have been given by the Owner of any Condominium Unit in the case of emergency repairs thereto. Labor performed or services of materials furnished for the Project or any portion thereof, if duly authorized by the Association, shall be deemed to be performed or furnished with the express consent of each Owner of a Condominium Unit. Any Owner may remove his/her Condominium Unit from a lien against two or more Condominium Units or any part thereof by payment to the holder of the lien of the fraction of the total sum secured by such lien which is attributable to her/his Condominium Unit.

ARTICLE XV – MISCELLANEOUS

15.1 Construction by Declarant. Nothing in this Declaration, or any action taken by the Association, shall limit the right of Declarant to complete construction of improvements to the Lots, Common Elements, Condominium Common Elements and to Condominium Units owned by Declarant or to alter the foregoing, or to construct such additional improvements as Declarant deems advisable prior to completion and sale of the entire Properties. Such right shall include, but shall not be limited to, erecting, constructing, and maintaining on the Properties such structures and displays as may be reasonably necessary for the conduct of its business of completing the work and disposing of the same by sale, lease, or otherwise. This Declaration shall not limit, nor shall any action of the Association limit, the right of Declarant at any time prior to the sale of all Lots and Condominium Units by Declarant to establish on the Properties additional easements, reservations and rights of way to itself, to utility companies, or to others as may from time to time be necessary to the proper development and disposal of the Properties.

15.2 Obsolescence.

(a) **Adoption of a Plan.** The Owners of both Condominium Units may agree that the Project is obsolete and adopt a written plan for the renewal and reconstruction. Such plan shall be recorded in the records of the Office of the Clerk of Teton County, Wyoming.

(b) **Payment for Renewal and Reconstruction.** The expense of renewal or reconstruction shall be payable by all of the Owners as assessments against their respective Condominium Units. These assessments shall be levied in advance pursuant to this Declaration and shall be allocated and collected as provided for the allocation of expenses of Condominium Common Elements. Further levies may be made in like manner if the amounts collected prove insufficient to complete the renewal and reconstruction.

(c) **Sale of Obsolete Condominium Units.** If all of the Owners of the Condominium Units agree that the Condominium Units are obsolete and that the Project should be sold, such an agreement must have the additional approval of all first Mortgagees of record at the time such agreement is made. In such instance, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association the Project shall be sold by the Association as attorney-in-fact for all of the Owners free and clear of the provisions contained in this Declaration, the Final Plat for MKGS Condominiums Addition to the Town of Jackson and the Association Bylaws. The sale proceeds shall be apportioned among the Owners of the Condominium Units in proportion to their interest in the Condominium Common Elements, and such apportioned proceeds shall be paid into separate accounts, each such account representing one Condominium Unit. Each such account shall remain in the name of the Association, and shall be further identified by the Condominium Unit designation and the name of the Owner of the Condominium Unit. From each separate account the Association, as attorney-in-fact, shall use and disburse the total amount of such accounts without contribution from one account to the other, first to Mortgagees and other lienors in the order of priority of their mortgages and other liens and the balance remaining to each respective Owner.

(d) **Distribution of Excess.** In the event amounts collected are in excess of the amounts required for renewal and reconstruction, the excess shall be returned to the Owners of the Condominium Units by the Association by a distribution to each Owner of a Condominium Unit in an amount proportionate to the respective amount collected from each such Owner.

15.3 Condemnation.

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

(b) **Proceeds.** All compensation, damages, or other proceeds therefrom, the sum of which is hereinafter called the "Condemnation Award," shall be payable to the Association.

(c) **Complete Taking.** In the event that the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership pursuant hereto shall terminate. The Condemnation Award shall be apportioned among the Owners of Condominium Units in proportion to their ownership of General Common Elements as provided in **Exhibit "B"** hereto, provided that if a standard different from the value of the Project as a whole is employed to measure the

Condemnation Award in the negotiation, judicial decree, or otherwise, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable.

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

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

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

(f) **Reconstruction and Repair.** Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified above.

(g) **Limitations in Action of Owners Association.** Notwithstanding any other provisions in this Article and except as provided by statute, in case of condemnation or substantial loss to the Condominium Units and/or Condominium Common Elements, unless at least three-fourths of Owners of the individual Condominium Units have given their prior written approval, the Association may not:

- (1) By act or omission seek to abandon or terminate the Project;
- (2) Change the pro rata interest or obligations of any Condominium Unit in order to levy assessments or charges, allocate distribution of hazard insurance proceeds or condemnation awards or determine the pro rata share of ownership of each Unit

in the Condominium Common Elements;

- (3) Partition or subdivide any Condominium Unit;
- (4) Seek to abandon, partition, subdivide, encumber, sell or transfer the Condominium Common Elements by act or omission; or
- (5) Use hazard insurance proceeds for losses to any Project property (whether Condominium Units or Condominium Common Elements) for other than the repair, replacement or reconstruction of the Project property.

17. The definitions set forth in Article II of the Declaration are incorporated herein by reference.

18. Except as expressly amended by this Supplemental Declaration, the Declaration is and remains in full force and effect, unchanged. Capitalized terms not defined herein shall be construed in accordance with their definitions set forth in the Declaration. References to section numbers refer to section numbers contained in the Declaration, unless otherwise expressly delineated to the contrary. This Supplemental Declaration may be executed in counterparts and facsimile signatures shall be sufficient to bind all parties.

19. The Additional Property shall be sold, transferred, used, conveyed, occupied, and mortgaged or otherwise encumbered pursuant to the provisions of this Supplemental Declaration and the Declaration, both of which shall run with the title to such property and shall be binding upon all persons having any right, title, or any interest in such property, their respective heirs, legal representatives, successors, successors-in-title, and assigns. The provisions of this Supplemental Declaration shall be binding upon the Association in accordance with the terms of the Declaration.

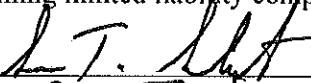
20. Exhibit "A". Exhibit "A" is hereby deleted in its entirety and the Exhibit "A", attached hereto and incorporated herein, is hereby inserted in lieu thereof.

21. Exhibit "B". Exhibit "B", attached hereto and incorporated herein, is hereby added to the end of the Declaration.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Supplemental Declaration the date and year first written above.

DECLARANT:

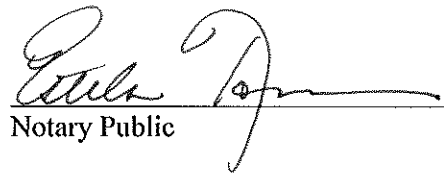
MKGS Investments, LLC,
a Wyoming limited liability company

By: 
Name: Sean T. Scarlett
Title: Managing Member

STATE OF WYOMING)
 ss.)
COUNTY OF TETON)

On Oct. 18, 2007, before me, Estela Torres
Sean T. Scarlett, Notary Public,
personally appeared Sean T. Scarlett personally known to me or proved to me on the
basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and
acknowledged to me that he or she executed the same in his or her authorized capacity, and that by his or
her signature on the instrument, the person or entity upon behalf of which the person acted, executed the
instrument.

WITNESS my hand and official seal.



Notary Public

My commission expires:

8-14-08

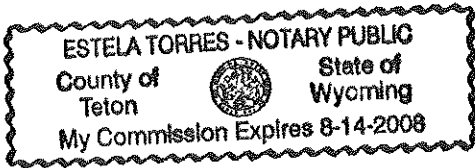


EXHIBIT "A"

That certain real property formerly known as Lots 1, 2, and 3 of Block 6 of the John D. Hall Plat No. 2, Town of Jackson, Teton County, Wyoming according to that plat recorded on July 8, 1948 as Plat No. 135 (PIDNs: 22-41-16-34-1-30-001 and 22-41-16-34-1-30-026) and more particularly described as:

Lot 1 through Lot 5 and Lot 7 of MKGS Townhomes Addition to the Town of Jackson according to that plat recorded as Plat No. 1208 in the Office of the Clerk of Teton County, Wyoming.

PIDNS: TMP003586, TMP003587, TMP003588, TMP003589, TMP003590, TMP003592

AND

MKGS Condominiums Addition to the Town of Jackson, Teton County, Wyoming according to that plat recorded in the Office of the Clerk in Teton County, Wyoming the same date hereof.

**EXHIBIT "B"
TO DECLARATION
DECLARATION**

**MKGS Condominium
Common Elements Ownership**

Unit	Ownership Percentage of Condominium Common Elements
1	50%
2	50%