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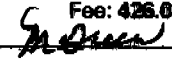
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Index to: DECLARATION OF COVENANTS



APR 11 2005

TETON CO., ID
CLERK RECORDER

FOURTH AMENDMENT

TO

MASTER DECLARATION

OF

PROTECTIVE COVENANTS

and

MASTER DEVELOPMENT GUIDELINES

FOR

TETON SPRINGS
GOLF AND CASTING CLUB

APRIL, 2005

167362

Teton Springs/Covenants fourth amendment april 2005

**FOURTH AMENDMENT
TO
MASTER DECLARATION OF PROTECTIVE COVENANTS
AND
MASTER DEVELOPMENT GUIDELINES
FOR
TETON SPRINGS GOLF AND CASTING CLUB**

This Fourth Amendment to the Master Declaration of Protective Covenants and Master Development Guidelines for Teton Springs Golf and Casting Club, effective this 8 Day of April, 2005 is as follows:

WITNESSETH:

WHEREAS, heretofore, there have been established and recorded the Third Amendment to Master Declaration of Protective Covenants and Master Development Guidelines for Teton Springs Golf and Casting Club on July 14, 2003, and which by this reference are hereby amended and superceded; and


WHEREAS, on April, 8, 2005, the undersigned owner being the majority owner of record of the real property within Teton Springs Golf and Casting Club according to the official plat thereof on file and of record in the office of the Teton County Clerk and Recorder, is desirous of amending and clarifying certain sections of said document. The Third Amendment to the Master Declaration of Protective Covenants and Master Development Guidelines is hereby superceded by the Fourth Amendment to the Master Declaration of Protective Covenants and Master Development Guidelines for Teton Springs Golf and Casting Club and is hereby stated.

THEREFORE, from this day of April, 8, 2005 forward, the Fourth Amendment to Master Declaration of Protective Covenants and Master Development Guidelines for Teton Springs Golf and Casting Club take precedence and become enforceable.

IN WITNESS WHEREOF, Declarant has executed this as the Master Declaration as of April, 8, 2005.

DECLARANT:

TETON SPRINGS GOLF AND CASTING CLUB, LLC

By: 
Authorized Representative

167363

STATE OF IDAHO)
)ss.
COUNTY OF TETON)

The foregoing Fourth Amendment was acknowledged before me, in the County of Teton and State of Idaho, this 8 Day of April, 2005, by Michael Potter as Authorized Representative of TETON SPRINGS GOLF AND CASTING CLUB, LLC, A Wyoming Limited Liability Company.

WITNESS my hand and official seal



Shannon R Herndon
Shannon R Herndon
Notary Public for State of Idaho
Residing at: Tetonia, ID 83452
My commission expires: 11-6-09

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**FORUTH AMENDMENT TO
MASTER DECLARATION
OF
PROTECTIVE COVENANTS
FOR
TETON SPRINGS
GOLF AND CASTING CLUB**

THIS MASTER DECLARATION OF PROTECTIVE COVENANTS FOR TETON SPRINGS GOLF AND CASTING CLUB (the "Master Declaration"), is made and entered into this _____ day of _____, 2005 by TETON SPRINGS GOLF AND CASTING CLUB, LLC, a Wyoming limited liability company duly authorized to transact business in the State of Idaho (the "Declarant").

RECITALS

1. Declarant is the record owner of that certain real property situated in Teton County, Idaho, known as Teton Springs Golf and Casting Club, as more particularly described in Exhibit A attached hereto and by reference made a part hereof (the "Common Interest Community").
2. The Common Interest Community has been approved for development pursuant to a Planned Unit Development Master Plan and Plat Master Plan for Teton Springs adopted by the County of Teton, Idaho (the "P.U.D. for Teton Springs").
3. Declarant intends to develop the Common Interest Community as a planned community under the laws of the State of Idaho. Declarant reserves the rights, but shall have no obligation, to annex to the Common Interest Community from time to time some or all of additional unspecified real estate, and to develop such property as part of the planned community. Each such annexation shall be accomplished by the recording of a Supplemental Declaration, together with a Supplemental Plat or Map, which describe and depict any new Lots, Units, Master Common Areas and/or Subassociation Common Areas thereby added to the Common Interest Community, and which describe any Common Elements or Limited Common Elements thereby created. The Supplemental Declaration shall incorporate this Master Declaration by reference and shall set forth such amendments to the Master Declaration and such additional covenants, conditions, uses, restrictions, and reserved development rights as may be applicable to the annexed property.
4. Under the present P.U.D. for Teton Springs, five hundred sixty (560) legally separate Lots and Units are permitted to be created and developed. This number does not include provision for the 100 Inn units, the 50 overnight accommodations in the Old Town area, "accessory dwelling units," caretaker apartments, the acreage for the Old Town Village, the activities equestrian area, old Rammell Barn activities area, or operations and maintenance facilities which are permitted under the P.U.D. as they are not classified as residential lots or units hereunder.

5. Teton Springs Master Association, an Idaho non-profit corporation, has been formed as a master association to exercise the functions set forth herein and to own, lease, hold, operate, care for and manage certain property for the common benefit of Owners and Occupants of Lots and Units within, and of any other person acquiring an interest in, the Common Interest Community.

6. Declarant desires to establish covenants, conditions and restrictions upon the Common Interest Community and all properties that may hereafter be annexed thereto, and certain mutually beneficial restrictions and limitations with respect to the proper use, occupancy, improvement and enjoyment thereof, all for the purposes of enhancing and protecting the value, desirability and attractiveness of the Common Interest Community and enhancing the quality of life within the Common Interest Community.

7. Declarant desires and intends that the Owners, Mortgagees, Occupants and all other Persons hereafter acquiring any interest in the Common Interest Community shall at all times enjoy the benefits of, and shall hold their interests subject to, the covenants, conditions, restrictions, assessments, charges, servitudes, liens, reservations and easements contained in this Master Declaration, as it may be amended from time to time by Supplemental Declaration or otherwise.

ARTICLE 1 DECLARATION

NOW, THEREFORE, for the purposes set forth above and herein, Declarant for itself and its successors and assigns hereby declares that the Common Interest Community and all other property which becomes subject to this Master Declaration in the manner hereinafter provided, and each part thereof, shall be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, improved, altered, maintained and enjoyed subject to the covenants, conditions, restrictions, assessments, charges, servitudes, liens, reservations, exceptions, easements, privileges, rights and other provisions hereinafter set forth, for the duration hereof, all of which are declared to be part of, pursuant to, and in furtherance of a common and general plan of development, improvement, enhancement, use, occupancy and enjoyment of the Common Interest Community, and all of which shall run with the land and be binding upon and inure to the benefit of (i) the Common Interest Community and every part thereof, (ii) Declarant and its successors and assigns, (iii) the Master Association and its successors and assigns, (iv) every Member of the Master Association, and (v) all Owner, Occupants and other Persons having or acquiring any right, title or interest in or to the Common Interest Community or any part thereof, or any Improvement thereon, and their respective heirs, personal representatives, successors and assigns. Provided always, that to the extent this Master Declaration provides that Declarant shall not be bound by or is exempt from the application of certain covenants, conditions and restrictions contained herein, Declarant shall not be considered subject to such covenants, conditions or restrictions.

This Declaration shall be recorded in Teton County, Idaho and shall be indexed in the Grantee's index in the name of Teton Springs Golf and Casting Club and the Master Association and in the Grantor's Index in the name of Teton Springs Golf and Casting Club, LLC.

ARTICLE 2 DEFINITIONS

Unless otherwise expressly provided herein, the following words and phrases when used in this Master Declaration shall have the meanings hereinafter specified.

2.1 Accessory Dwelling Unit. "Accessory Dwelling Unit" means any separately occupiable apartment (containing a separate kitchen and outside entrance) that may be attached to a Unit or attached to or detached from a residence constructed on a Lot, if such Lot or Unit has been designated for an Accessory Dwelling Unit by the P.U.D. for Teton Springs and on the applicable Plat or Map. For purposes of this Master Declaration, an Accessory Dwelling Unit shall be considered a legally undivided part of the Lot or Unit upon or in which said Accessory Dwelling Unit is located, and all references to a Lot or Unit shall be deemed to include any Accessory Dwelling Unit located thereon or therein.

2.2 Act. "Act" shall mean the Idaho Subdivision Act which may be amended from time to time.

2.3 Allocated Interests. "Allocated Interests" means the Common Expenses liability and the votes in the Master Association allocated to each Lot or Unit, which interests are allocated as follows:

(a) The Common Expenses liability for each Lot or Unit is calculated on the basis of a fraction, the numerator of which is one (1) and the denominator of which is the total number of Lots and Units in the Common Interest Community as of the date of the calculation. The denominator may be increased from time to time by the Declarant upon the addition of Lots or Units to the Common Interest Community which can be conveyed to third parties. Such fraction is then multiplied by the Common Expenses or the Assessment in question to determine that Lot's or Unit's share thereof. The Common Expenses liability of a Lot or Unit is determined without reference to the size, location, value or use of the Lot or Unit.

(b) One (1) vote in the Master Association is allocated to each Lot and Unit in the Common Interest Community.

(c) The foregoing allocations may not discriminate in favor of Lots or Units owned by Declarant or an affiliate of Declarant.

(d) If Lots or Units are added to or withdrawn from the Common Interest Community or converted to Master Common Area, (i) the Common Expenses liability for each Lot or Unit shall be reallocated on the basis of a fraction, the numerator of which is (1) and the denominator of which is the total number of Lots and Units in the Common Interest Community following the addition, withdrawal or conversion of such Lots or Units, and (ii) one vote in the Master Association shall continue to be allocated to each Lot or Unit in the

Common Interest Community following the addition, withdrawal or conversion of such Lots or Units.

The Allocated Interests for the Common Interest Community are specifically set forth on Exhibit B attached hereto and made a part hereof by this reference, as said Exhibit B may be amended from time to time.

2.4 Application for Certificate of Compliance. “Application for Certificate of Compliance” means a written application submitted by a Lot or Unit Owner to the Development Review Committee requesting the issuance of a Certificate of Compliance to the effect that the Improvements constructed by the Owner on its Lot or Unit have been completed in compliance with the development approvals granted therefor by the Development Review Committee. The procedures pertaining to such Applications are more particularly set forth in Section 4.17 below.

2.5 Articles of Incorporation. “Articles of Incorporation” or “Articles” means the Articles of Incorporation of Teton Springs Master Association, which have been or will be filed in the office of the Secretary of State of the State of Idaho, as the same may be amended from time to time.

2.6 Assessment. “Assessment” means a Regular Assessment, Special Assessment or Reimbursement Assessment.

2.7 Budget. “Budget” means a written itemized estimate of the Common Expenses to be incurred by the Master Association in performing its functions under this Master Declaration and adopted by the Executive Board pursuant to Section 10.7 of this Master Declaration.

2.8 Building Envelope. “Building Envelope” means that portion of each Lot which is depicted and designated as the Building Envelope on a building envelope map. All structural Improvements, including roof overhangs, shall be located within the Building Envelope on a Lot, except that with prior Development Review Committee approval in each instance, driveways, walks, decks, patios, pathways, other similar features, fences, underground utilities, irrigation and drainage systems, and landscaping may be located outside the Building Envelope.

2.9 Bylaws. “Bylaws” means the Bylaws of the Master Association which have been or will be adopted by the Executive Board of the Master Association, as the same may be amended from time to time.

2.10 Caretaker Apartment. “Caretaker Apartment” means any separately occupiable apartment (containing a separate kitchen and outside entrance) that may be attached to or detached from a residence constructed on a residential Lot. Caretaker Apartments may not contain more than 1,200 square feet and will only be permitted on residential Lots. For purposes of this Master Declaration and any Supplemental Declaration, a Caretaker Apartment shall be considered a legally undivided part of the Lot or Unit upon or in which said Caretaker Apartment is located, and all

references to a Lot or Unit shall be deemed to include any Caretaker Apartment located thereon or therein.

2.11 Common Elements. "Common Elements" means all portions of any Condominium that may be created within the Common Interest Community, other than the Units within that Condominium. "General Common Elements" means all Common Elements except Limited Common Elements.

2.12 Common Expenses. "Common Expenses" means any expenditures made or liabilities incurred by or on behalf of the Master Association, together with any allocations to reserves, including, but not limited to the following:

(a) The costs of maintenance, management, operation, repair and replacement of the Master Common Areas and the Limited Common Areas, and of all other parts of the Common Interest Community which are managed or maintained by the Master Association, but excluding any areas being managed or maintained at the expense of a Subassociation;

(b) The costs of Improvements constructed from time to time by the Master Association upon or in connection with Master Common Areas or Limited Common Areas, if such costs were included within a duly adopted Budget;

(c) Unpaid Assessments;

(d) The costs of management and administration of the Master Association, including, but not limited to, compensation paid by the Master Association to managers, accountants, attorneys and employees;

(e) The costs of utilities and services (including, but not limited to, treated or untreated water, electricity, gas, sewer, trash pick-up and disposal and recycling), which are provided to the Master Association or the Common Interest Community and not individually metered or assessed to Lots or Units, landscaping maintenance, and other services which generally benefit and enhance the value and desirability of the Common Interest Community and which are provided by or on behalf of the Master Association, but excluding any such utilities or services that may be provided by a Subassociation;

(f) The costs of insurance maintained by the Master Association as required or permitted herein, but excluding any insurance maintained by a Subassociation;

(g) Reasonable reserves for contingencies, replacements and other proper purposes as deemed appropriate by the Executive Board to meet anticipated costs and expenses including, but not limited to, maintenance, repair and replacement of those Master Common Areas or Limited Common Areas which must be maintained, repaired or replaced on a periodic basis;

(h) The costs of maintaining the yards and/or Common Interest Community for the Forest Cabins, Creekside Cabins, Old Town South Residential and Old Town North Residential.

(i) The costs of bonding the members of the Executive Board, the officers of the Master Association, any professional managing agent or any other Person handling the funds of the Master Association;

(j) Taxes paid by the Master Association;

(k) Amounts paid by the Master Association for discharge of any lien or encumbrance levied against the Master Common Areas or Limited Common Areas or portions thereof;

(l) The costs incurred by the Development Review Committee, and by any other committees that may be established from time to time by the Executive Board;

(m) The costs of any security systems or services that may be installed, operated or contracted for by the Master Association for the benefit of the Common Interest Community;

(n) The costs of maintaining, operating and replacing recreational, cultural, health-related or similar facilities or enterprises available to or for the benefit of all or a portion of the Common Interest Community and such other users as may be authorized by this Master Declaration or by the Executive Board from time to time; and

(o) Other expenses incurred by the Master Association for any reason whatsoever in connection with the Master Common Areas or the Limited Common Areas, or the costs of any other item or service provided or performed by the Master Association pursuant to this Master Declaration, any Supplemental Declaration, the Articles, Bylaws, Master Rules and Regulations, or Master Development Guidelines, or in furtherance of the purposes of the Master Association or in the discharge of any duties or powers of the Master Association.

2.13 Common Interest Community. "Common Interest Community" means the Common Interest Community described on attached Exhibit A and any additional real property which may from time to time be annexed to the Common Interest Community and made subject to this Master Declaration by Supplemental Declaration and Supplemental Plat or Map, including all Lots, units, Master Common Areas, Subassociation Common Areas, Common Elements and Limited Common Elements, if any, together with all Improvements and other amenities now or hereafter located thereon, and together with all easements, rights, appurtenances and privileges belonging or in any way pertaining thereto. If any property is subsequently withdrawn from the Common Interest Community pursuant to the provisions of this Master Declaration, the term "Common Interest Community" shall thereafter not include said withdrawn property.

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2.14 Condominium. "Condominium" means any part of the Common Interest Community in which portions of the real estate (i.e., Units) are designated for separate ownership and the remaining real estate is designated for common ownership in undivided interests solely by the Owners of said Units.

2.15 County. "County" means Teton County, Idaho.

2.16 Declarant. "Declarant" means Teton Springs Golf and Casting Club, a Wyoming limited liability company, its successors, assigns, and affiliates. A Person shall be deemed to be a "successor and assign" of Declarant if specifically designated in a duly Recorded instrument as a successor or assign of Declarant under this Master Declaration and shall be deemed a successor and assign of Declarant only as to the particular rights or interests of Declarant under this Master Declaration which are specifically designated in that written instrument.

2.17 Deed of Trust. "Deed of Trust" means a Mortgage.

2.18 Development Review Committee. "Development Review Committee" means the Committee provided for in Article 4 of this Master Declaration.

2.19 Executive Board. "Executive Board" or "Board" means the Executive Board of the Master Association.

2.20 Golf Course Play and Operational Easement. (Exhibit F) "Golf Course Play and Operational Easement" means that certain declaration by Declarant in favor of the Golf Owner recorded in the Office of the Clerk and Recorder of Teton County, Idaho, which instrument reserves, creates and establishes for the benefit of the Golf Owner and the Golf Land, certain easement rights over and across and restrictions upon portions of the Common Interest Community, all as more particularly described therein.

2.21 Golf Land. "Golf Land" means that certain property adjacent to the Common Interest Community which is owned by the Golf Owner. In no event shall the Golf Land be deemed to be a part of the Common Interest Community, or be burdened by this Master Declaration. Golf Land is shown on the Phase I Subdivision Plat maps as Open Space 1-7 and totals 426.91 acres. Notwithstanding the above, use and enjoyment of the Golf Land is subject to the Open Space Dedication for open spaces 1-7 of Teton Springs Golf and Casting Club as recorded with the Clerk of Teton County, Idaho which includes the following provisions:

1. The open space is dedicated open space for the visual enjoyment of the general public.
2. The golf course and other open space facilities are for public use subject to published annual green fees and other recreational use fees.
3. The open space will be controlled and maintained by Teton Springs including elimination of noxious weeds, fire hazards and other nuisances.

4. The Teton Springs Golf and Casting Club Master Association's Conditions, Covenants, and Restrictions and the Development Agreement as filed in the office of the Clerk of Teton County, Idaho concurrently with the Teton Springs Golf and Casting Club Master Plan Plat, will be the binding documents governing said designated Open Spaces.

2.22 Golf Owner. "Golf Owner" means the record owner from time to time of the Golf Land, and its successors and assigns.

2.23 Household Pets. "Household Pets" means generally recognized household pets such as dogs, cats, fish, birds, rodents, and non-poisonous reptiles.

2.24 Improvements. "Improvements" means any improvements, structural or otherwise, alterations, additions, repairs, excavation, grading, landscaping or other work which in any way alter any property within the Common Interest Community, or the improvements located thereon, from its natural or improved state existing on the date this Master Declaration or a Supplemental Declaration for such property was first Recorded, including, but not limited to, dwelling units, buildings, outbuildings, additions, swimming pools, patio covers, awnings, the painting or other change of any exterior surfaces of any visible structure, walkways, outdoor sculptures or artwork, sprinkler or irrigation systems, garages, carports, roads, driveways, parking areas, ponds, ditches, fences, screening walls, retaining walls, stairs, decks, flag poles, fixtures, landscaping (including the addition, alteration or removal of any tree, shrub or other vegetation), hedges, windbreaks, plantings, planted trees and shrubs, gardens, poles, signs, tanks, solar equipment, wind harnessing or other energy generating equipment, exterior air conditioning, water softener fixtures, utilities, antennae and satellite dishes or receivers. Once an Improvement has been constructed or accomplished on a property within the Common Interest Community, any subsequent alteration of or addition to or removal of that Improvement shall also constitute an "Improvement" hereunder.

2.25 Lease. "Lease" means and refers to any agreement for the leasing, rental, use or occupancy of a Unit, a residential dwelling located on a Lot, or an Accessory Dwelling Unit, within the Common Interest Community. The required terms and procedures for Leases are more particularly set forth in Section 3.35 below.

2.26 Limited Common Area. "Limited Common Area" means a Master Common Area that is designated by this Master Declaration, by a Supplemental Declaration, on the Plat, or on a Supplemental Plat, for the exclusive use of one or more Lots in the Common Interest Community but fewer than all of the Lots.

2.27 Limited Common Elements. "Limited Common Elements" means a portion of the Common Elements in a Condominium allocated by the Supplemental Declaration or the amendment or the Map by which said Condominium is created for the exclusive use of one or more Units in the Condominium but fewer than all of the Units.

2.28 Lot. "Lot" means any part of the Common Interest Community which is designated as a Lot upon a Plat or any Supplemental Plat or amendment, together with all improvements thereon and appurtenances thereto. The term "Lot" shall not include Units.

2.29 Map. "Map" means any map that is incorporated in a Supplemental Declaration or amendment and that depicts a portion of the Common Interest Community in three dimensions. A Map is required for any portion of the Common Interest Community with Units having a horizontal boundary. A Map and a Plat may be combined in one instrument.

2.30 Master Association. "Master Association" means the Teton Springs Master Association, an Idaho nonprofit corporation, its successors and assigns.

2.31 Master Common Areas. "Master Common Areas" means all real property interests (not just fee title and leasehold interests) within the Common Interest Community and the Improvements and amenities and personal property thereon or therein or associated therewith which may from time to time be owned, leased or maintained by the Master Association or otherwise held by the Master Association for the use, enjoyment and benefit of the Owners and Occupants and such other users as may be authorized by this Master Declaration or by the Executive Board from time to time. The master Common Areas include, but are not limited to, (i) all portions of the Common Interest Community designated in this Master Declaration, or any Supplemental Declaration or on a Plat or any Supplemental Plat as Master Common Area, including M.C.A. Parks, (ii) all Limited Common Areas, (iii) all easements created or reserved on any Plat, Map, or Supplemental Plat or Map, or in this Master Declaration or in any Supplemental Declaration, or in any separate agreement, for the use and benefit of the Master Association, and (iv) any water rights, ditch rights and/or water facilities (or interests therein) that may be owned or leased by the Master Association or which the Master Association may be entitled to use. With the exception of easements which are Master Common Areas, the Master Common Areas do not include the Lots, Units, or Public Parks, or the improvements constructed thereon, and are subject always to all Permitted Exceptions. Notwithstanding that yards, residence exteriors and roofs on certain Lots in the Common Interest Community are maintained by the Master Association, such yards, exteriors and roofs are not Master Common Areas.

2.32 Master Declaration. "Master Declaration" means this instrument and all Supplemental Declarations, as this instrument and such Supplemental Declarations may be amended from time to time.

2.33 Master Development Guidelines. "Master Development Guidelines" means the rules, procedures, standards, guidelines and requirements promulgated from time to time by the Development Review Committee, and all amendments thereto, governing the review and approval or disapproval of proposed Improvements within the Common Interest Community, the registration of Builders, and such other matters as the Development Review Committee considers necessary or appropriate.

2.34 Master Rules and Regulations. "Master Rules and Regulations" or "Rules and Regulations" means rules and regulations adopted from time to time by the Executive Board, as provided in Section 9.9 and in other Sections of this Master Declaration.

2.35 Member. "Member" means each Lot or Unit Owner, including the Declarant. Membership in the Master Association shall be appurtenant to, and may not be separated from, ownership of a Lot or Unit.

2.36 Mortgage. "Mortgage" means any mortgage, deed of trust or other security instrument, given voluntarily by the Owner of a Lot or Unit, creating a real property security interest in a Lot or Unit and Recorded in the records of the Clerk and Recorder of the County. "First Mortgage" means a mortgage which is first and most senior of the Mortgages on the same Lot or Unit. The term "Mortgage" does not mean a statutory, tax or judicial lien. The term "Deed of Trust" when used herein shall be synonymous with the term "Mortgage."

2.37 Mortgagee. "Mortgagee" means a mortgagee under a Mortgage or a beneficiary under a Deed of Trust, as the case may be, and the assignees of such Mortgagee.

2.38 Mortgagor. "Mortgagor" means the maker, obligor or grantor of a Mortgage. The term "Mortgagor" includes a trustor or grantor under a Deed of Trust.

2.39 Notice and Hearing. "Notice and Hearing" means a written notice and public hearing before the Executive Board, or a panel appointed by the Executive Board, as set forth in the Bylaws.

2.40 Occupant. "Occupant" means any Person who is a tenant in a Unit, a residence on a Lot, an Accessory Dwelling Unit or a Caretaker Apartment, pursuant to a Lease with the Owner thereof. "Occupant" also means any Person who is present within the Common Interest Community as a family member, guest or invitee of an Owner, an Occupant, the Declarant, or the Master Association.

2.41 Owner. "Owner" means the Person, including Declarant, or, if more than one, all Persons collectively, who hold fee simple title of Record to a Lot or Unit, including sellers under executory contracts of sale and excluding buyers thereunder. The term "Owner" shall be analogous to the term "Unit Owner", as that term is defined in the Act.

2.42 Permitted Exceptions. "Permitted Exceptions" means all liens, encumbrances, reservations, restrictions, conditions, easements and other matters of record which encumber the title to all or any part of the Common Interest Community, as of the date of this Master Declaration or a Supplemental Declaration is Recorded. This Master Declaration and any Supplemental Declaration shall be subject to such Permitted Exceptions.

2.43 Person. "Person" means a natural person, a corporation, a partnership, an association, a trust, or any other entity or any combination thereof.

2.44 Plat. "Plat" means the phased Final Plats of Teton Springs Golf and Casting Club, as recorded periodically, all in the Office of the Clerk and Recorder of Teton County, Idaho, as said Plats may be amended from time to time. By this reference, said Plats are incorporated in this Master Declaration. The term "Plat" also means each Supplemental Plat Recorded by Declarant and all Recorded amendments thereto. As provided in the Act, a Plat and a Map may be combined in one instrument. Wherever used in this Master Declaration or in any Supplemental Declaration, the term "Plat" also means any Map that may be so combined with a Plat, or any Map that may be Recorded instead of a Plat in order to depict a portion of the Common Interest Community in three dimensions as provided in the Act.

2.45 P.U.D. for Teton Springs. "P.U.D. for Teton Springs" means the PUD Master Plan and Plat recorded February 13, 2001, in the Office of the Clerk and Recorder of Teton County, Idaho, as said P.U.D. for Teton Springs may be amended from time to time.

2.46 Registered Builder. "Registered Builder" means a general contractor that has been registered to perform work within Teton Springs with the Development Review Committee pursuant to the guidelines and procedures set forth herein and in the Master Development Guidelines.

2.47 Record or Recorded. "Record" or "Recorded" means an instrument of record in, or the act of recording an instrument with, the office of the Clerk and Recorder of the County.

2.48 Regular Assessment. "Regular Assessment" means a charge against an Owner and the Owner's Lot or Unit for purposes of covering the annual costs of operating and administering the Master Association and all other Common Expenses. Regular Assessments are based on a budget adopted by the Executive Board in accordance with Section 10.7 below, and are allocated to the Lots and Units in accordance with the Allocated Interests, except that Common Expenses that benefit fewer than all of the Lots or Units shall be allocated exclusively to the Lots or Units benefitted.

2.49 Reimbursement Assessment. "Reimbursement Assessment" means a charge against a particular Owner and the Owner's Lot or Unit for purpose of reimbursing the Master Association for costs and expenses incurred by the Master Association in connection with the enforcement of any provision hereof or the remedying of any violation by the Owner or an Occupant of this Master Declaration or any amendment hereto or any Supplemental Declaration, the Articles, Bylaws, Master Rules and Regulations, Or Master Development Guidelines, or any approvals granted by the Development Review Committee, or for other purposes set forth in the Master Declaration, pursuant to Section 10.10 hereof, together with late charges and interest as provided for herein. Reimbursement Assessment shall include without limitation any Common Expense caused by the misconduct of any Lot or Unit Owner or of such Owner's Occupants.

2.50 Special Assessment. "Special Assessment" means a charge against an Owner and the Owner's Lot or Unit for purposes of reimbursing the Master Association for costs and expenses incurred or to be incurred by the Master Association for the purpose of paying for the construction, reconstruction, repair or replacement of capital Improvements to the Common Interest Community,

the costs of which were not included in a Regular Assessment, or for excess reconstruction costs or other extraordinary expenses, as authorized by the Executive Board from time to time as provided herein.

2.51 Subassociation. "Subassociation" means any Idaho nonprofit corporation, and its successors and assigns, organized and established by Declarant pursuant to or in connection with any Supplemental Declaration.

2.52 Subassociation Common Area. "Subassociation Common Area" means all real property interests (not just fee title and leasehold interests) and the Improvements or amenities and personal property thereon which may from time to time be owned, leased or maintained by a Subassociation or otherwise held by a Subassociation for the use, enjoyment and benefit of the members of such Subassociation.

2.53 Supplemental Declaration. "Supplemental Declaration" means an amendment to this Master Declaration which annexes real property to the Common Interest Community, subjects such real property to this Master Declaration, and sets forth such amendments to the Master Declaration and such additional covenants, conditions, uses and restrictions as may be applicable to the annexed property, executed by Declarant and Recorded in the Office of the Clerk and Recorder of the County, and any Recorded amendments thereto.

2.54 Supplemental Plat. "Supplemental Plat" means any land survey plat which is Recorded by Declarant for the purpose of annexing the real property described therein to the Common Interest Community, and any Recorded amendments to such Supplemental Plat. Supplemental Plats shall include, without limitation, those final Plats of subsequent phases of Teton Springs, or those portions of such final Plats, as are made subject to this Master Declaration from time to time by Supplemental Declaration.

2.55 Town. "Town" means the Town of Victor, Idaho.

2.56 Unit. "Unit" means any part of the Common Interest Community which is designated as a Unit on any Supplemental Plat or Map, together with all improvements therein and appurtenances thereto. A Unit shall include such Common Elements and Limited Common Elements as may be appurtenant thereto as reflected in the Supplemental Declaration and the Supplemental Plat or Map by which such Unit is created. The term "Unit" shall not include Lots.

**ARTICLE 3
GENERAL RESTRICTIONS APPLICABLE TO THE
COMMON INTEREST COMMUNITY**

It is the intention of Declarant to establish and impose a common and general plan for the improvement, development, use and occupancy of the Common Interest Community, all in order to enhance the value, desirability, and attractiveness of the Common Interest Community and to promote the marketing, development and enjoyment thereof. Accordingly, Declarant hereby declares that the entire Common Interest Community, including but not limited to all Lots and Units, shall be owned, held, used, occupied, improved, altered, maintained, conveyed, leased, encumbered and enjoyed subject to the following covenants, conditions, restrictions, reservations, easements, rights and other provisions, and to the further requirements and restrictions set forth in the Master Development guidelines.

3.1 Master Development Control. Except as otherwise expressly provided in this Master Declaration or in any Supplemental Declaration, (i) no Improvements shall be made, done, permitted, located, altered or removed within the Common Interest Community without the prior written approval of the Development Review Committee, (ii) no residence, building, structure, fence, wall, landscaping or other Improvement shall be commenced, erected, improved, altered, made or removed without the prior written approval of the Development Review Committee, and (iii) all subsequent additions to or changes or alterations in any residence, building, structure, fence, wall, landscaping or other Improvement, including exterior color scheme, and all changes in the grade of Lots, shall also be subject to the prior written approval of the Development Review Committee. No modifications from the approvals granted by the Development Review Committee shall be made without the prior written approval of the Development Review Committee. Notwithstanding the foregoing, in the event of an emergency or the sudden occurrence of unanticipated conditions which threaten the health, safety or physical well-being of Persons or property within the Common Interest community, the Executive Board and/or the Development Review committee shall have the authority (without the prior approvals described above), to take whatever remedial action may be necessary anywhere in the Common Interest Community to protect persons and property until such time as applicable notice and/or approval procedures can reasonably be utilized. Further notwithstanding the foregoing, Development Review Committee approval shall not be required for Improvements made by Declarant.

3.2 Violation of Law, Insurance, Etc. No Owner, Occupant or Person shall do any act or cause or permit anything to be done or kept in or upon a Lot, Unit or the Master Common Areas which would result in the increase of, or cancellation of, insurance maintained by the Master Association or would be in violation of any federal, state, town, or other law, ordinance, regulation or code of any governmental body having jurisdiction, or of any Master Rule or Regulation promulgated by the Master Association, or any provision of this Master Declaration.

3.3 General Maintenance of Common Interest Community.

(a) All property within the Common Interest Community, including without limitation all Lots (including unimproved Lots, and Lots on which Improvements are under construction), Units, Master Common Areas, Improvements, and landscaping, shall be kept and maintained in a clean and attractive condition and in good order, condition and repair. Except as specifically set forth in this Section 3.3 or in a Supplemental Declaration, maintenance, repair, and upkeep of each Lot or Unit and the Improvements thereon (including adequate painting and finishing thereof) shall be the responsibility of the Owner of the Lot or Unit. With respect to a Lot, this maintenance obligation extends to all lands within the Lot lines, excepting areas or elements to be maintained by the Master Association as set forth below. Maintenance, repair, and upkeep of Master Common Areas, and the Improvements thereon shall be the responsibility of the master Association. The individual Lot or Unit Owners and the Executive Board shall each use a reasonable standard of care in providing for the repair, management and maintenance of the properties for which they are responsible so that the entire Common Interest Community will reflect a pride of ownership. If an Owner fails to perform any of such obligations within ten (10) days following receipt of a written notice from the Executive Board requesting the same, the Executive Board shall have the right to enter upon the Lot or Unit of the Owner to cure the violation or otherwise to cause compliance with this provision and to levy and collect a Reimbursement Assessment upon the Owner and its Lot or Unit for the costs and expenses incurred by the Master Association in connection therewith. The Executive Board shall have no right to enter into the interior of a residence without the consent of the Owner except in the case of an emergency.

3.4 Residential Use and Occupancy. Each Lot or Unit shall be improved, occupied and used only for single-family residential purposes, and a Caretaker or Accessory Dwelling Unit may be built and occupied upon or in a Lot or Unit designated therefor. Single-family occupancy shall mean and shall be strictly limited to occupancy of the residence on a Lot, and each Unit, by a family comprised of (i) no more than two (2) principal adults, (ii) the children of one or both of said principal adults, (iii) no more than two (2) additional family members (adults or children) who are related by blood to said principal adults, and occasional guests. Employees who care for the residence or Unit or who care for children may also occupy the residence or Unit. For purposes hereof, "related by blood" shall mean the following relationships, but no others: Grandparents, parents, brothers and sisters, aunts and uncles, and nephews and nieces. Caretaker Apartments are strictly limited to occupancy by no more than two (2) adults and the children of one or both of said adults. If Lease, Accessory Dwelling Units are strictly limited to occupancy by no more than two (2) adults and the children of one or both of said adults.

No structures whatsoever, other than those permitted by the P.U.D. for Teton Springs or by other applicable Teton County zoning regulations and approved in writing by the Development Review Committee, shall be erected, placed or permitted to remain on any Lot. No office, business and/or commercial structures shall be permitted within the Common Interest Community except in those areas where such uses are allowed by applicable provisions of the P.U.D. for Teton Springs. No business,

professional or other non-residential or commercial use shall be made of any Lot or Unit, or conducted in any Unit or in any residence constructed on a Lot, excepting in-home businesses or occupations which do not involve (i) more than one non-Owner, non-resident employee, (ii) the solicitation or invitation of the general public, or (iii) the servicing of customers, and which activities are conducted entirely within the Unit or residence or duplex side and do not cause any additional traffic or parking within the Common Interest Community or otherwise create a nuisance for neighboring Lots or Units or the Common interest Community. No equipment or materials incident to any business or occupation (whether conducted within the Unit or residence of duplex or elsewhere) shall be kept or stored on any Lot or Unit except within the Unit, residence, duplex, garage, barn, or other outbuilding approved by the Development Review Committee.

3.5 New Construction Required; No Temporary Buildings or Occupancy. All Improvements constructed within or placed upon the Common Interest Community shall be new. No used or temporary house, structure, or non-permanent out-building shall ever be placed, erected or allowed to remain within the Common Interest Community except temporary structures or construction trailers used for construction purposes during the construction of a residence, which temporary facilities shall be removed immediately following completion of construction and in any event no later than eighteen (18) months following commencement of construction or remodeling unless a written extension is granted by the Development Review Committee. No trailer, incomplete residence or other structure other than a residence completed in accordance with approved plans, shall ever be used or occupied at any time for residential purposes, either temporarily or permanently. No completed residence on a Lot shall be occupied in any manner until all provisions of this Master Declaration and of the Master Development guidelines and all conditions of development approval have been complied with, and a Certificate of Compliance has been issued pursuant to Section 4.17 below. The work of construction, altering or remodeling any residence on a Lot, any Unit or any other Improvement within the Common Interest Community shall be prosecuted diligently from the commencement thereof until the completion thereof.

Notwithstanding the foregoing, buildings historically associated with, and at the time hereof located upon, the ranch property which is now the subject of this Declaration may remain or be relocated within the Common Interest Community. In addition, used materials and/or structures may be permitted on a Lot or Unit if (i) the Owner makes a specific written request to the Development Review Committee for approval of such used materials and/or structures, and (ii) the Development Review Committee determines that the criteria set forth in Section 4.11 hereof have been met and specifically approves such request in writing.

3.6 Building Envelopes. See the above definition of this term for the general restrictions applicable to Building Envelopes.

3.7 Master Development Guidelines. All construction and landscaping activities within the Common Interest Community shall be strictly governed by the procedures, standards, guidelines, restrictions and requirements set forth in the Master Development Guidelines. A violation of the

Master Development Guidelines shall constitute a violation of this Master Declaration and may be enforced in accordance with the terms hereof.

3.8 Annoying Light, Sound or Odor. All exterior lighting installed or maintained on any Unit or on any Improvement located on a Lot shall be placed so that the light source is screened or shielded from the residence on any other Lot, from any other Unit, and from the Master Common Areas. No light shall be emitted from any part of the Common Interest Community (including any Lot or Unit) which is unreasonably bright or causes unreasonable glare. Without limiting the generality of the foregoing, no spotlights, floodlights or other high-intensity lights shall be permitted within the Common Interest Community without the prior written approval of the Development Review Committee. The Master Development guidelines may contain standards for exterior lighting including, without limitation, standards for hue and intensity.

No sound shall be emitted from any part of the Common Interest Community (including any Lot or Unit) which is unreasonably loud or annoying, and no odor shall be emitted from any part of the Common Interest Community (including any Lot or Unit) which is noxious or unreasonably offensive. Again without limiting the generality of the foregoing, no exterior speakers, horns, whistles, bells (excepting chimes), or other sound devices, other than security devices used exclusively for security purposes, shall be located or used within the Common Interest Community except with the prior written approval of the Development Review Committee.

The Executive Board, in its sole discretion, shall have the right and authority to determine the existence of any violation of this Section 3.8 including the reasonableness of any light, sound or odor.

3.9 Noxious or offensive Activities; Nuisances; Construction Activities; Pesticides. No noxious or offensive activity shall occur or be allowed at any time within the Common Interest Community, nor shall anything be done or placed therein which is or may become a nuisance or cause an unreasonable embarrassment, disturbance, or annoyance to Owners, Occupants, Declarant or the Master Association, or which interferes with the peaceful enjoyment or possession and proper use of the Common Interest Community, or any part thereof, by owners or Occupants. As used herein, the term "nuisance" shall not apply to any activities of Declarant which are reasonably necessary or appropriate to the development, improvement, maintenance, marketing and/or sale of the Common interest Community or any part thereof. The Executive Board, in its sole discretion, shall have the right and authority to determine the existence of any nuisance or unreasonable annoyance under this Section 3.9.

Each Owner shall comply with the Master Rules and Regulations and the requirements of all health authorities and other governmental authorities having jurisdiction over the Common Interest Community. Normal construction activities and parking in connection with the building of Improvements on a Lot or Unit shall not be considered a nuisance or otherwise prohibited by this Master Declaration unless they are in violation of the Master Development Guidelines or other requirements of the Development Review Committee, but Lots, Units and Master Common Areas shall be kept in a neat and tidy condition during construction periods, trash and debris shall not be permitted

to accumulate, and supplies of brick, block, lumber and other building materials shall be piled only in such areas as may be approved by the Development Review Committee. In addition, construction equipment and building materials may only be stored or kept within the Common Interest Community during and in connection with the construction of Improvements thereon, and then may be kept only in areas approved by the Development Review Committee, which also may require screening of the storage areas. All such equipment and materials shall be removed immediately following completion of construction.

Construction activities in connection with the construction or alteration of Improvements on a Lot or Unit shall only be conducted between the hours of 7:00 a.m. and 7:00 p.m. on weekdays, between the hours of 8:00 a.m. and 6:00 p.m. on Saturdays and national holidays, and between the hours of 12:00 noon and 6:00 p.m. on Sundays. All construction related traffic is to access Teton Springs via State Highway 33. This requirement will be enforced by the Development Review Committee with defined penalties for infractions.

Before the Association, a Subassociation, or any Lot or unit owner or Occupant broadcasts and/or sprays any non-prohibited pesticides or herbicides within the Common Interest Community, at least twenty-four (24) hours advance notice thereof must be conspicuously posted on the property area to be treated. A list of pesticides and herbicides that will be permitted for residential use within the Common interest Community will be maintained and posted by the Development Review Committee. The Development Review Committee shall from time to time revise the list to ensure that the list is based on current information regarding pesticides and herbicides.

3.10 No Hazardous or Unsafe Activities. No activity shall be conducted on, and no Improvement shall be constructed on, any property within the Common Interest Community which is or might be unsafe or hazardous to any person or Property. Without limiting the generality of the foregoing, and except as allowed below, no explosives, gasoline, or other volatile and/or incendiary materials or devices or any materials deemed hazardous substances under applicable environmental laws, rules, or regulations shall ever be kept, stored, permitted to remain or be released on any Lot or Unit or elsewhere within the Common Interest Community. Gasoline or fuel for an owner's lawn mower, snowblower, and the like may be maintained on an incidental basis on a Lot or Unit in an amount not to exceed ten (10) gallons. Similarly, gasoline, fuel and other products necessary in connection with the maintenance of the Master Common Areas may be stored in enclosed structures on the Master Common Areas.

3.11 Outside Burning; Fire Hazards; Wood Burning Fireplaces/or Stoves. No exterior fires shall be lighted or permitted within the Common Interest Community except in a contained barbecue unit while attended and in use for cooking purposes and except as part of the operation and maintenance of a ditch or part thereof. No Lot or Unit Owner shall cause or permit any condition on his Lot or Unit which creates a fire hazard or is in violation of fire prevention regulations, or which would increase insurance rates for the Master Common Areas or for other Lot or Unit Owners.

No residential units or overnight accommodation units shall have or use wood burning fireplaces or stoves.

3.12 No Firearms or Hunting. The discharge of firearms on any part of the Common Interest Community (including the Lots and Units) is expressly prohibited. Hunting on any part of the Common Interest Community (including the Lots) is expressly prohibited.

3.13 No Obstruction. There shall be no obstruction of any easements or drainage, irrigation or water feature systems located upon any Lot or Unit or Master Common Areas, or any interference with the free use thereof, except such obstruction or interference as may be reasonably required in connection with the construction, maintenance or repair thereof. The Master Association shall promptly take such action as may be necessary to abate or enjoin any such obstruction or interference, and shall have the right to enter upon a Lot or Unit for purposes of removing the same, and any costs incurred by the Master Association in connection with such abatement, injunctive or corrective activities shall be assessed to the responsible Lot or Unit Owner or Owners in the form of a Reimbursement Assessment.

3.14 No Unsightliness; Clothes Drying; Sporting Equipment; Children's Recreational Equipment. All unsightly structures, facilities, equipment, objects, and conditions, including sporting equipment (e.g., skis, snowboards, bikes, mountain bikes, kayaks, etc.), and snow removal, garden or maintenance equipment except when in actual use, shall be kept in an enclosed structure or in a screened area approved by the Development Review Committee. No laundry or wash shall be dried or hung outside any residence, except on clotheslines that are approved by the Development Review Committee and which are effectively screened from view from other Lots or Units and from Master Common Areas and other public areas including streets, bike trails, and the Golf Land.

Equipment intended for children's recreation use, such as swing sets and slides, must also be approved in advance by the Development Review Committee. Such equipment need not be screened if it is constructed of natural materials such as wood, stone, metal and natural hemp and if it is painted or stained in earthen tones (natural woods, greens, browns, black, etc.). If such equipment is constructed of non-natural materials such as plastic, or if the equipment is other than earthen tone in color, it must be effectively screened from view from other Lots or Units and from Master Common Areas and Public parks and other public areas including streets, bike paths, and the golf Land. Playground equipment that is treated with hazardous preservatives, including without limitation arsenic, lead, copper, and chromium, shall be prohibited within the Common Interest Community.

3.15 Garbage and Trash and Compost Containers. No refuse, garbage, trash, grass, shrub, or tree clippings, plant waste, scrap, rubbish, or debris of any kind shall be kept, stored, maintained or allowed to accumulate or remain on any Lot or Unit or on the Master Common Areas except temporarily within an enclosed structure within the Building Envelope approved by the Development Review Committee, except that any approved container containing such materials may be placed next to the street on the designated morning of garbage collection and must be returned to its enclosed structure that same day, and except that appropriate public trash receptacles shall be permitted within

the Common Areas. No garbage containers, trash cans or receptacles shall be maintained in an unsanitary or unsightly condition, and except when placed for pickup they shall not be visible from another Lot or Unit or the Master Common Areas. All such refuse, garbage, trash, plant waste, scrap materials, rubbish and debris shall be promptly removed from the Common Interest Community and shall not be burned thereon. Compost structures and containers may be placed on a Lot, Unit, or Master Common Area in locations and in containers approved by the Development Review Committee, provided that no such structure or container shall be larger than fifty-five (55) gallons. Garbage structures and containers and compost structures and containers shall also comply with such recommendations as may be made from time to time by the Idaho Division of Wildlife.

3.16 Vehicle Parking, Storage, Operation and Repair.

(a) Permitted vehicles (as defined in subsection (b) below) may be parked on the public streets within the Common Interest Community except in those areas where parking is prohibited by signage. No boats, trailers, campers, motorcycles, snowmobiles, golf carts, or any other similar items shall be parked or stored on the public streets within the Common Interest Community.

(b) No boats, trailers, buses, motor homes, campers (on or off supporting vehicles), motorcycles, snowmobiles, 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 (excepting passenger automobiles and one ton or smaller pick-up trucks) shall be parked or stored in or upon the Master Common Areas or upon a Lot or Unit except within enclosed structures approved in advance by the Development Review Committee, and no vehicle of any kind shall be maintained, repaired, repainted, serviced or rebuilt on the Master Common Areas or on any Lot or Unit except within a completely enclosed garage which fully screens the sight and sound of the activity from the streets and other Lots and Units and Master Common Areas. This restriction shall not prevent the non-commercial washing and polishing of vehicles and boats, together with activities normally incidental thereto. No more than four (4) permitted vehicles (passenger automobiles and/or one ton or smaller pick-up trucks) shall be parked at any time in the driveway of any Lot or Unit, except during special occasions and then only for the duration thereof, and except for Lots or Units containing Caretaker or Accessory Dwelling Units which are in fact leased out, which Lots or Units may have on additional permitted vehicle in the driveway.

(c) Notwithstanding the foregoing, vehicles may be temporarily parked on driveways on Lots or Units and on public streets within the Common Interest Community 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 Improvements within the Common Interest Community upon compliance with the Master Development guidelines and any conditions imposed by the Development Review Committee.

(d) An "abandoned or inoperable vehicle" shall mean any motorized vehicle which does not display a current motor vehicle license or which has not been driven under its own propulsion for a period of two (2) weeks or longer (excepting otherwise permitted vehicles parked by Lot or Unit

Owners or Occupants on their Lot or Unit driveways while on vacation or during a period of illness), or which does not have an operable propulsion system within the vehicle.

(e) In the event that the Executive Board or the Development Review Committee shall determine that a vehicle is abandoned or inoperable, or is otherwise in violation of the provisions of this Section 3.16, 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 Executive Board or Development Review Committee (as the case may be) 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 of the Lot or Unit on which the vehicle is located, and to enter upon an Owner's Lot or Unit for such purpose, all without liability on the part of the Executive Board or the Development Review Committee.

(f) Snowmobiles, motorcycles, and motorized trail bikes, minibikes, dirt bikes, all-terrain vehicles, mopeds and similar motorized vehicles shall not be used or operated but may be transported on trailers within the Common Interest Community except as expressly approved in the Master Rules and Regulations and except those motorcycles or other vehicles properly licensed for operation on public roads may be used on public roads within the Common Interest Community. Motorized vehicles used specifically for maintenance or transportation of guests which are operated under the authority of the Declarant are permitted within the Common Interest Community.

3.17 Animals. Except as specifically permitted below or by the Master Rules and Regulations, no animals, reptiles, primates, fish, fowl or insects of any kind shall be kept, raised, bred, maintained or boarded within or upon any part of the Common Interest Community.

Notwithstanding the foregoing, each Lot (with or without an Accessory Dwelling Unit or Caretaker Apartment), and each Unit shall be entitled to a maximum of no more than two (2) dogs or cats (or one of each) and a reasonable number of other Household Pets, so long as such pets are not kept for any commercial purpose, are not kept in unreasonable numbers, do not cause an unreasonable amount of noise or odor, or do not otherwise become a nuisance to other Lot or Unit Owners or Occupants. Household Pets must be fenced or restrained at all times within the Owner's or Occupant's Lot or Unit, and shall not be permitted outside such Lot or Unit except when leashed and accompanied by the pet's owner or the owner's representative. All Household Pets shall be properly immunized and otherwise maintained and cared for as required by applicable laws.

Notwithstanding the foregoing, not more than 2 horses or llamas may be maintained on each Ranch Estate lot, Block 1, provided that written approval is obtained from the owners of immediately adjoining lots. Ranch Estate lots 1 and 15 shall only require the written approval of the owners of lots 2 and 14 respectively. Each of these Ranch Estate lots so approved shall be allowed a corral and a single story (20' high maximum) barn not to exceed approximately 1,800 square feet which shall include adequate inside storage for feed, tack, horse trailer, etc. as no outdoor storage of any type is allowed. The corral and barn shall be approved by the Development Review Committee for design

style, placement and specific sizes. Under no condition shall corral and barn be placed to obstruct or obscure views from other lots. Corral areas are to be used exclusively for the maintenance of horses and/or llamas. Corral areas are to be well maintained and manure is to be removed from the property on a weekly basis. The corral areas are specifically for low impact use, light exercising and limited riding. Intensive riding or organized competition or other high impact activities are expressly prohibited. Fenced pasture areas are to be spray irrigated with a healthy growth of pasture grass and maintained in a non-worn or over-grazed situation. No other use shall be permitted except with the express written consent of the Development Review Committee. No commercial use of leasing of corral areas shall occur. Use of corral areas is exclusively for individual lot owners. Other agricultural animals such as chickens, geese, ducks, 4H type animals, etc. are prohibited.

The Owner of a Lot or Unit where a Household Pet is kept, as well as the legal owner of the pet (if not such Owner), shall be jointly and severally liable for any and all damage and destruction caused by the pet, and for any clean-up of streets, sidewalks, Master Common Areas or other Lots or Units necessitated by such pet.

The Executive 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 nuisance to other Lot or Unit Owners or Occupants, or that a Lot or Unit Owner or Occupant is otherwise in violation of this Section 3.17, and to take such action or actions as it deems reasonably necessary to remedy the violation. Without limiting the generality of the foregoing, the Executive Board 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.

3.18 Equipment, Tanks, Antennae, Satellite Dishes, Etc. No heating, air conditioning (including swamp coolers), air movement, wind collection, or refrigeration equipment shall be placed, allowed, or maintained anywhere within the Common Interest Community other than on the ground, and then must be concealed from view and must receive the prior written approval of the Development Review Committee. Solar power units meeting all governmental guidelines for residential uses may be incorporated into a residence or a Unit if (a) the solar power unit meets the same architectural criteria as are applied to other Improvements within the Common Interest Community, and (b) the solar power unit is approved in advance by the Development Review Committee. No tanks of any kind, whether elevated or buried, shall be erected, placed or permitted to remain upon any Lot or Unit or Master Common Area except in compliance with applicable federal and state regulations, and then only with the prior written consent of the Development Review Committee. Any approved tank must be located underground or adequately concealed from view by fencing or screening approved by the Development Review Committee.

If a Lot or Unit Owner wishes to install an antenna to receive video programming, the Lot or Unit Owner shall notify the Development Review Committee in writing of the planned installation and the proposed location thereof at least ten (10) days before installation. The antenna installation and location shall comply with all fire, electrical and other applicable safety codes, and the installing Lot or Unit Owner shall to the extent feasible install the antenna in a location that minimizes its visibility

from neighboring Lots, Units, Master Common Areas or the Golf Course. The installing Lot or Unit Owner shall be obligated to paint the antenna so that it blends into the background against which it is mounted and to plant and maintain such reasonable landscaping as will screen the antenna, to the extent feasible, from neighboring Lots, Units, Master Common Areas and the Golf Course. Provided always, that in the event that in any particular situation any of the foregoing requirements or restrictions cause an unreasonable delay or cost in the installation, maintenance or use of the antenna, or prevent the reception of acceptable quality signals, said requirements or restrictions shall be invalid as they apply to that particular situation.

Satellite dishes that exceed one meter in diameter, and MDS antennas that exceed one meter in diameter or diagonal measurement, shall not be allowed within the Common Interest Community. Mast antennas that extend higher than twelve (12) feet above the roof line and antennas that are not used to receive video programming shall only be permitted within the Common Interest Community if they receive the prior written approval of the Development Review Committee as to design, location and screening from neighboring Lots, Units, Master Common Areas and the Golf Course.

3.19 No Mining or Drilling. No property within the Common Interest Community shall be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing water, geothermal resources, oil, gas, or other hydrocarbons, minerals, rocks, stones, gravel, or earth, except drilling, exploring for, removing or storing underground water by Declarant or the Master Association. Nothing contained herein shall be construed to limit the rights of the owners of mineral interests severed from the surface of any portion of the Common Interest Community prior to the recording of this Master Declaration.

3.20 Excavations. No excavation or other earth disturbance shall be performed or permitted within the Common Interest Community except in connection with the construction of Improvements, and then only with the prior written approval of the Development Review Committee. Upon completion of construction, openings in the ground shall be backfilled and compacted and all disturbed ground shall be graded and landscaped in accordance with the Master Development Guidelines and the requirements of the Development Review Committee.

3.21 No Interference with Waterways or Drainage or Irrigation Systems. No Lot or Unit Owner shall construct, install, maintain or permit any fence or other improvement or obstruction or plant trees or take any other action which damages or interrupts or interferes in any way with (i) the normal flow of water through and along waterways within the Common Interest Community, (ii) any irrigation ditch or lateral or other water collection, storage or distribution system within or serving the Common Interest Community or the golf Land, or (iii) normal drainage patterns within the Common Interest Community or the golf Land, subject always to the rights of owners of ditches and other water rights and the requirements of the Development Review Committee.

3.22 Lakes. No swimming, boating, or ice skating shall take place on any lakes or ponds within the Common Interest Community except as expressly approved in the Master Rules and Regulations.

3.23 Fencing and Gates. Subject always to the restrictions set forth in Articles III(1) of the golf Course Play and Operational Easement, fencing and gates may be constructed within the Common interest Community (including the Lots and Units) in compliance with the provisions of the Master Development Guidelines, provided the prior written approval of the Development Review Committee has been obtained.

3.24 Tree and Natural Shrub Preservation. All Improvements within the Common Interest Community shall be located, designed, and constructed so as to preserve and protect trees and natural shrubs. In order to conserve the natural beauty of the area, no existing trees or natural shrubs may be removed or trimmed except with the prior written approval of the Development Review Committee. This restriction shall not apply to essential clearing by a Lot Owner in connection with the construction of a residence (but not other Improvements) within the Building Envelope within a Lot, provided the prior written approval of the Development Review Committee has been obtained. Any violation of this Section shall subject the offending Lot or Unit Owner to such penalties, fines and/or other conditions as the Development Review committee considers appropriate, including without limitation the withdrawal or modification of previously granted development approvals, or the requirement that replacement trees or shrubs of equivalent or different size and type be planted and maintained by the Lot or Unit Owner.

3.25 Easements; Utility Companies; Underground Utility Lines. All easements shown on a Plat or Supplemental Plat covering any portion of the Common Interest Community have been created or reserved for the purposes indicated on such Plat and/or in Article 7 below. No Lot or Unit Owner may erect any structure of any type whatsoever in such easement areas, nor may an Owner or Occupant use the surface of such easement areas for any private use, other than landscaping which will not interfere with the use of said easement by the Persons or entities for whose benefit it has been created or reserved and which receives the prior written approval of the Development Review Committee.

With respect to easements created for utility purposes or for ditches either by the terms of this Master Declaration or any other Recorded agreement or on a Plat, any and all bona fide public and private utility service companies, special utility districts, owners of interests in ditches, and the golf owner to the extent provided in the Golf Land Deed, shall have the right of access, ingress, egress, and use of such easement areas for the installation, operation and maintenance of ditch facilities and utility facilities serving the Common Interest Community and/or the Golf Land.

Except as to special street lighting or other above-ground facilities which may be expressly required by the County, no above-ground utility lines or facilities of any type (except meters, risers, service pedestals and other surface installations necessary to maintain or operate appropriate underground facilities and ditches and associated facilities) shall be erected or installed within the Common Interest Community, whether upon Lots, Units, Master Common Areas, easements, streets, or rights-of-way of any type, either by a utility company, a Lot or Unit Owner, the Master Association, or any other person or entity (including but not limited to any person owning or acquiring any part of the Common Interest Community) and all utility lines and facilities (including but not limited to water,

sewer, gas, electricity, telephone, and cable TV) shall be buried underground. Provided, that during the construction of a residence on a Lot a temporary overhead utility line may be installed which shall be promptly removed upon completion of construction. The foregoing restrictions on above-ground utility facilities shall not apply to equipment or facilities that are part of a Common Interest Community central communications facility.

3.26 Landscaping. No landscaping shall be performed on any Lot or Unit or on a Master Common Area or Limited Common Area unless a landscaping plan therefor has received the prior written approval of the Development Review Committee, and all landscaping shall comply with the Master Development Guidelines. A landscaping plan for each Lot must be approved by the Development Review Committee before construction is commenced on the residence on that Lot. In each instance, an approved landscaping plan shall be fully implemented and performed within the six (6) month period immediately following (i) the issuance by the Development Review Committee of a Certificate of Compliance for a residence constructed on a Lot, or (ii) the approval of the landscaping plan by the Development Review Committee in all instances not involving the construction of a residence on a Lot.

Notwithstanding the foregoing, no review or approval shall be required for the replacement or replanting of the same or similar kind of trees, or plants, or flowers, or other vegetation that has been previously approved by the Development Review committee for the Lot or Unit in question, in the previously approved location therefor. Any substantial change in the type or location of approved landscaping vegetation shall require the further approval of the Development Review Committee.

Landscaping shall be primarily indigenous plant life from a plant list to be established by the Development Review Committee. Lawns shall be of an identical or very similar insect resistant blend of rough grasses naturally occurring in the area and such grasses shall be subject to guidelines promulgated by the Development Review Committee. Except as otherwise specifically provided in Section 3.3 above, each Owner shall diligently maintain, trim, weed, cultivate, husband, protect, preserve and otherwise keep in a healthy and attractive condition the shrubs, trees, hedges, grass, planters, gardens and other landscaping upon the Owner's Lot or Unit, including, without limitation, the removal of dead and diseased branches and brush and the performance of other tasks necessary to remove or eliminate material which constitutes or creates a fire hazard or nuisance, and shall keep the Owner's Lot or Unit free of any noxious plants. Each Owner shall cooperate with the Master Association in its brush clearing and fire protection husbandry program for reduction of fire hazard within the Common Interest Community. Each Owner shall also maintain all paved, concrete and other synthetically surfaced areas within the Owner's Lot or Unit, including but not limited to, driveway and parking areas, in good condition and repair.

3.27 Basketball Goals; Tennis Courts. Basketball goals or backboards may be permitted on Lots or Units in the Common Interest Community, provided they comply with the Master Development Guidelines and receive the prior written approval of the Development Review Committee. Tennis courts shall be prohibited on Lots and Units within the Common Interest Community.

3.28 Swimming Pools, Spas, and Related Equipment. Ponds, pools, spas or hot tubs may be erected, constructed or installed on Lots or Units within the Common Interest Community, provided they comply with the Master Development guidelines and receive the prior written consent of the Development Review committee. If a pond, pool, spa or hot tub is approved, all service equipment shall be fenced and located in either (a) a side yard between the front and rear boundaries of the residence, or (b) in the rear yard adjacent to the residence, and shall be adequately screened from any street on which the Lot or Unit containing the pond, pool, spa or hot tub is located and from any neighboring Lot or Unit and the Master Common Areas and Public Parks.

3.29 Signs and Advertising. No sign, poster, billboard or advertising device of any kind (including, but not limited to, signs commonly used by contractors, architects and tradesmen and signs advertising an "Open House" for sale or rent) shall be allowed or displayed upon any Lot or Unit or any Master Common Area within the Common Interest Community except: (a) such signs as may be used by the Declarant in connection with the development, marketing and sale of Lots and Units in the Common Interest Community; (b) such signs as may be required by legal proceedings, or the prohibition of which is precluded by law; (c) such signs as may be required for traffic control and regulation of Master Common Areas; (d) neighborhood monuments (e.g., entrance signs) which are compatible with the architecture of the area and which receive the prior written approval of the Development Review Committee, (e) "For Sale" or "For Rent" signs for any Lots or Units are expressly prohibited except as approved in the Master Rules and Regulations.

3.30 Camping and Picnicking. No camping or picnicking shall be allowed within the Master Common Areas except in areas, if any, that may be designated for such purpose by Declarant or the Master Association. No camping shall be allowed within the Common Areas and picnicking shall be allowed only in those areas of Common Areas as may be designated for such purpose from time to time by the Association.

3.31 No Individual Water Wells or Individual Sewage Disposal systems. No individual water wells, and no cesspools, septic tanks or other individual sewage disposal systems, shall be drilled, constructed, maintained or permitted to remain within the Common Interest Community, except such water and/or septic systems as may be installed by Declarant or Declarant's successor, assign or agent or the Master Association to serve the Common Interest Community.

3.32 Maintenance and Repair of Interior of Residence. The maintenance and repair of the interior of a Unit or of the residence and of other structural Improvements on a Lot shall be the responsibility of the Unit or Lot Owner.

3.33 Irrigation Systems, Ditches, Laterals, Ponds, and Water Use Obligations. Declarant hereby discloses that certain irrigation systems, ditches, ditch laterals and ponds are currently located or may be constructed within ditch and irrigation easement areas located upon (a) certain Lots, (b) upon Master Common Areas, and/or (c) within the golf Land (collectively referred to as the "Irrigation System"). Declarant further discloses that as of the date of this Master Declaration, the ownership of any and all water rights carried or to be carried in said Irrigation System is vested in the Declarant, or

in other owners, and Declarant and the other owners have no obligation to transfer ownership of any of such water rights to any Lot or Unit Owner or the Master Association. In no event shall the Master Association or any Lot or Unit Owner be entitled to the right of use of the Irrigation System or any water flowing through said Irrigation System, except pursuant to a written agreement or license with Declarant, another owner thereof, or an assignee of Declarant, or pursuant to an operation and maintenance agreement between the Golf Owner and the Master Association. Furthermore, except as specifically provided below, in no event shall any Lot or Unit Owner be entitled to install irrigation facilities, to divert water from the Irrigation System or to make modifications to the Irrigation System for diversion purposes without the prior written approval of the Master Association. In addition, in no event shall any Lot or Unit Owner or the Master Association obstruct or impede the flow of water through the Irrigation System.

The Master Association shall be responsible for irrigating the Master Common Areas, and roadway shoulders, and for maintaining the portion of the Irrigation System that is owned by the Master Association. The Golf Owner shall be responsible for irrigating the Golf Land. All such irrigation shall be accomplished with untreated water from the Irrigation System. The Golf Owner and Master Association shall be responsible for the maintenance of the portions of the Irrigation System that services both the Golf Land and remaining designated lands for irrigation in the P.U.D. for Teton Springs, unless the Golf Owner and the Master Association agree otherwise in writing. The Golf Owner shall be responsible for maintaining the portion of the Irrigation System that is owned by the Golf Owner alone or by the Golf Owner and the Master Association together; the Master Association shall be responsible for maintaining any portion of the irrigation system that is only used for lands in the P.U.D. for Teton Springs other than Golf Land. Each Lot or Unit Owner shall be responsible for the Purchase, installation, operation, maintenance, repair, and replacement of the individual irrigation system of their own Lot or Unit, which system shall be owned by the Lot or Unit Owner.

The Master Association shall cause to be made available untreated water for the allocated irrigation on each Lot or Unit through the Irrigation System. Each Owner is obligated to irrigate all or a portion of the Owner's Lot or Unit to the extent permitted by this Master Declaration or a Supplemental Declaration, and to install an underground untreated water delivery system that will accomplish such irrigation. The Lots or Units located within the initial Common Interest Community shall be entitled to irrigate on hundred percent (100%) of those portions of each Lot or Unit that are not developed and built upon.

There will be conservation and use restrictions imposed upon the Lot or Unit Owners, Master Association, and Golf Owner from time to time.

The Golf Owner will bill the Master Association for untreated water delivered to the Common Interest Community and additional lands within the P.U.D. for Teton Springs excluding the Golf Land, as indicated on the various master meters installed throughout the lands within the P.U.D. for Teton Springs, and on the Golf Land, pursuant to the cost allocation procedure established in the agreement with the Golf owner. The Master Association will in turn bill the individual Lot and Unit Owners or a Subassociation of Unit Owners, for untreated water used on lots or Units or other properties within

the P.U.D. as indicated on the individual untreated water meters, such fees to be based on criteria customarily used for calculating charges for the collection and distribution of untreated water for irrigation purposes. Provided, that the Master Association may bill each Lot and Unit Owner, or a Subassociation of Unit Owners, for a minimum amount of monthly untreated water use (whether or not in fact used) in order to encourage performance of the Owner's irrigation obligation.

During years of limited availability of untreated water for irrigation purposes, the "rough" areas of the Golf Land may have the untreated water supply curtailed and conservation measures may be imposed on all untreated water use if necessary. Declarant, Master Association, and Golf Owner reserve the right from time to time to allocate and reallocate irrigable acreage within the lands of the P.U.D. for Teton Springs.

All Owners hereby assume any risk involved with respect to the Irrigation System and hereby acknowledge that the Master Association, the Declarant, the Golf Owner, and the County shall not have any responsibility or liability of any kind to any Owner who incurs any loss, damage, cost or expense arising from or relating to said Irrigation System, including, but not limited to, any loss or damage caused by flooding or the failure to deliver water. In accordance with the foregoing, such owners, on behalf of themselves and their Occupants, successors and assigns, by acceptance of a deed acknowledge their assent to the provisions hereof, and hereby release Declarant, the Master Association, the Golf Owner and the County and each of their officers, directors, partners, trustees, members, agents, employees, stockholders, and contractors, from and against any and all obligations, claims, demands, liabilities, costs, expenses, attorneys' fees, or causes of action of any kind whatsoever, whether arising prior or subsequent to the date hereof, whether known or unknown, based upon, arising out of, or in any manner related to the Irrigation System.

3.34 Restoration of Improvements in the Event of Damage or Destruction. In the event of damage to or destruction of any Improvement on any Lot or Unit, the Owner thereof shall cause the damaged or destroyed Improvement to be promptly restored or replaced to its original condition or such other condition as may be approved in writing by the Development Review Committee, or the Owner shall cause the damaged or destroyed Improvement to be promptly demolished and the Lot or Unit to be suitably landscaped, subject to the approval of the Development Review Committee, so as to present a pleasing and attractive appearance. Such Improvements shall be repaired, restored or otherwise demolished and suitably landscaped within such reasonable time frame as may be established by the Development Review Committee.

3.35 Leases. All Leases of Units, residences on Lots, Caretaker Apartments, or Accessory Dwelling Units shall be in writing and shall contain the following terms and conditions:

(a) The Lease must cover the entire Unit or Lot or Caretaker Apartment, i.e., no leases of bedrooms alone or otherwise covering less than all of the Unit or Lot or Caretaker Apartment shall be permitted. The lease term shall not be less than 30 days except as expressly approved in the Master Rules and Regulations.

(b) All Leases shall provide (i) that the terms of the Lease and the tenant's (Occupant's) use of the Lot or Unit or Apartment shall be subject in all respects to the provisions of this Master Declaration and of any pertinent Supplemental Declaration, and the Articles, the Bylaws, and the Master Rules and Regulations, and the Master Development Guidelines, (ii) that the Occupant has received and reviewed copies of said documents, and (iii) that any failure by the Occupant to comply with any of the aforesaid documents, in any respect, shall be a default by Occupant under the Lease and a default by Occupant and Owner under said documents which may be enforced against Occupant and/or Owner by the Executive Board.

(c) Without limiting the generality of the foregoing, each Lease shall contain a summary of (i) the maximum number of persons that may occupy a Unit or Lot as set forth in Section 3.4 hereof, (ii) the rules regarding permitted animals, as set forth in Section 3.17 hereof, and (iii) the rules regarding storage of sporting equipment, as set forth in Section 3.14 hereof.

(d) Each Owner shall notify the Master Association immediately upon the leasing of his Lot or Unit or Apartment, and shall provide the Master Association with a copy of the Lease and with the name and mailing address of the Occupant and the mailing address (if changed) of the Owner.

(e) Each owner who leases a Lot or Unit or Apartment shall be responsible for assuring compliance by the Occupant with all of the provisions of this Master Declaration, any pertinent and Supplemental Declaration, the Articles, the Bylaws, the Master Rules and Regulations, and the Master Development Guidelines, and shall be jointly and severally responsible with the Occupant for any violations thereof by the Occupant.

(f) Each Lease shall expressly provide that the Master Association (via the Executive Board) shall have the right to give the Occupant written notice that the Occupant is in violation of one or more of the documents listed in subsection (e) above, which notice shall specify a period of time (at least ten (10) days) in which the Occupant may cure the violation.

3.36 Right of Entry. During reasonable hours and upon reasonable notice to the Owner or Occupant of a Lot or Unit, any member of the Development Review Committee, any member of the Executive Board, and any authorized representative of either of them, shall have the right to enter upon and inspect any Lot or Unit, and the Improvements thereon, except for the interior portions of any occupied residence, for the purpose of ascertaining whether or not the provisions of the Master Declaration and of the Master Development Guidelines have been or are being complied with and such individuals shall not be deemed guilty of trespass by reason of such entry.

3.37 Damage by Owners During Construction. Each Owner is responsible for any damage caused to roads, streets, ditches, fences, trails, natural drainage courses, utilities, Master Common Areas, or to other Lots, Units or Improvements thereon, during the construction or alteration of Improvements upon the Owner's Lot or Unit, including without limitation damage caused by any construction vehicles using the roads or streets within the Common Interest Community. Damage shall include any degradation, in the appearance or condition of such Master Common Areas, or other

Lots or Units or Improvements. The responsible Owner shall promptly repair and clean up any such damage, at its sole expense. Each Owner shall also be responsible for any clean up of any such damage, at its sole expense. Each Owner shall also be responsible for and damage caused by utility cuts in roads, washouts and runoff damage caused by failure to properly install culverts, and to promptly repair any such damage. If the Owner fails to repair any such damage within ten (10) days following receipt of a written notice from the Executive Board requesting the same, the Executive Board shall have the right to perform such repairs on behalf of the Owner, and to levy a Reimbursement Assessment upon the Owner and its Lot or Unit to recover the costs thereof.

3.38 Restrictions on Resubdivision, Property Restrictions, and Rezoning. Except as expressly permitted in this Master Declaration or in a Supplemental Declaration by which additional property is annexed to the Common Interest Community, (i) no Lot or Unit shall ever be further subdivided by an Owner into smaller lots or parcels or units, and (ii) no portion less than all of any such Lot or Unit, nor any easement or divided interest therein, shall be conveyed, transferred or encumbered by the Owner.

(a) Declarant reserves the right to subdivide tracts or to condominiumize, provided any necessary County approvals are obtained, all Declaration and Plat amendments required by the Act and/or local land use laws are prepared, executed and Recorded, and the necessary reallocation of Allocated Interests of the Owners is accomplished. All costs relating to the foregoing activities shall be the sole responsibility and obligation of Declarant, or of the Owner performing the same. Declarant's rights under this subsection (a) shall terminate upon the first to occur of (i) the date which is thirty (30) years after the Recording of this Master Declaration, or (ii) Declarant's relinquishing of these rights by a Recorded instrument.

(b) No Owner of a Lot or Unit shall grant or convey any easement rights affecting any portion of the Lot or Unit without the prior written consent of the Executive Board.

(c) No further covenants, conditions, restrictions or easements shall be Recorded by any Owner (except Declarant in the exercise of its reserved rights) or other Person against any Lot or Unit without the provisions thereof having been first approved in writing by the Executive Board for consistency and with the Master Declaration, any applicable Supplemental Declaration, and the general plan of development for the Common Interest Community. Any covenants, conditions, restrictions or easements Recorded without such approvals being evidenced thereon shall be null and void. This provision does not apply to Mortgages.

(d) No application for rezoning of any Lot or Unit, and no application for any variance or special use permit for any Lot or Unit (except as may be required by a Plat note), shall be filed with any governmental authority by any owner (except Declarant in the exercise of any reserved rights) unless the proposed use of the Lot or Unit has first been approved in writing by the Executive Board and the proposed use otherwise complies with the Master Declaration and any applicable Supplemental Declaration.

3.39 Health, Safety and Welfare. In the event any uses, activities, and facilities within the Common Interest Community are deemed by the Executive Board to be an unreasonable annoyance or nuisance, or to adversely affect the health, safety or welfare of Owners or Occupants, the Executive Board may amend the Master Rules and Regulations in order to appropriately restrict and regulate such uses, activities or facilities within the Common Interest Community. Such rules shall be consistent with the purposes and provisions of this Master Declaration.

3.40 Municipal Sewer and Water Service. Municipal water service is provided by the Teton Springs Water & Sewer Company. Only untreated water through the secondary irrigation system shall be used for residential Lot irrigation consistent with the provisions of Section 3.33. The Old Town Area, Inn Site, Forest and Warm Creek Cabins and Old Town Residential Areas will use Municipal water for irrigation or other areas approved by the Declarant.

3.41 Implementation and Variances. The Executive Board may implement the restrictions set forth in this Article 3, or otherwise restrict and regulate the use and occupancy of the Common Interest Community and the Lots and Units by reasonable Master Rules and Regulations of general application adopted by the Executive Board from time to time. The Executive Board may, in its sole discretion and in extenuating circumstances, grant variances from any of the restrictions set forth in this Article 3 (excepting any such restrictions with respect to which the Development Review Committee has the authority to grant variances under Section 4.19 below), if the Executive Board determines, in its discretion, (a) either (i) that a particular restriction creates a substantial hardship or burden on an Owner or Occupant, which hardship or burden was not caused by said Owner or Occupant, or (ii) that a change of circumstances since the Recordation of this Master Declaration has rendered such restriction obsolete, and (b) that the activity permitted under the variance, in the judgment of the Executive Board, will not have any material adverse effect on the Owners and Occupants of the Common Interest Community (including neighboring Lots and Units) and is consistent with the high quality of living intended to be promoted hereby throughout the Common Interest Community. When an Owner applies for a variance, the Board must give at least ten (10) days advance written notice of the variance hearing, and of the nature of the variance requested, postage prepaid, by certified mail, return receipt requested, to all Owners of Lots or Units that are situated within a radius of two hundred (200) feet from the center of the Building Envelope or the Unit for which the variance is sought, at the current addresses for such Owners reflected in the Master Association files. The applying Owner must provide the Committee with an accurate list of the Owners to be so notified. If the foregoing notice requirements are complied with, it is not necessary that the Owners actually receive the notice that is mailed to them.

No variance shall conflict with ordinances or regulations of the County. If a variance from County laws or regulations is also required in connection with the matter for which a variance is desired hereunder, it shall be the Owner's responsibility to obtain such County variance before submitting a variance application to the Executive Board.

3.42 Declarant Activities. Nothing contained in this Master Declaration is intended or shall be construed to prevent or to restrict in any way Declarant's right and ability to develop, improve,

maintain, repair, regulate, operate, administer, manage, market, sell, lease, encumber or dispose of the Common Interest Community, the Lots, the Units, the Master Common Areas, or any part thereof, including the right to construct Improvements and install signs thereon, all in the complete discretion of Declarant.

ARTICLE 4 DEVELOPMENT REVIEW COMMITTEE

4.1 Establishment of Development Review Committee. The Master Association shall have a Development Review Committee, which shall consist of a minimum of three (3) members, each of whom shall either be (i) a representative of the Declarant, (ii) an Owner or Occupant of a Lot or Unit in the Common Interest Community or (iii) a local architect, landscape architect or engineer. All members of the Development Review Committee shall be appointed and removed from time to time by the Executive Board in its discretion, and shall serve for such term as may be established from time to time by the Executive Board. A member may be removed by the Executive Board at any time upon written notice, without cause. Subject to the three (3) member minimum, the Executive Board may increase or decrease the size of the Development Review Committee from time to time in its discretion. The Executive Board may hire or appoint a secretary for the Development Review Committee, and shall provide appropriate compensation for any such secretarial services.

4.2 Establishment of Subcommittees. The Development Review Committee shall have the right but never the obligation to establish one or more subcommittees to perform one or more of the functions of the Development Review Committee. For purposes of this Master Declaration, all references to the Development Review Committee shall also refer to any subcommittee established by the Development Review Committee. The procedures for establishment of subcommittees, the rights and duties thereof, and the limitations thereon may be established and adopted by the Development Review Committee from time to time, in its discretion.

4.3 Meetings and Action of Committee. The Development Review Committee shall meet from time to time as necessary to perform its duties hereunder. The Development Review Committee may from time to time, by resolution in writing adopted by a majority of the members, designate a Committee Representative (who may but need not be one of its members) to take any action or perform any duties for or on behalf of the Development Review Committee, except the granting of approval for any Improvements and the granting of variances. The action of such Committee Representative within the authority of such Committee Representative shall constitute the action of the Development Review Committee. A majority of the members of the Development Review Committee shall constitute a quorum of the Committee. Actions of the Committee may be taken (without a meeting) by the written consent of a majority of the members thereof, or at a meeting at which a quorum is present in person or by proxy, by the vote of a majority of such members constituting the quorum, but in no event less than two (2) members.

4.4 Records of Actions. The Development Review Committee shall report in writing to the Executive Board all final actions of the Development Review Committee, and the Executive Board shall keep a permanent record of such reported actions.

4.5 Approvals in Annexed Areas. The Development Review Committee shall also be responsible for reviewing and approving all proposed Improvements on Lots and Units within properties hereafter annexed to the Common Interest Community, unless a different reviewing body or procedure is established in the Supplemental Declaration which annexes such property.

4.6 Master Development Guidelines. The Development Review Committee has established an initial set of rules, procedures, standards, guidelines and requirements, including without limitation architectural, design and development standards and guidelines, which shall govern the review and approval or disapproval of proposed Improvements within the Common Interest Community, the registration of Builders, and other matters provided for therein (the "Master Development Guidelines"), the Development Review Committee may make such amendments and additions to the Master Development Guidelines as the Committee deems necessary or appropriate from time to time to accomplish the purposes of (and as are not in conflict with) this Master Declaration and of any pertinent Supplemental Declaration and to ensure the orderly and attractive development of the Common Interest Community. Upon its adoption, each such amendment shall be provided to the Executive Board. The Master Development Guidelines are hereby incorporated herein and shall be deemed to be a part of this Master Declaration and shall be binding on the Common Interest Community, and on all Lot and Unit Owners, Occupants, Members or other Persons as if expressly set forth herein. A copy of the current Master Development Guidelines shall, at all times, be a part of the Master Association's records. The Development Review Committee, in its sole discretion, shall have the right and authority to determine the existence of any violation of the Master Development Guidelines or of any approvals granted or other determinations made by, or other requirements of, the Development Review Committee.

4.7 Design Review Fee. The Development Review Committee shall adopt, and may from time to time amend, a design review fee schedule which shall apply to requests for the original construction of a residential improvement, and for each subsequent request for approval of an Improvement on a Lot or Unit including remodels, renovations or other alterations of the original approval, except that no fee shall be charged for any proposed alteration or addition to an approved landscaping plan. The design review fee schedule shall be set forth in the Master Development Guidelines. The applicable fee must accompany each request for approval of any proposed Improvement. The Development Review Committee shall not take any action on a request for approval until all required fees are paid in connection therewith.

4.8 Pre-submission Conference. Every Owner proposing to make Improvements to its Lot or Unit shall schedule and attend a pre-submission conference with the Development Review Committee to discuss the general nature and scope of the contemplated Improvements and the Committee's requirements and procedures in connection therewith prior to the time the Owner has expended or committed to expend significant amounts on architectural or other design fees. The

Development Review Committee shall give priority to the scheduling of such pre-submission conferences. The Owner is encouraged to arrange for the attendance of the Owner's design professional at the pre-submission conference.

4.9 Submission of Plans, Specifications and Data. Prior to commencement of work to accomplish any proposed Improvements, the Owner proposing to make such Improvements shall submit to the Development Review Committee such descriptions, surveys, plat plans, excavation plans, drainage plans, elevation drawings, constructions plans, landscaping plans, specifications, and samples of materials and colors as the Development Review Committee shall reasonably request showing among other things the nature, kind, shape, height, width, color, materials, and location of the proposed Improvements. The Owner shall also inform the Development Review Committee of the identity of the Owner's proposed Builder, who shall be a Registered Builder. All submissions shall conform to and be in accordance with the Master Development Guidelines established pursuant to Section 4.6. The Owner shall be entitled to receive a receipt for the same from the Development Review Committee or its authorized agent. The Development Review Committee may require submission of additional plans, specifications, or other information prior to approving or disapproving the proposed Improvements. Until receipt by the Development Review Committee of all required information and materials in connection with the proposed Improvements and Builder, the Development Review Committee may postpone review of the application.

4.10 Registration of Builders. The construction or renovation of residential dwellings within the Common Interest Community shall be accomplished only by general contractors who are "Registered Builders" as provided in this Section 4.10. Subcontractors need not be Registered Builders. In order to register as a builder, a contractor must submit to the Development Review Committee a signed "Statement of Registered Builder" which recites as follows:

- (a) That the builder is an experienced general contractor in Teton County, Idaho or Teton County, Wyoming or immediate regional area.
- (b) The names and addresses of the last five (5) clients for whom the builder has constructed homes or other structures;
- (c) That the builder expressly authorizes each of said clients to speak to representatives of the Development Review Committee and/or the Owner regarding the builder's performance for that client, and further authorizes the Development Review Committee to pass on any such performance information to the Owner;
- (d) That the builder will provide the Owner with a current financial statement, if requested by the Owner;
- (e) That the builder will furnish the Owner with such other information about the builder as the Owner may reasonably request.

Upon delivery of a Statement of Registered Builder containing all of the required information to the Development Review Committee, a contractor shall be deemed to be a Registered Builder for purposes hereof. Before commencing work on the construction or renovation of a residential dwelling on a Lot, the Registered Builder shall obtain a Builder's Risk Insurance Policy covering all Improvements to be constructed on the Lot, with the benefits payable to the Owner, and shall deliver copies of the Policy to the Development Review Committee and to the Owner. In the case of minor renovations where the Development Review Committee does not consider such Policy necessary, the Development Review Committee may waive this requirement, in its sole discretion.

4.11 Criteria for Approval or Disapproval. The Development Review Committee shall approve any proposed Improvements only if it determines in its reasonable discretion that the Master Development guidelines have been complied with; that the proposed Improvements will not be detrimental to the value or enjoyment of the surrounding areas in the Common Interest Community; that the siting, design and appearance of the proposed Improvements will be in harmony with the surrounding areas in the Common Interest Community; that the proposed Improvements will enhance the quality, wholesomeness, and attractiveness of the Common Interest Community and the enjoyment thereof by Lot and Unit Owners; that the upkeep and maintenance of the proposed Improvements will not become a burden on the Master Association; and in the case of construction or renovation of a residential dwelling, the work will be performed by a Registered Builder. The Development Review Committee may condition its approval of any proposed Improvements upon the making of such changes therein as the Development Review Committee may deem reasonably appropriate, and may require that additional landscaping be performed on the subject Lot or Unit.

The approval by the Committee of any Improvement shall in no event imply or require that such approval will be granted again in the future for the same or a similar Improvement, and the Committee shall have complete discretion, consistent with the standards and criteria contained herein and in the Master Development Guidelines, to grant or deny such approval in each instance on the merits of the particular application or proposal and considering the circumstances surrounding the same.

4.12 Decisions of Committee. Any decision of the Development Review Committee shall be made within forty-five (45) days after receipt by the Development Review Committee of all materials and information required by the Development Review Committee, unless such time period is extended by mutual written agreement. The decision shall be in writing and if the decision is not to approve the proposed Improvements, the reasons therefor shall be stated. The decision of the Development Review Committee shall be promptly transmitted to the Owner at the address furnished by the Owner to the Development Review Committee.

4.13 Failure of Committee to Act on Plans. Any written request for approval of proposed Improvements shall be deemed approved, unless written disapproval or a request for additional information or materials is transmitted to the Owner by the Development Review Committee within sixty (60) days after the date of receipt of the Development Review Committee of all required materials and information, unless such time period is extended by mutual written agreement.

4.14 Damage and Performance Deposit by Owner. Before the Development Review Committee grants approval to an Owner for proposed Improvements to a Lot or Unit, the Owner shall be required to deposit with the Committee a Damage and Performance Deposit, in an amount to be determined by the Committee in its reasonable discretion based upon the nature and scope of the proposed Improvements, in order to guarantee (i) the completion of the proposed Improvements in accordance with the Committee's approval thereof and the Master Development Guidelines, (ii) the repair of any on-site or off-site damage caused by the Owner or its contractors or agents during the construction period, and (iii) the cleanup of any construction debris required by the Master Association. The Committee shall give the Owner written notice of (a) any violation of the approvals or the Master Development Guidelines, or (b) any damage that needs to be repaired, and in the event the Owner fails to cure the violation or repair the damage within thirty (30) days following date such notice is given, the Committee shall have the right to perform such cure or repair on behalf of the Owner and to apply so much of the Damage and Performance Deposit as may be needed to pay for the cost thereof. The Damage and Performance Deposit, or any balance remaining if the Committee has used all or a portion therefor as above permitted, shall be refunded to the Owner no later than thirty (30) days following the issuance to the Owner by the Development Review Committee of a Certificate of Compliance in accordance with the provisions of Section 4.17 below.

4.15 Prosecution and Completion of Work After Approval. Following the approval of any proposed Improvements by the Development Review Committee and identification of the Registered Builder, the proposed Improvements shall be completed by the Lot or Unit Owner using the Registered Builder: (a) as promptly and diligently as possible but in no event in excess of the time periods set forth below; (b) in compliance with the Master Development Guidelines and with all applicable laws, regulations and codes, (c) in strict conformance with all plans and specifications and other materials presented to and approved by the Development Review Committee; and (d) in accordance with any and all conditions imposed by the Development Review Committee. All Improvements approved by the Development Review Committee shall be completed, including issuance of a Certificate of Compliance and the removal of all construction equipment, materials and debris (i) within twenty-four (24) months from the date of approval of such Improvements by the Development Review Committee, or (ii) within such other time period as the Development Review Committee may prescribe. Provided, however, that any and landscaping and/or gardening approved by the Development Review Committee which is related to the initial construction of a residence on a Lot shall be completed no later than six (6) months immediately following the issuance of the Certificate of Compliance for such residence. Failure to comply with the terms and conditions of this Section 4.15 shall constitute noncompliance with the terms and provisions of this Master Declaration and the Development Review committee and/or the Executive Board shall have the right to invoke all rights and remedies provided to them hereunder, including but no limited to, the imposition of fines and penalties.

4.16 Right to Inspect. Any member or authorized consultant of the Development Review Committee or of the Executive Board, or any authorized officer, employee or agent of the Master Association, may (but shall not be obligated to) at any reasonable time enter, without being deemed guilty of trespass, upon any Lot or Unit after reasonable notice to the Lot or Unit Owner, in order to inspect Improvements constructed or being constructed on such Lot or Unit, to ascertain whether such

Improvements have been or are being built or changed in compliance with the Master Development Guidelines, the approvals granted by the Development Review Committee, and this Master Declaration.

4.17 Certificate of Compliance; Inspection of Work; Correction of Defects.

(a) Upon the completion of any Improvements (excepting the related landscaping) for which plans and specifications have been approved by the Development Review Committee, the Owner or the Registered Builder shall submit to the Committee a written Application for a Certificate of Compliance, on a form to be provided by the Committee, which Application shall certify that the Improvements have been completed in accordance with the approvals granted by the Committee and with the Master Development guidelines. Until receipt of such Application, the Committee shall not be deemed to have any notice regarding completion of the Improvements.

(b) Within twenty-one (21) days following receipt of the Application, the Development Review Committee or its duly authorized representative shall inspect the Improvements. If the Committee finds that the Improvements have not been completed in accordance with the approvals granted by the Committee and/or with the Master Development Guidelines, it shall notify the Lot or Unit Owner in writing of such noncompliance within said twenty-one (21) day period, specifying the particulars of noncompliance, and shall request the Owner to remedy the same.

(c) If upon the expiration of thirty (30) days from the date of such notification of non-compliance the Lot or Unit Owner shall have failed to remedy such noncompliance, the Development Review Committee shall notify the Executive Board in writing of such failure. Upon Notice and Hearing, as provided in the Bylaws, the Executive Board shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a noncompliance exists, the Owner shall remedy or remove the same within a period of not more than thirty (30) days from the date of the announcement of the Executive Board ruling. If the Owner does not comply with the Executive Board ruling within such period, the Board, at its option, may either remove the noncomplying Improvement or remedy the noncompliance, and the Owner shall reimburse the Master Association, upon demand, for all expenses, including interest on monies expended and attorneys' fees incurred in connection therewith. If such expenses are not repaid by the Owner to the Master Association within thirty (30) days following delivery of a written demand therefor to the Owner, the Executive Board shall levy a Reimbursement Assessment against such Owner and the Owner's Lot or Unit.

(d) When the Development Review Committee is satisfied that the Improvements have been completed in accordance with the approvals granted by the Committee and with the Master Development Guidelines, it shall issue to the Owner a Certificate of Compliance with respect to said Improvements. No newly-constructed residence on a Lot shall be occupied until a Certificate of Compliance has been issued therefor and a Certificate of Occupancy as required by the County of Teton has been issued therefor.

4.18 Improvements Must Conform to Approvals. No building, fence, wall, structure, landscaping or other Improvement of whatever type shall be commenced, constructed, erected, placed, installed, located, maintained or removed within the Common Interest Community, nor shall there be any additions or changes to the exterior of any residence or other structure or Improvement upon a Lot or Unit or the landscaping, grading or drainage thereof, including without limitation, the painting (other than painting with the same color and type of paint as previously existed) of exterior walls, patio covers and fences, except in accordance with plans and specifications therefor which have been submitted to and approved by the Development Review Committee and in compliance with the Master Development Guidelines.

4.19 Committee Power to Grant Variances. The Development Review Committee may grant variances from any of the restrictions set forth in this Master Declaration or any Supplemental Declaration or the Master Development Guidelines pertaining to proposed Improvements and the criteria therefor, including restrictions upon height, size, floor area, setbacks, location or placement of structures, or similar restrictions, when (i) unique circumstances not created by the Lot or Unit Owner, such as topography, natural obstructions, or aesthetic or environmental considerations would otherwise result in substantial hardship or burden which is not suffered by other similarly-situated Lots or Units, or (ii) when a change of circumstances since the Recording of the Master Declaration has rendered such restriction obsolete, and (iii) in either case, when the Development Review Committee determines that the activity allowed by the variance will not have any material adverse effect on the Owners and Occupants of the Common Interest Community (including neighboring Lots and Units) and is consistent with the high quality of living intended to be promoted hereby throughout the Common Interest Community. When an Owner applies for a variance, the Committee must give at least ten (10) days written notice of the variance hearing, and of the nature of the variance requested, postage prepaid, by certified mail, return receipt request, to all Owners of Lots or Units that are contiguous to the Lot or Unit for which the variance is requested, at the current addresses for such Owners reflected in the Master Association files. The applying Owner must provide the Committee with an accurate list of the Owners to be so notified. If the foregoing notice requirements are complied with, it is not necessary that the Owners actually receive the notice that is mailed to them.

All variances that are granted by the Development Review Committee must be evidenced in writing, must specify the Lot or Unit for which the variance is granted and the unique circumstances or change in circumstances justifying the variance, and must be signed by at least a majority of the members of the Committee. If any such variance is granted, no violation of the covenants, conditions and restrictions contained in this Master Declaration or any Supplemental Declaration or the Master Development Guidelines shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Master Declaration or of any Supplemental Declaration or the Master Development guidelines for any purpose except as to the particular property and particular provision hereof covered by the variance. A copy of each variance request and approval, or denial, will be kept on file at the Master Association offices.

The granting of a variance in a particular instance shall in no event imply or require that such a variance will be granted again in the future in a similar situation, and the Committee shall have complete discretion, consistent with the standards and criteria contained herein and in the Master Development guidelines, to grant or deny a variance in each instance on the merits of the particular application and considering the circumstances surrounding the same.

No variance shall conflict with ordinances or regulations of the County. If a variance from County laws or regulations is also required in connection with a matter for which a variance is desired hereunder, it shall be the Owner's responsibility to obtain such County variance before submitting a variance application to the Development Review Committee.

4.20 Nonliability for Approval or Disapproval of Plans and Specifications, for Issuance of Certificates of Compliance, or for Registration of Builders. The criteria for Development Review Committee approval of plans and specifications are set forth in Section 4.11 above. The Development Review Committee shall not be responsible for reviewing plans and specifications with respect to engineering design or for compliance with zoning, building ordinances, environmental laws, or any other applicable laws or regulations. By its approval of any such plans and specifications, neither the Development Review Committee, the members thereof, the Master Association, any Member, the Executive Board nor the Declarant assumes or shall have any liability or responsibility with respect to engineering design or for compliance with zoning, building ordinances, environmental laws, or any other applicable laws or regulations, or for any defect in any Improvement constructed from such plans and specifications. Neither the Development Review Committee, any member thereof, the Master Association, the Executive Board nor the Declarant shall be liable to any Lot or Unit Owner, Occupant or other Person for any injury, damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any plans, drawings or specifications, whether or not defective, (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications, (c) the issuance of a Certificate of Compliance for any Improvements, or (d) the development, or manner of development of any property within the Common Interest Community. The approval of plans and specifications by the Development Review Committee, and/or the issuance of a Certificate of Compliance by the Development Review Committee, shall not under any circumstances constitute or be deemed to be a representation or warranty that the plans, specifications or completed Improvements comply with applicable laws, ordinances or regulations, including but not limited to, zoning ordinances and building codes and environmental laws.

Likewise, Builders shall register with the Development Review Committee in the manner set forth in Section 4.10 above and in the Master Development Guidelines. By registering a Builder, the Development Review Committee does not represent or warrant, either expressly or by implication, that the Registered Builder will in fact complete the Improvements in a prompt, competent and workmanlike manner, or that the Registered Builder is or will remain financially sound, and the Lot and Unit Owners assume all risks regarding such matters. Neither the Development Review Committee, the members thereof, the Master Association, any Member, the Executive Board nor the Declarant shall be liable to any Lot or Unit Owner, Occupant or other Person for any damage, loss or prejudice suffered or claimed on account of (a) the registration of any Builder, (b) defects in the work

performed by a Registered builder, (c) financial difficulties experienced by a Registered Builder, and/or (d) any other problems arising from an Owner's use of a Registered Builder.

4.21 Reconstruction of Master Common Areas. The reconstruction by the Master Association after destruction by casualty or otherwise of any Master Common Areas or Improvements thereon which is accomplished in substantial compliance with "as built" plans for such Master Common Areas or Improvements shall not require compliance with the provisions of this Article 4 or the Master Development Guidelines.

4.22 Compensation of Committee Members. In the discretion of the Executive Board, all or some members of the Development Review Committee may be entitled to reasonable compensation from the Master Association for services rendered, together with reimbursement for reasonable expenses incurred by them in the performance of their duties hereunder. Such compensation, if any, shall be set by the Executive Board from time to time.

4.23 Enforcement. The requirements and provisions of this Article 4 and/or of the Master Development Guidelines shall be enforceable in accordance with the rights and procedures set forth in Section 13.4 of this Master Declaration.

ARTICLE 5 MASTER COMMON AREAS

5.1 Use and Enjoyment of Master Common Areas. With the exception of Limited Common Areas, and except as otherwise provided in this Master Declaration or in any Supplemental Declaration, each Owner shall have the non-exclusive right to use and enjoy the Master Common Areas in common with all other Owners (a) for all purposes for which such Master Common Areas were established, and (b) as required for purposes of access and ingress to and egress from (and use, occupancy and enjoyment of) any Lot or Unit owned by the Owner or Master Common Areas available for the Owner's use. This right to use and enjoy the Master Common Areas shall extend to each Owner, Occupant, and the family members, guests and invitees of each Owner, and to such other users as may be authorized by this Master Declaration or by the Executive Board from time to time, and shall be appurtenant to each Lot or Unit, subject at all times to the provisions of this Master Declaration (including Declarant's reserved rights hereunder), any applicable Supplemental Declaration, the Articles, Bylaws, and Master Rules and Regulations. For example, the rights of Occupants to use the recreational amenities in the Old Town Area shall be governed by the pertinent provisions of the Master Rules and Regulations. No Owner or Occupant shall place any structure whatsoever upon the Master Common Areas, nor shall any Owner or Occupant engage in any activity which will temporarily or permanently impair free and unobstructed access to all parts of the Master Common Areas by all Owners. Use of the Master Common Areas is also subject to any applicable terms of the Golf Course Play and Operational Easement (Exhibit F).

With respect to Limited Common Areas, each Owner of a Lot designated by Declaration or Plat for the use of such Limited Common Area shall have the non-exclusive right to use and enjoy the same

in common with all other Owners of Lots so designated, for all purposes for which the Limited Common Area was created, subject to such Master Rules and Regulations as may be adopted from time to time by the Executive Board.

5.2 Master Association May Regulate Use of Master Common Areas. The Master Association, acting through the Executive Board, shall have the right and authority to regulate the use of the Master Common Areas by the promulgation, enforcement and interpretation from time to time of such Master Rules and Regulations relating thereto as the Master Association considers necessary or appropriate for the protection and preservation of the Master Common Areas and the enhancement of the use and enjoyment thereof by the Owners and Occupants and other authorized users, subject always to any rights or interests created by the Golf Course Play and Operational Easement (Exhibit F). Without limiting the generality of the foregoing, the Master Rules and Regulations shall contain appropriate guidelines and restrictions, and shall establish reasonable user fees, governing Occupant usage of the recreational amenities within the Old Town Area, it being understood that Occupants do not automatically have any rights or privileges to use such facilities.

The Master Association, acting through the Executive Board, may for good cause suspend the right of any Person to use and enjoy the Master Common Areas and/or the Old Town Area, including the right of a Member who is delinquent in the payment of any Assessments, and the right of any Member of other authorized user who is in violation of the terms and provisions of this Master Declaration or any Supplemental Declaration, the Articles, Bylaws, Master Rules and Regulations, Master Development Guidelines or the terms and provisions of any approvals granted by the Development Review Committee.

5.3 Master Association to Maintain and Improve Master Common Areas. The Master Association, its agents and employees, shall maintain, snowplow as necessary, and otherwise manage the Master Common Areas (including the Limited Common Areas), including, but not limited to, any Improvements, landscaping, lakes, paths, trails, parking areas, drives, and recreational and other facilities located thereon. The Master Association shall construct, alter and remove such Improvements and landscaping upon the Master Common Areas as the Master Association in its discretion considers necessary, desirable or appropriate from time to time, and shall do all such other and further acts which the Executive Board deems necessary or appropriate to preserve, protect and enhance the Master Common Areas and the beauty thereof in accordance with the general objectives for the Common Interest Community reflected in this Master Declaration. Separate bids shall be let for the maintenance of Limited Common Areas so that the costs thereof can be assessed exclusively to the Lots benefitted thereby.

5.4 No Partition of Master Common Areas. No Owner or other Person shall have any right to partition or to seek the partition of the Master Common Areas or any part thereof.

5.5 Owner Liability for Owner or Occupant Damage to Master Common Areas. Each Owner shall be liable to the Master Association for any damage to Master Common Areas or for any expense, loss or liability suffered or incurred by the Master Association in connection with the Master

Common Areas arising from (a) the negligence or willful misconduct of such Owner or of any Occupant, agent, employee, family member, guest or invitee of such Owner, or (b) any violation by such Owner or any Occupant, agent, employee, family member, guest or invitee of such Owner of any law, regulation, or code, including without limitation any environmental law, or of any provisions of this Master Declaration, any Supplemental Declaration, or the Master Rules and Regulations relating to the Master Common Areas. Each Owner shall indemnify, defend and hold the Master Association harmless from any loss, damage, expense or liability arising from the circumstances described in subsections (a) or (b) immediately above. The Master Association shall have the power to levy and collect a Reimbursement Assessment against a Lot or Unit Owner to recover the costs, expenses, damages, losses or liabilities incurred by the Master Association as a consequence of any such negligence, willful misconduct or violations.

5.6 Damage or Destruction to Master Common Areas. In the event of damage to or destruction of the Master Common Areas, including Improvements thereon, by fire or other casualty, the Master Association shall repair or replace the same in accordance with the provisions of Section 9.18 below. Repair, reconstruction, or replacement of Master Common Areas shall be accomplished under such contracting and bidding procedures as the Master Association shall determine are appropriate. If insurance proceeds available to the Master Association on account of damage or destruction exceed the cost of repair, reconstruction, and replacement, the Master Association may use the same for future maintenance, repair, improvement, and operation of Master Common Areas or for any other use deemed appropriate by the Executive Board.

5.7 Condemnation of Master Common Areas. If any Master Common Area or part thereof or interests therein is taken under exercise of the power of eminent domain or by purchase in lieu thereof, the portion of any award in condemnation or the price payable for the deed in lieu that is attributable to the Master Common Area taken or purchased shall be paid to the Master Association. The Master Association shall have the exclusive right to participate in such condemnation proceedings and to represent the interests of all Owners and Occupants and other Persons therein. Any award or funds received by the Master Association shall be held by the Master Association for the purposes stated in Section 5.6 above or as a reserve for future maintenance, repair, reconstruction, or replacement of Master Common Areas or may be used for Improvements or additions to or operation of Master Common Areas or for such other uses as may be deemed appropriate by the Executive Board. Except as may otherwise be provided by the Act, no Owner or other Person shall be entitled to participate as a party or otherwise in any condemnation proceedings nor to receive any proceeds therefrom.

5.8 Title to Master Common Areas Upon Dissolution of Master Association. In the event of dissolution of the Master Association, the Master Common areas shall, to the extent permitted by law and reasonably possible, be conveyed or transferred to an appropriate public, governmental or quasi-governmental agency or organization or to a nonprofit corporation, association, trust, or other organization, to be used, in any such event, for the common benefit of Owners for the purposes for which the Master Common Areas were held by the Master Association. If the foregoing is not possible, the Master Common Areas shall be sold or disposed of and the proceeds from the sale or

disposition shall be distributed to Owners in proportion to each Owner' Allocated Interest in the Common Expenses of the Master Association.

5.9 Mechanic's Liens on Master Common Areas. Declarant shall be responsible for the release of mechanics' liens filed with respect to Master Common Areas, or any part thereof, if such liens arise from labor performed or materials furnished at the instance of Declarant, its agents, contractors or subcontractors. Likewise, the Master Association shall be responsible for the release of mechanics' liens filed with respect to Master Common Areas, or any part thereof, if such liens arise from labor performed or materials furnished at the instance of the Master Association, its directors, officers, agents, contractors or subcontractors. No labor performed or materials furnished with respect to a Lot or Unit at the instance of the Lot or Unit Owner shall be the basis for filing a lien against the Master Common Areas. No labor performed or materials furnished with respect to a Master Common Area at the instance of the Executive Board shall be the basis for filing a lien against any Lot or Unit Owner.

5.10 Lake, Pond and Stream Access. The Master Common Area and the Golf Course Land contains certain streams, lakes, and ponds which have been provided for the use and enjoyment of owners and guests. These streams, lakes, and ponds are located throughout the property and are adjacent to or part of the golf course, residential lots, and common areas. Because of the proximity to golf course play or residential lots, access must be controlled. Stream, lake and pond edge access areas have been designated in three categories: 1) Common access 2) Local access 3) No access. Common access refers to areas in which access is granted to all owners and guests. Local access refers to areas in which access is granted to owners and guests whose property is located approximate to that particular stream, pond, or lake. No access refers to areas in which access is not allowed for health or safety reasons such as lake edges that are in golf course play.

The Master Rules and Regulations define the lake, pond, and stream access points on a map contained as an exhibit thereto. Such map and defined accesses may be changed from time to time with the consent of the Declarant.

The Master Rules and Regulations also govern the use of the lakes, ponds, and streams.

**ARTICLE 6
DECLARANT'S RESERVED RIGHTS**

Declarant hereby expressly reserves to itself and its successors and assigns the following described rights, which include development rights and special Declarant rights, any one or more of which rights may be exercised, in the sole and absolute discretion of Declarant, at any time and from time to time during the period commencing upon the recording of this Master Declaration in the County and ending on the date of termination of such rights established under Section 6.13 below. It is expressly understood that Declarant shall not be obligated to exercise any of these reserved rights.

Except as limited by this Article 6, such reserved rights may be exercised upon or in connection with all or any portion of the Common Interest Community described on attached Exhibit A, and/or the additional unspecified real estate referred to in Section 6.7 below. Such rights may be exercised with respect to different parcels of said real estate at different times, and in connection therewith Declarant hereby states that (i) no assurances are made regarding the boundaries of said different parcels or with respect to the order in which such parcels may be subjected to the exercise of these reserved rights, even if a reference to a phase or phasing appears in a legal description, Plat, P.U.D. Agreement or other agreement relating to the property, and (ii) if a particular reserved right is exercised in any portion of the real estate subject to that reserved right, that reserved right is not required to be exercised in all or any portion of the remainder of that real estate.

The reserved rights hereinafter set forth may not be amended, modified, terminated or otherwise altered in any way without the express prior written consent of Declarant. All conveyances of Lots and Units and other portions of the Common Interest Community hereafter made, whether by Declarant or otherwise, shall be deemed and construed to reserve to Declarant and/or to grant to Declarant all of the rights reserved by and to Declarant in this Article 6, even though no specific reference to such rights appears in the conveyancing instruments. Nothing in this Article 6 shall limit or impair any other rights granted or reserved to Declarant by other provisions of this Master Declaration or of any Supplement Declaration.

The following rights are hereby reserved to Declarant and its successors and assigns:

6.1 Completion of Improvements. The right throughout the Common Interest Community to complete Improvements indicated on any Plat, as defined in Paragraph 2.45 hereof, as such Plats and Declarations may be amended from time to time. Furthermore, the right to construct and complete Improvements required by the terms of the Development Agreement recorded on February 13, 2001 at the Office of the Clerk and Recorder of Teton County, Idaho, and by the terms of any other Subdivision Improvements Agreements that may hereafter be executed by Declarant in connection with future phases, annexations to the Common Interest Community, as said Agreement or Agreements may be amended from time to time. Furthermore, the right to create, grant and/or use and enjoy additional non-exclusive easements, and to relocate existing platted easements, upon or across any portion of the Common Interest Community except Building Envelopes, as may be reasonable

required for the completion by Declarant of the above-described Improvements or the effective exercise by Declarant of any of the other reserved rights described in this Article 6.

6.2 Sales, Marketing and Management. The right to construct, locate or operate, and to maintain upon, and to remove from, Lots or Units owned by Declarant, and/or the Master Common Areas, in the discretion of Declarant, and in such number, size and location as may be reasonably required by Declarant in connection with the completion of Improvements, the management of the development, and/or the promotion, marketing, sale or rental of Lots and Units, the following:

(a) Sales offices, management offices, and/or construction offices, and structures containing or relating to the same. Such offices, to the extent they are not situated on a Lot or within a Unit, are hereby declared to be personal property of the Declarant and shall in any case be removable by Declarant or its successors or assigns promptly upon the Declarant or its successors or assigns ceasing to be a Lot or Unit Owner;

(b) Signs identifying and advertising the Common Interest Community and the Lots and/or Units therein, or relating to development or construction thereon;

(c) Model residences constructed or to be constructed on Lots, or model Units;

(d) Parking areas and facilities, and lighting, necessary or desirable in the marketing of the Common Interest Community and the Lots and Units to prospective Owners;

(e) Employees in offices; equipment; vehicles; and marketing and construction materials.

Together with the right to attract, invite or bring prospective purchasers of Lots and/or Units into the Common Interest Community at all times, and to permit them to use and enjoy the Master Common Areas.

6.3 Merger. The right to merge or consolidate the Common Interest Community with another common interest community of the same form of ownership.

6.4 Declarant Control of Master Association. The right to appoint or remove any Executive Board member or officer of the Master Association, as more specifically set forth in Section 8.5 below, but only for and during the "Period of Declarant Control of Master Association" as defined in said Section 8.5.

6.5 Annexation of Additional Properties. The right to annex to the Common Interest Community. Each Owner of a Lot or Unit hereunder hereby grants to Declarant the right to annex additional property to the Common Interest Community and to modify such Owner's Allocated Interests accordingly. Alternatively, Declarant shall have the right and is authorized to develop portions of the additional property and/or to convey portions of the additional property to such third party or parties as Declarant may deem appropriate, prior to and instead of annexing them to the

Common Interest Community, whether for purposes consistent with this Master Declaration or otherwise. Declarant makes no assurances that all or any portion of additional property will be added to the Common Interest Community and Declarant reserves the right to annex all or any portion of additional property to the Common Interest Community in any order it deems appropriate in its sole and absolute discretion.

6.6 Annexation Procedure. The annexation of additional real property to the Common Interest Community shall be accomplished by the Recording by Declarant with the Clerk and Recorder of Teton County of a Supplemental Declaration containing a legal description of the land area to be added to the Common Interest Community and amending this Master Declaration accordingly, together with a Supplemental Plat thereof. The Supplemental Declaration shall assign an identifying number to each new Lot or Unit created thereby, and shall reallocate the Allocated Interests of all Lot and Unit Owners in the Common Interest Community in accordance with the definition of Allocated Interests contained in this Master Declaration. The Supplemental Declaration shall also describe any Master or Subassociation Common Areas or Limited Common Areas thereby created, and any Common elements and any Limited Common elements thereby created, and in the case of Limited Common Elements, the Supplement Declaration shall designate the Unit(s) to which each is allocated.

The annexation of the additional property may be accomplished by successive Supplemental Declarations, in no particular or pre-established order, and may provide that property annexed thereby (the "Annexed Property") is phased so that it is made subject to this Master Declaration at different times. Upon Recording of a Supplemental Declaration, the Annexed Property described therein shall be subject to all of the covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes, and other provisions set forth in this Master Declaration, except to the extent specifically stated in the Supplemental Declaration or as modified thereby. Any such Supplemental Declaration may impose on the Annexed Property described therein additional covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes, and other provisions that those set forth in this Master Declaration, taking into account the unique and particular aspects of the Annexed Property covered thereby and of the proposed development thereof. Furthermore, Declarant shall have the right to reserve in such Supplemental Declaration any development rights that Declarant considers necessary or appropriate, provided that such provision shall not extend the termination date for the exercise of Declarant's development rights as set forth in Section 6.13 below. A supplemental Declaration may provide for a Subassociation of Owners within the Annexed Property described in the Supplemental Declaration and for the right of the Subassociation to assess such owners for common expenses unique to those Owners.

6.7 Annexation of Additional Unspecified Real Estate. The right to annex additional unspecified real estate to the Common Interest Community to the fullest extent permitted by the Act. In the event that Declarant elects to annex any such additional unspecified real estate, Declarant shall annex such property to the Common Interest Community in accordance with the provisions of Section 6.6 above.

6.8 Effect of Expansion or Contraction. In the event any real property is annexed to the Common Interest Community as provided herein, or if any real property is withdrawn from the Common Interest Community as provided herein, the definitions used in this Master Declaration shall be automatically expanded or contracted to encompass and refer to the Common Interest Community as expanded or contracted, e.g., "Common Interest Community" shall mean the real property described herein plus any additional real property annexed thereto and/or minus any real property withdrawn therefrom; similarly, "Master Common Areas" and "Lots" and "Units" shall mean and include those areas as described herein as well as or less those so designated on any Supplemental Declaration or Supplemental Plat (or any amendment to a Declaration or Plat) relating to any real property which is annexed or withdrawn pursuant to this Article 6. Master Common Areas shall also mean and include all properties located from time to time within the Annexed Property that fall within the definition of Master Common Areas contained in this Master Declaration, less any Master Common Areas removed by withdrawal. References to this Master Declaration shall mean this Master Declaration as so supplemented by any Supplemental Declaration and any Supplemental Plat, or as amended. Every Owner of a Lot or Unit in the area annexed to the Common Interest Community shall, by virtue of ownership of such Lot or Unit and upon recordation of the Supplemental Declaration annexing such property to the Common Interest Community, be a member of the Master Association and, except as may be otherwise provided in the Supplemental Declaration, shall be entitled to the same rights and privileges and subject to the same duties and obligations as any other Master Association Member. Regular Assessments for Lots or Units within the Annexed Property shall commence as of the date of the Recording of the Supplemental Declaration and shall be prorated as of such date.

The recording of amendments to the Master Declaration and Plat, whether in the form of Supplemental Declarations and Supplemental Plats or otherwise, which reallocate the Allocated Interests in the Common Interest Community, shall automatically:

- (a) Vest in each existing Lot and Unit Owner the reallocated Allocated Interests appurtenant to the Owner's Lot or Unit; and
- (b) Vest in each existing Mortgagee a perfected security interest in the reallocated Allocated Interests appurtenant to the encumbered Lot or Unit.

6.9 Subdivision of Blocks or Lots or Units; Conversions of Lots or Units into Master Common Area. Declarant shall have and hereby reserves the right to subdivide any Declarant-owned Block or Lot or Unit located within the Common Interest Community to create additional Lots or Units, subject to the maximum number of Lots and Units set forth in the Recitals to this Master Declaration; provided, however, that such subdivision is consistent with the P.U.D. for Teton Springs or that said P.U.D. is amended if necessary, and that the subdivision is accomplished in compliance with County subdivision requirements. Declarant shall also have and hereby reserves the right to convert one or more Lots or Units into Common Area. Upon the subdivision of any Block or Lot or Unit or the conversion of any Lot(s) or Unit(s) into Master Common Area in accordance with the terms and conditions contained herein, the Allocated Interests of all Owners shall be reallocated in accordance with the definition of Allocated Interests contained in this Master Declaration.

6.10 Other Reserved Development Rights. The right with respect to all or any Declarant-owned portion of the Common Interest Community (including the Lots and Units) to (a) create Master Common Areas or Limited Common Areas; (b) create additional Lots or Units, subject to the maximum set forth in the Recitals to this Master Declaration; (c) subdivide Lots or Units as set forth in Section 6.10 above, (d) combine Lots or Units, (e) convert Lots or Units into Master Common Areas, (f) convert Master Common Areas into Lots or Units, and (g) create Common Elements and/or Limited Common Elements.

6.11 Transfer of Declarant's Reserved Rights. Any one or more rights created or reserved for the benefit of Declarant under this Article 6 or elsewhere in this Master Declaration or in any Supplemental Declaration may be transferred to any Person by an instrument describing the right or rights transferred and Recorded in Teton County. Such instrument shall be executed by the transferor Declarant and the transferee.

6.12 Termination of Declarant's Reserved Rights. With the exception of Declarant's right to appoint or remove Executive Board members and officers of the Master Association, which is addressed in Section 8.5 below, the rights reserved to Declarant in this Article 6 shall automatically terminate and expire upon the first to occur of (i) the date which is thirty (30) years after the Recording of this Master Declaration, or (ii) Declarant's relinquishment and surrender of such rights by Recorded instrument. 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. The Master Association may extend the time period for exercise of a development right, or reinstate a lapsed development right, subject to whatever terms, conditions and limitations the Master Association may impose on the subsequent exercise of the development right. The extension or renewal of a development right and any terms, conditions and limitations shall be included in an amendment executed by Declarant or the owner of the real estate subject to the development right and the Master Association.

ARTICLE 7 EASEMENTS

7.1 Easements for Incidental Encroachments. If any portion of an Improvement approved by the Development Review Committee encroaches in its approved location upon a Master Common Area, including any future encroachments arising or resulting from the repair or reconstruction of an Improvement subsequent to its damage, destruction or condemnation, a valid easement on the surface and for subsurface support below such surface and for the maintenance of same, so long as it stands, shall and does exist for such incidental encroachment.

7.2 Blanket Master Association Utility and Drainage Easement Over Master Common Areas. There is hereby created, granted and reserved to the Master Association, its agents, employees and assigns, a perpetual, non-exclusive blanket easement over, across, upon and under the Master Common Areas for the construction, installation, operation, maintenance, repair, removal and replacement of utilities and utility lines, irrigation lines and systems and water features, drainage

systems, pipes, wires, circuits, conduits, meters, facilities and systems for the benefit of the Common Interest Community or any part thereof, including but not limited to drainage, domestic water, irrigation water, sewer, gas, telephone, electricity, cable TV and other master TV and communication systems, if any, together with an easement for access, ingress and egress to accomplish such purposes. The Master Association or other person or entity exercising such utility and drainage easement rights shall be obligated to restore, reseed, replant and/or re-landscape the surface of the disturbed area to as close to its original condition as possible, as promptly as possible following completion of any utility or drainage work.

7.3 Master Association Administrative Easement Over Master Common Areas. There is hereby created, granted and reserved to the Master Association, its agents, employees and assigns, a perpetual, non-exclusive easement over, across, upon and under the Master Common Areas and a right to use the Master Common Areas for purposes of enabling the Master Association to perform the duties and functions which it is obligated or permitted to perform pursuant to this Master Declaration.

7.4 Declarant Easement Over Master Common Areas. There is hereby created, granted and reserved to Declarant and its successors and assigns a non-exclusive easement over, across, upon and under all Master Common Areas (including without limitation all easements benefitting the Master Association), including a right of access, ingress and egress thereto, and a right to use such Master Common Areas, and each and every part thereof, for all purposes reasonably related to (a) Declarant's development, improvement, maintenance, management, marketing and sale of the Common Interest Community and all portions thereof, including any annexations thereto, and/or (b) Declarant's exercise and implementation of the rights reserved to Declarant under this Master Declaration or any Supplemental Declaration, and/or (c) the discharge by Declarant of any of its obligations under this Master Declaration or any Supplemental Declaration or under the Subdivision Improvements Agreements referred to in Section 6.1 above, or any other Declarant obligations relating to the Common Interest Community. Declarant's rights with respect to this easement shall terminate upon the first to occur of (i) the date which is thirty (30) years after the Recording of this Master Declaration, or (ii) Declarant's relinquishment of all or a portion of this easement right by Recorded instrument.

7.5 Ditch Easements. There are hereby created, granted and reserved for the use and benefit of the owners from time to time of the irrigation systems, ditches, ditch laterals, ponds or other water storage facilities that may exist from time to time within the Common Interest Community (and of the water rights therein) perpetual, non-exclusive easements within the Ditch Easements shown on the Plat or any Supplemental Plat, and if not shown on a Plat then along the courses of said ditches and laterals and in the locations of said systems, ponds and facilities, as they may be realigned or relocated from time to time, subject to the specific provisions set forth in easement grants for any such facilities and/or on a Plat.

7.6 Aesthetic Ditch Easements. There are hereby created, granted and reserved for the benefit of the Master Association and all Lot and Unit Owners and Occupants, perpetual, non-exclusive aesthetic easements along the courses of the various irrigation ditches that traverse the

Common Interest Community, in the present locations of said ditches or as they may be realigned, for purposes of visually enjoying said ditches as water features within the Common Interest Community. These easements shall be subject at all times to the legal rights of the owners of said ditches and of the water rights entitled to flow therein, and Declarant makes no representations or warranties that any of said ditches will continue to exist in their present location, or if they do exist, that any particular level of water will continue to flow therein. Furthermore, the beneficiaries of these aesthetic easements shall have no right to alter or interfere with said ditches in any way.

7.7 Utility, Drainage, and/or Irrigation Easements. There are hereby created, granted and reserved to the Master Association, the golf Owner, the County, and appropriate public utilities, perpetual, non-exclusive easements over, upon, across and under those portions of the Common Interest Community that are designated "Utility Easement," "Irrigation Easement," "Drainage and Irrigation Easement," or "Utility, Drainage and Irrigation Easement" on the Plat or any Supplemental Plat. Utility Easements may be used for the installation, operation, maintenance, repair, removal or replacement of underground utility lines (and related surface facilities). Drainage and Irrigation Easements may be used for the installation, operation, maintenance, repair, removal or replacement of drainage and irrigation systems and facilities. Except as may otherwise be provided in any Subdivision Improvements Agreement between Declarant and the County or in any other separate agreement between Declarant and a utility supplier, the party causing the disturbance shall be obligated to restore, repair, reseed and/or re-landscape any area disturbed by the exercise of these easement rights to as close to its original condition as possible, as promptly as possible following the completion of any work within a Utility, Drainage or Irrigation Easement.

7.8 M.C.A. Parks. With respect to areas designated as "M.C.A. Parks" on the Plat or on any Supplemental Plat, title shall be conveyed to the Master Association upon recording of the Plat or Supplemental Plat, such areas shall thereafter be considered "Master Common Areas," and there is hereby created, granted and reserved for the use and benefit of the Master Association, and the Owners and Occupants, a perpetual, non-exclusive easement over, upon and across said M.C.A. Parks. Said M.C.A. Parks may be used and enjoyed for passive recreational purposes, and shall be improved and maintained by the Master Association.

With respect to the areas designated as M.C.A. islands within street cul-de-sacs as shown on the Plat or any Supplemental Plat, title shall be conveyed to the Master Association upon recording of the Plat or Supplemental Plat, and such areas shall thereafter be considered "Master Common Areas." Said M.C.A. islands may be used and enjoyed by the Master Association for landscaping purposes and such other purposes as may be deemed appropriate by this Master Association, and shall be improved and maintained by the Master Association.

7.9 Golf Easements. The Golf Course Play and Operational Easement (Exhibit F) reserves or creates certain permanent, non-exclusive easements over, across and upon portions of the Common Interest Community, for the use and benefit of the Golf Owner and the Golf Land. The Golf Easements shall be used for the purposes and in the manner provided in the Golf Course Play and Operational Easement, and shall be maintained by the Golf Owner.

7.10 Blanket Emergency Services Easement. There is hereby created, granted and reserved for the use and benefit of all police, sheriff, fire protection, ambulance and other similar emergency agencies or persons, now or hereafter serving the Common Interest Community and its Owners and Occupants, a perpetual, non-exclusive blanket Emergency Service Easement over, upon, along and across all Master Common Areas and all other properties and areas within the Common Interest Community, for use in the lawful performance of their duties.

7.11 Easements Deemed Created. All conveyances of Lots, Units and Master Common Areas hereafter made, whether by Declarant or otherwise, shall be deemed and construed to grant and reserve all of the easements referred to in this Article 7 and elsewhere in this Master Declaration and in any Supplemental Declaration, even though no specific reference to such easements appears in the conveyancing instruments.

7.12 Recorded Easements and Licenses. In addition to the easements described in this Article 7 and elsewhere in this Master Declaration, the recorded easements and licenses appurtenant to or included in the Common Interest Community are set forth on the Plat documents and made a part hereof by this reference.

ARTICLE 8 MASTER ASSOCIATION

8.1 Master Association. The Master Association has been formed as an Idaho nonprofit corporation under the Idaho Nonprofit Corporation Act to manage the affairs of the Common Interest Community. The Master Association shall serve as the governing body for all of the Owners and Occupants for the protection, improvement, alteration, maintenance, repair, replacement, administration and operation of the Master Common Areas, the Limited Common Areas, the levying and collection of Assessments for Common Expenses and other expenses of the Master Association, and such other matters as may be provided in this Master Declaration, any Supplemental Declaration, the Articles, Bylaws, and Master Rules and Regulations. The Master Association shall not be deemed to be conducting a business of any kind, and all funds received by the Master Association shall be held and applied by it for the Owners in accordance with the provisions of this Master Declaration, the Articles and the Bylaws.

8.2 Master Association Executive Board. The affairs of the Master Association shall be managed by an Executive Board. The number, term, and qualifications of the members of the Executive Board shall be fixed in the Articles of Incorporation or the Bylaws. A quorum shall be deemed present throughout any meeting of the Executive Board if persons entitled to cast at least fifty percent (50%) of the votes on the Executive Board are present at the beginning of the meeting or grant their proxy. With the exception of matters that may be discussed in executive sessions, all regular and special meetings of the Executive Board or any committee thereof shall be open to attendance by all Members of the Master Association or their representatives. Without limiting the generality of the foregoing, no Master Rule or Regulation may be validly adopted during an executive sessions.

Agendas for meeting of the Executive Board shall be made reasonably available for examination by all members of the Master Association or their representatives.

The Executive Board shall have all of the powers, authority and duties granted or delegated to it by the Act, this Master Declaration, any Supplemental Declaration, the Articles or Bylaws. Except as provided in the Act, this Master Declaration, any Supplemental Declaration, the Articles or Bylaws, the Executive Board may act in all instances on behalf of the Master Association.

The Executive Board may not, however, act on behalf of the Master Association to amend this Master Declaration, to terminate the Common Interest Community, or to elect members of the Executive Board or determine the qualifications, powers and duties, or terms of office of Executive Board members, but the Executive Board may fill vacancies in its membership for the unexpired portion of any term.

The Executive Board may, by resolution, delegate portions of its authority to officers of the Master Association, but such delegation of authority shall not relieve the Executive Board of the ultimate responsibility for management of the affairs of the Master Association. If appointed by Declarant, in the performance of their duties, the members of the Executive Board and the officers of the Master Association are required to exercise the care required of fiduciaries of the Lot and Unit Owners. If not appointed by Declarant, no member of the Executive Board and no officer shall be liable for actions taken or omissions made in the performance of such member's or officer's duties except for wanton and willful acts or omissions.

8.3 Membership in Master Association. There shall be one Membership in the Master Association for each Lot and Unit within the Common Interest Community. The Person or persons who constitute the Owner of a Lot or Unit shall automatically be the holder of the Membership appurtenant to that Lot or Unit, and shall collectively be the "Member" of the Master Association with respect to that Lot or Unit, and the Membership appurtenant to that Lot or Unit shall automatically pass with fee simple title to the Lot or Unit. Declarant shall hold a Membership in the Master Association for each Lot or Unit owned by Declarant. Membership in the Master Association shall not be assignable separate and apart from fee simple title to a Lot or Unit, and may not otherwise be separated from ownership of a Lot or Unit.

8.4 Voting Rights of Members. Each Lot and each Unit in the Common Interest Community shall be entitled to one (1) vote in the Master Association, i.e., one (1) vote per Owner/Member. Occupants of Lots or Units, or of Caretaker or Accessory Dwelling Units shall not have voting rights. If title to a Lot or Unit is owned by more than one (1) persons, such persons shall collectively vote their interest as a single vote. If only one of the multiple owners of a Lot or Unit is present at a Master Association meeting, such owner is entitled to cast the vote allocated to that Lot or Unit. If more than one of the multiple owners is present, the vote allocated to that Lot or Unit may be cast only accordance with the agreement of a majority in interest of the owners. There is majority agreement if any of the multiple owners casts the vote allocated to that Lot or Unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the Lot or Unit. In

the Event of a protest being made by one or more multiple owners, and a majority of the multiple owners of the Lot or Unit cannot agree on how to cast their vote, any vote cast for that Lot or Unit shall be null and void with regard to the issue being voted upon. Such multiple owners and their Lot or Unit shall nevertheless be counted in determining the presence of a quorum with respect to the issue being voted upon.

Except as may otherwise be provided in the Bylaws, a quorum is deemed present throughout any meeting of the Members of the Master Association if persons entitled to cast at least twenty percent (20%) of the votes in the Master Association are present, in person or by proxy, at the beginning of the meeting.

Provided a quorum of Members entitled to vote is present in person or by proxy, the affirmative vote of a majority of the Members so present shall constitute approval of any matter voted upon unless a different number is required on a particular matter by the Act, this Master Declaration, any Supplemental Declaration, the Articles, or the Bylaws.

The vote allocated to a Lot or Unit may be cast pursuant to a proxy duly executed by a Lot or Unit Owner. If a Lot or Unit is owned by more than one person, each owner of the Lot or Unit may vote or register protest to the casting of a vote by the other owners of the Lot or Unit through a duly executed proxy. A Lot or Unit Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the person presiding over a meeting of the Master Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy shall terminate eleven (11) months after its date, unless a different termination date is otherwise set forth on its fact.

No votes allocated to a Lot or Unit owned by the Master Association may be cast.

The Lot and Unit Owners, by a vote of sixty-seven percent (67%) of all Members present and entitled to vote at any meeting of the Lot and Unit Owners at which a quorum is present, may remove any member of the Executive Board with or without cause, other than a member appointed by Declarant.

8.5 Period of Declarant Control of Master Association. Notwithstanding any other provisions hereof. Declarant shall have and hereby reserves the power to appoint and remove, in its sole discretion, the members of the Executive Board and the officers of the Master Association during the period commencing upon the Recording of this Master Declaration and terminating no later than the earlier of (a) sixty (60) days after conveyance of seventy-five (75%) of the Lots and Units that may be created to Lot or Unit Owners other than Declarant; or (b) two (2) years after the last conveyance of a Lot or Unit by the Declarant in the ordinary course of business; or (c) two (2) years after any right to add new Lots or Units was last exercised by Declarant.

During said Period of Declarant Control of the Master Association:

(a) Not later than sixty (60) days after conveyance of fifty % (50%) of the Lots and Units that may be created to Lot or Unit Owners other than Declarant, at least one (1) member and not less than twenty-five percent (25%) of the members of the Executive Board must be elected by Lot and Unit Owners other than Declarant.

At any time prior to the termination of the Period of Declarant Control of the Master Association, the Declarant may voluntarily surrender and relinquish the right to appoint and remove officers and members of the Executive Board, but in such event Declarant may require, for the duration of the Period of Declarant Control of the Master Association, that specified actions of the Master Association or the Executive Board, as described in a Recorded instrument executed by Declarant, be approved by Declarant before they become effective. As to such actions, Declarant may give its approval or disapproval in its sole discretion and option, and its disapproval shall invalidate any such action by the Executive Board or the Master Association. Not later than the termination of the Period of Declarant Control of the Master Association, the Lot and Unit Owners (including Declarant) shall elect an Executive Board of at least three (3) members, at least a majority of whom must be Lot or Unit Owners other than Declarant or designated representatives of Lot and Unit Owner other than Declarant, and the Executive Board shall elect the officers, with such Executive Board members and officers to take office upon election. Within sixty (60) days after Lot or Unit Owners other than Declarant elect a majority of the members of the Executive Board, Declarant shall deliver to the Master Association all property of the Lot or Unit Owners and of the Master Association held or controlled by Declarant, including without limitation the following items:

(a) The original certified copy of the recorded Master Declaration as amended, the Master Association's Articles of Incorporation, Bylaws, minute books, other books and records, and any rules and regulations which may have been promulgated;

(b) An accounting for Master Association funds and financial statements from the date the Master Association received funds and ending on the date the Period of Declarant Control ends.

(c) The Master Association funds or control thereof;

(d) All of Declarant's tangible personal property that has been represented by the Declarant to be the property of the Master Association or all of the Declarant's tangible personal property that is necessary for, and has been used exclusively in, the operation and enjoyment of the Master Common Areas, and inventories of these properties;

(e) A copy, for the nonexclusive use by the Master Association, of any plans and specifications used in the construction of the improvements in the Common Interest Community;

(f) All insurance policies then in force, in which the Lot or Unit Owners, the Master Association, or its directors and officers are named as insured persons;

(g) Copies of any certificates of occupancy that may have been issued with respect to any improvements comprising the Common Interest Community;

(h) Any other permits issued by governmental bodies applicable to the Common Interest Community and which are currently in force or which were issued within one year prior to the date on which Lot and Unit Owners other than the Declarant took control of the Master Association;

(i) Written warranties of the contractor, subcontractors, suppliers, and manufacturers that are still effective;

(j) A roster of Lot and Unit Owners and Occupants and Mortgagees and their addresses and telephone numbers, if known, as shown on the Declarant's records;

(k) Employment contracts in which the Master Association is a contracting party; and

(l) Any service contract in which the Master Association is a contracting party or in which the Master Association or the Lot or Unit Owners have any obligation to pay a fee to the persons performing the services.

8.6 Termination of Contracts and Leases of Declarant. The following contracts and leases, if entered into before the Executive Board elected by the Lot and Unit Owners takes office, may be terminated without penalty by the Master Association at any time after the Executive Board elected by the Lot and Unit Owners pursuant to said Section takes office, upon not less than ninety (90) days notice to the other party: (i) Any management contract, employment contract or lease of recreational or parking areas or facilities; (ii) Any other contract or lease between the Master Association and Declarant or an affiliate of Declarant; or (iii) Any contract or lease that is not bona fide or was unconscionable to the Lot and Unit Owners at the time entered into under the circumstances then prevailing.

8.7 Master Association/Subassociations. Every Supplemental Declaration in which a Subassociation is organized and/or established shall contain sufficient language delegating responsibilities and control and subordinating it to the Master Association and to this Master Declaration to effectuate the purposes of this Master Declaration. Each Supplemental Declaration shall provide that the Executive Board shall be elected after the termination of the Period of Declarant Control of the Master Association by all Lot and Unit Owners of all Common Interest Communities subject to the Master Declaration. If both a Subassociation and the Master Association have liens for Assessments created at any time on the same Lots or Units, the lien of the Master Association shall take priority over the lien of any Subassociation.

**ARTICLE 9
POWERS AND DUTIES OF MASTER ASSOCIATION**

9.1 General Powers and Duties of Master Association. The Master Association shall have any may exercise all of the powers and rights and duties of an Idaho corporation formed under the Idaho Nonprofit Corporation Act, and all of the powers and duties provided for state law as such laws may be amended from time to time, subject only to the limitations upon such powers as are contained in this Master Declaration. More specifically, and without limiting the generality of the foregoing, the Master Association shall have all of the powers and duties necessary (i) for the administration, management, governance and operation of the Common Interest Community and the Master Association, (ii) to own, operate, improve, maintain, repair, manage, lease, encumber, and otherwise deal with the Master Common Areas, (iii) to improve, maintain and repair the Limited Common Areas, and (iv) to do any and all lawful things that may be authorized, required or permitted to be done by the Master Association under the Act and/or under the provisions of this Master Declaration and any Supplemental Declarations.

9.2 Power to Grant Easements. The Master Association shall have the power to grant access, utility, drainage, irrigation, and such other easements upon, over, across or under the Master Common Areas as it deems necessary or desirable for the benefit of the Common Interest Community or parts thereof, or for the benefit of all or less than all of the Lot or Unit Owners, or for the benefit of lands situated outside the Common Interest Community.

9.3 Power to Convey or Encumber Master Common Areas. The Master Association shall have the power to convey, or subject to a security interest, portions of the Master Common Areas if Owners entitled to cast at least sixty-seven percent (67%) of the votes of the Master Association, including sixty-seven percent (67%) of the votes allocated to Lots and Units not owned by Declarant, agree to that action, except that all Owner(s) of Lots or Units to which any Limited Common Area or Limited Common Element is allocated must agree in order to convey that Limited Common Area or Limited Common Element or to subject it to a security interest. Proceeds of the sale are an asset of the Master Association.

An agreement to convey, or subject to a security interest, Master Common Areas must be evidenced by the execution of an agreement, in the same manner as deed, by the Master Association. The Agreement must specify a date after which the Agreement will be void unless approved by the requisite percentage of Lot and Unit Owners. Any grant, conveyance or deed executed by the Master Association must be Recorded in the County, and is effective only upon Recordation. The Master Association, on behalf of the Lot and Unit Owners, may contract to convey an interest in a Master Common Area, but the contract is not enforceable against the Master Association until approved, executed and ratified pursuant to this Section 9.3. Thereafter, the Master Association shall have all the powers necessary and appropriate to effect the conveyance or encumbrance, including the power to execute deeds or other instruments. Unless in compliance with this Section 9.3, any purported conveyance or encumbrance of Master Common Areas pursuant to this Section 9.3 shall not deprive any Lot or Unit of its rights of (i) access, ingress and egress to the Lot or Unit, and (ii) support of the

Lot or Unit. A conveyance or encumbrance of the Master Common Areas pursuant to this Section 9.3 shall not affect the priority or validity of preexisting encumbrances.

9.4 General Power to Provide Services and Facilities to Owners. The Master Association shall have the power, but not the obligation, to acquire, construct, operate, manage, maintain, repair and administer services and facilities for the benefit of the Owners, or some of them, including, without limitation, security, animal control, vegetation control, insect and pest control, television service, parking facilities, transportation facilities, snow removal, signage, including entry monuments, lighting, including seasonal lighting, interior and perimeter fencing, landscape walls, landscaping services and facilities, drainage facilities, including retention and detention ponds, irrigation facilities, water features, trash and solid waste disposal services, including recycling programs, utility services, recreational facilities and services, maintenance, and such other services, functions and facilities as are deemed appropriate by the Executive Board. The foregoing list shall not be deemed to be representation by Declarant of services or facilities that will in fact be available for use by the Owners. The Master Association may enter into such agreements and arrangements as it may deem appropriate with any provider of utilities or services to the Common Interest Community or any portion thereof, including any special districts that provide such services, and may form or join any districts created to provide such services.

9.5 Power to Provide Services to Subassociations. The Master Association shall have the power, but not the obligation, to provide services to Subassociations. Such services to any Subassociation shall be provided pursuant to an agreement in writing between the Master Association and such Subassociation which shall provide for the payment by such Subassociation to the Master Association of the costs and expenses of the Master Association of providing such services to the Subassociation including a fair share of the overhead expenses of the Master Association. Services which may be provided to a Subassociation may include, without limitation, (a) the construction, care, operation, management, maintenance, repair and replacement of Improvements owned by the Subassociation; (b) the providing of services to the area covered by the Subassociation; (c) the enforcement of the provisions of any Supplemental Declaration for, on behalf of, and in the name of the Subassociation; (d) the collection of assessments for, in the name of, and on behalf of a Subassociation; (e) the payment of taxes for a Subassociation with funds of the Subassociation; (f) the obtaining of insurance for a Subassociation; (g) the collection of charges for use of facilities of a Subassociation; and (h) the appointment and supervision of a manager or managers for a Subassociation.

9.6 Power to Provide Special Services to Owners. The Master Association shall have the power to provide services to an owner or group of Owners. Any service or services to an Owner or group of Owners shall be provided pursuant to an agreement in writing, or through one or more Supplemental Declarations, which shall provide for payment to the Master Association by such Owner or group of Owners of the costs and expenses of the Master Association in providing such services, including a fair share of the overhead expenses of the Master Association, and shall contain reasonable provisions assuring that the obligation to pay for such services shall be binding upon any heirs,

personal representatives, successors and assigns of the Owner or group of Owners and that the payment for such services shall be secured by a lien on the Lot(s) or Unit(s) of the Owner or group of Owners.

9.7 Power to Charge for Special Master Common Area Uses and Special Master Association Services. In addition to its power to establish user fees and restrictions governing the use of recreational facilities within the Old Town Area by Occupants or by Persons who are not owners or Occupants, the Master Association shall have the power to establish reasonable admission or other fees or charges for any special or extraordinary Master Common Areas uses or Master Association services such as special parking privileges, special recreation facilities, conference rooms, instruction, or similar uses beyond the ordinary use of Master Common Areas and ordinary Master Association services. Such charges or fees shall be set forth in schedules of charges and fees adopted from time to time by the Executive Board.

9.8 Power to Acquire Property and Construct Improvements. The Master Association may acquire, hold, encumber and/or convey any right, title or interest in or to real or personal property, including Improvements. The Master Association may construct Improvements on Master Common Areas and may demolish existing Improvements thereon.

9.9 Power to Adopt Master Rules and Regulations. The Master Association may adopt, amend, repeal, and enforce such Master rules and Regulations as the Executive Board may consider necessary, desirable or appropriate from time to time with respect to the interpretation and implementation of this Master Declaration, the operation of the Master Association, the use and enjoyment of Master Common Areas (including Limited Common Areas), and the use of any other property within the Common Interest Community, including Lots and Units. Any such Master Rules and Regulations shall be effective only upon adoption by resolution at an open meeting of the Executive Board. Notice of the adoption, amendment, or repeal of any Master Rule or Regulation shall be given in writing to each Owner, and copies of the currently effective Master Rules and Regulations shall be made available to each Owner and Occupant upon request and payment of the reasonable expense of copying the same. Each Owner and Occupant (and all other Persons who are authorized users of any part of the Master Common Areas) shall comply with such Master Rules and Regulations, and each Owner shall see that Occupants claiming through such Owner comply with such master Rules and Regulations. Such master Rules and Regulations shall have the same force and effect as if they were set forth in and were part of this Master Declaration. In the event of conflict between the Master Rules and Regulations and the provisions of this Master Declaration, the provisions of this Master Declaration shall govern. Such Master Rules and Regulations may establish penalties (including the levying and collection of fines) for the violation of such Master Rules and Regulations or of any provisions of this Master Declaration, the Articles, or the Bylaws.

9.10 Power to Employ Employees, Agents, Consultants and Managers. The Master Association shall have the power to employ and discharge employees, agents, independent contractors and consultants, including lawyers and accountants. The Master Association shall also have the power to retain and pay for the services of a manger or managers, which may be an affiliate of Declarant, to undertake any of the administrative or managerial responsibilities for which the Master Association

may have responsibility under this Master Declaration, to the extent deemed advisable by the Master Association, and may delegate any of its duties, powers, or functions of the Master Association, the Master Association and its Executive Board shall remain ultimately responsible for the performance and exercise of such duties, powers, and functions.

9.11 Power to Assign Future Income. The Master Association shall have the power to assign its right to future income, including the right to receive Regular Assessments, but only following the affirmative vote of the Owners of Lots and Units to which at least fifty-one percent (51%) of the votes in the Master Association are allocated, at a duly-called meeting of the Members of the Master Association.

9.12 Duty to Accept Property and Facilities Transferred by Declarant. The Master Association shall accept title to any real property, or interests in real property, including any Improvements and personal property thereon, and including water rights and related facilities, transferred to the Master Association by Declarant, or Declarant's successors or assigns. Except as otherwise specifically approved by resolution of the Executive Board, no property or interest in any property transferred to the Master Association by Declarant shall impose upon the Master Association any obligation to make monetary payments to Declarant or any affiliate of Declarant, including, but not limited to, any purchase price, rent, charge, or fee.

9.13 Duties Regarding Master Common Areas, Limited Common Areas, and Public Parks. The Master Association shall manage, operate, care for, maintain, repair and replace all Master Common Areas and keep the same in a clean and attractive condition for the benefit and enjoyment of the Owners. Except as otherwise specifically provided in this Master Declaration or in any Supplemental Declaration, the Master Association shall also manage, operate, care for, maintain and repair the Limited Common Areas.

9.14 Duty to Pay Taxes. The Master Association shall pay any taxes and assessments levied upon the Master Common Areas (excepting the Limited Common Areas) and any other taxes and assessments payable by the Master Association before they become delinquent. The Master Association shall have the right to contest any such taxes or assessments by appropriate legal proceedings provided no sale or foreclosure of any lien for such tax or assessment occurs and provided further that the Master Association shall keep and hold sufficient funds to pay and discharge the taxes and assessments, together with any interest and penalties which may accrue with respect thereto, if the contest of such taxes is unsuccessful.

9.15 Duty to Keep Master Association Records. The Master Association shall keep financial records in sufficient detail to enable the Master Association to carry out its responsibilities under this Master Declaration and to comply with the requirements of the Act, including, but not limited to, current records of paid and unpaid Assessments for each Lot and Unit. All financial and other records of the Master Association shall be made reasonable available for examination by the Owners and the authorized agents of the Owners.

9.16 Duty to Support Development Review Committee. The Master Association shall take such actions, provide such funds, and do such other things as may be necessary or appropriate from time to time to support and assist the Development Review Committee in the performance of its responsibilities under this Master Declaration, and shall cooperate with said Committee to the fullest extent possible in such matters.

9.17 Insurance. Commencing not later than the time of the first conveyance of a Lot or Unit to a Person other than Declarant, the Master Association shall maintain and keep in effect at all times the following types of insurance, and the cost of said coverage shall be paid by the Master Association as a Common Expense:

(a) **Casualty Insurance.** To the extent reasonable available, property insurance on all Master Common Areas, including but not limited to Improvements and personalty, owned or leased by the Master Association, and on all property that must become Master Common Areas. Such insurance shall be for broad form covered causes of loss, including casualty, fire, and extended coverage insurance including, if available at reasonable cost, coverage for vandalism and malicious mischief and, if available and if deemed appropriate, coverage for flood, earthquake, and war risk. Such insurance shall, to the extent reasonably obtainable, be for the full insurable replacement cost of the insured property, less applicable deductibles at the time the insurance is purchased and at each renewal date. exclusive of land, excavation, foundations and other items normally excluded from property policies.

(b) **Liability Insurance.** Comprehensive general liability insurance against claims and liabilities arising in connection with the ownership, existence, use, maintenance or management of the Master Common Areas (including the Limited Common Areas), and ditches, and the payment for the costs of the maintenance of the Public Parks and covering public liability or claims of liability for injury to persons and/or property, and death of any person or persons, and, if the Master Association owns or operates motor vehicles, public liability or claims of liability for bodily injury (including death) and property damage arising as a result of the ownership and operation of motor vehicles. Such liability insurance for other than motor vehicle liability shall, to the extent reasonable obtainable, (a) have limits of not less than Two Million Dollars (\$2,000,000.00) per person and Two Million Dollars (\$2,000,000.00) per occurrence; (b) insure the Executive Board, the Development Review Committee, the Master Association and its officers, the manager, if any, and their respective employees, agents and all Persons acting as agents; (c) include the Declarant as an additional insured as its interests may appear; (d) include the Owners as additional insureds, but only for claims and liabilities arising in connection with the ownership, existence, use, maintenance or management of Master Common Areas or Public Parks; (e) cover claims of one or more insured parties against other insured parties; (f) be written on an occurrence basis; and (g) shall name as additional insureds such other parties as may be required by specific agreements.

(c) **Contractual Liability Insurance.** To the extent reasonably available, contractual liability insurance covering such contractual obligations and liabilities, indemnifications, hold harmless agreements, and agreements to defend, as the Master Association may have or be a party to

from time to time, with coverage of at least Two Million Dollars (\$2,000,000.00) or such greater amount as the Executive Board shall determine to be appropriate from time to time.

(d) **Fidelity Bonds.** To the extent reasonably available, fidelity bond coverage against dishonest acts on the part of directors, officers, managers, trustees, agents, employees or volunteers responsible for handling funds belonging to or administered by the Master Association. If funds of the Master Association are handled by a management agent, then fidelity bond coverage may also be obtained for the officers, employees, or agents thereof handling or responsible for Master Association funds. The fidelity bond or insurance must name the Master Association as named insured and shall be written to provide protection in an amount no less than the lesser of (a) one-half times the Master Association's estimated annual operating expenses and reserves, (b) a sum equal to three (3) months aggregate Regular Assessments, plus reserves, as calculated from the current Budget of the Master Association; or (c) the estimated maximum amount of funds, including reserves, in the custody of the Master Association (and its management agent) at any one time. In connection with such coverage, an appropriate endorsement to the policy to cover any person who serves without compensation shall be added if the policy would not otherwise cover volunteers.

(e) **Worker's Compensation.** A Worker's Compensation policy, if necessary, to meet the requirements of law.

(f) **Directors and Officers Liability Insurance.** Directors and officers liability insurance with coverage of at least Two Million Dollars (\$2,000,000.00) or such greater amount as the Executive Board shall approve for all Master Association, Executive Board and Development Review Committee directors, officers, members and managers, for any and all errors and/or omissions and other covered actions that occur during their tenure in office or employment. This insurance coverage shall be mandatory.

(g) **Other Insurance.** Such other insurance in such amounts as the Executive Board shall determine, from time to time, to be appropriate to protect the Master Association or the Lot and Unit Owners, or as may be required by the Act.

(h) **General Provisions Respecting Insurance.** Insurance obtained by the Master Association may contain such deductible provisions as good business practice may dictate. If the insurance described is not reasonably available, or if any policy of such insurance is canceled or not renewed without a replacement policy therefor having been obtained by it, the Master Association shall promptly cause notice of that fact to be delivered or sent prepaid by U.S. Mail to all Owners.

Insurance policies carried pursuant to Section 9.17(a) and 9.17(b) above shall provide that (i) each Owner is an insured Person under the policy with respect to liability arising out of such Owner's interest in the Master Common Areas or membership in the Master Association; (ii) the insurer waives its rights of subrogation under the policy against the Master Association, each Owner, and any Person claiming by, through, or under such Owner or any other director, agent, or employee of the foregoing; (c) no act or omission by any Owner, unless acting within the scope of such Owner's authority on

behalf of the Master Association, will void the policy or be a condition to recovery under the policy; and (d) if at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Master Association's policy shall be the primary insurance. An insurer that has issued an insurance policy for the insurance described in Section 9.17(a) and 9.17(b) above shall issued certificates or memoranda of insurance to the Master Association and, upon request, to any Lot or Unit Owner or holder of a security interest. Unless otherwise provided by statute, the insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or nonrenewal has been mailed to the Master Association, and each Lot and Unit Owner and holder of a security interest to whom a certificate or memorandum of insurance has been issued, at their respective last-known addresses.

Any loss covered by the property insurance policy described in Section 9.17(a) above must be adjusted with the Master Association, but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose, or otherwise to the Master Association, and not to any holder of a security interest. The insurance trustee or the Master Association shall hold any insurance proceeds in trust for the Master Association Lot and Unit Owners and lien holders as their interests may appear. Subject to the provisions of state law the proceeds must be disbursed first for the repair or restoration of the damaged property, and the Master Association, Lot and Unit Owners, and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored or the Common Interest Community is terminated.

The Master Association may adopt and establish written nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and any other matters of claims adjustment. To the extent the Master Association settles claims for damages to real property, it shall have the authority to assess negligent Owners causing such loss or benefitting from such repair or restoration for all deductibles paid by the Master Association. In the event more than one Lot or Unit is damaged by a loss, the Master Association in its reasonable discretion may assess each Lot and Unit Owner a pro rata share of any deductible paid by the Master Association. Insurance obtained by the Master Association shall, to the extent reasonably possible, and provided Declarant reimburses the Association for any additional premium payable on account thereof, name Declarant as an additional insured and shall contain a waiver of rights of subrogation as against Declarant.

Insurance policies and insurance coverage shall be reviewed at least annually by the Executive Board to ascertain whether coverage under the policies is sufficient in light of the current values of the Master Common Areas and in light of the possible or potential liabilities of the Master Association and other insured parties. The aforementioned insurance may be provided under blanket policies covering the Master Common Areas and property of Declarant.

In no event shall insurance coverage obtained or maintained by the Master Association obviate the need for Owners and Occupants to obtain insurance for their own benefit.

Furthermore, to the extent reasonable available, insurance policies obtained by the Master Association shall contain the following provisions:

(i) The coverage afforded by such policies shall not be brought into contribution or proration with any insurance which may be purchased by a Lot or Unit Owner, Occupant or Mortgagee.

(ii) The conduct of any one or more Lot or Unit Owners or Occupants shall not constitute grounds for avoiding liability on any such policies.

(iii) Each policy must contain a waiver of any defenses based on co-insurance or on invalidity arising from the acts of the insured.

(iv) A "severability of interest" endorsement shall be obtained which shall preclude the insurer from denying the claim of a Lot or Unit Owner or Occupant because of the conduct or negligence acts of the Master Association and its agents or other Lot or Unit Owners or Occupants.

(v) Any "no other insurance" clause shall exclude insurance purchased by Lot or Unit Owners, Occupants or Mortgagees.

(vi) Coverage must not be prejudiced by (i) any act or neglect of Lot or Unit Owners or Occupants when such act or neglect is not within the control of the Master Association, or (ii) any failure of the Master Association to comply with any warranty or condition regarding any portion of the Common Interest Community over which the Master Association has no control.

(vii) Coverage may not be canceled or substantially modified without at least thirty (30) days (or such lesser period as the Master Association may reasonably deem appropriate) prior written notice to the Master Association.

(viii) Any policy of property insurance which gives the carrier the right to elect to restore damage in lieu of a cash settlement must provide that such election is not exercisable without the prior written approval of the Master Association, or when in conflict with the insurance trust provisions contained herein, or any requirement of law.

(ix) A recognition of any insurance trust agreement entered into by the Master Association.

(x) Each hazard insurance policy shall be written by a hazard insurance carrier which has a financial rating as designated in Best's Key Rating guide of Class VI or better, or if such rating service be discontinued, an equivalent rating by a successor thereto or a similar such rating service. Each insurance carrier must be specifically licensed or authorized by law to transact business with in the State of Idaho.

(i) ***Nonliability of Master Association or Executive Board.*** Notwithstanding the duty of the Master Association to obtain insurance coverage, as stated herein, neither the Master Association nor any Executive Board member, nor the Declarant, shall be liable to any Lot or Unit Owner, Occupant, Mortgagee or other Person, if any risks or hazards are not covered by insurance, or if the appropriate insurance is not obtained because such insurance coverage is not reasonably obtainable on the Master Association's behalf, or if the amount of insurance is not adequate, and it shall be the responsibility of each Lot and Unit Owner and Occupant to ascertain the coverage and protection afforded by the Master Association's insurance and to procure and pay for such additional insurance coverage and protection as the Lot or Unit Owner or Occupant may desire.

(j) ***Master Premiums.*** Premiums for insurance policies purchased by the Master Association and other expenses connected with acquiring such insurance shall be paid by the Master Association as a Common Expense, except that (i) liability insurance of Limited Common Areas shall be separately bid and the costs thereof shall only be included in the Regular Assessments of the Lots entitled to use such Limited Common Areas, and (ii) the amount of increase over any annual or other premium occasioned by the use, misuse, occupancy or abandonment of a Lot or Unit or its appurtenances, or the Master Common Areas, by a Lot or Unit Owner or Occupant, may at the Executive Board's election, be assessed against that particular Lot or Unit Owner and his Lot or Unit as a Reimbursement Assessment.

(k) ***Insurance Claims.*** the Master Association is hereby irrevocably appointed and authorized, subject to the provisions contained herein, to adjust all claims arising under insurance policies purchased by the master Association and to execute and deliver releases upon the payment of claims, and to do all other acts reasonably necessary to accomplish any of the foregoing. The Executive Board has full and complete power to act for the Master Association in this regard, and may, in its discretion, appoint an authorized representative, or enter into an insurance trust agreement, wherein the trustee shall have the authority to negotiate losses under any policy purchased by the Master Association.

(l) ***Benefit.*** Except as otherwise provided herein, all insurance policies purchased by the Master Association shall be for the benefit of, and any proceeds of insurance received by the Master Association or any insurance trustee shall be held or disposed of in trust for the Master Association, the Lot Owners, the Unit Owners, or the Occupants, as their interests may appear.

(m) ***Other Insurance to be Carried by Lot or Unit Owners.*** Insurance coverage on the furnishings and other items of personal property belonging to a Lot or Unit Owner or Occupant, public liability insurance coverage upon each Lot or Unit, and hazard insurance coverage on the Improvements constructed on Lots and Units, shall be the responsibility of the Owner or Occupant of the Lot or Unit. No Lot or Unit Owner or Occupant shall maintain any insurance, whether on its Lot or Unit or otherwise, which would limit or reduce the insurance proceeds payable under the casualty insurance maintained by the Master Association in the event of damage to the Improvements or fixtures on the Master Common Areas.

9.18 Damage to Common Interest Community. Any portion of the Common Interest Community for which insurance is required under state law (except any portion on which insurance is carried by a Subassociation) which is damaged or destroyed must be repaired or replaced promptly by the Master Association unless: (i) repair or replacement is the responsibility of a Subassociation under a Supplemental Declaration; (ii) the Common Interest Community is terminated; (iii) repair or replacement would be illegal under any state or local statute or ordinance governing health or safety; (iv) sixty-seven percent (67%) of the Lot and Unit Owner, including owners of every Lot or Unit that will not be rebuilt, vote not to rebuild; or (v) prior to the conveyance of any Lot or Unit to a person other than Declarant, a Mortgagee on the damaged portion of the Common Interest Community rightfully demands all or a substantial part of the insurance proceeds.

The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense. If the entire Common Interest Community is not repaired or replaced, the insurance proceeds attributable to the damaged Master Common Areas must be used to restore the damaged area to a condition compatible with the remainder of the Common Interest Community, and, except to the extent that other Persons will be distributees, the insurance proceeds attributable to Lots or Units that are not rebuilt must be distributed to the Owners of those Lots or Units, or to lien holders, as their interests may appear, and the remainder of the proceeds must be distributed to all Lot and Unit owners or lien holders, as their interest may appear, and the remainder of the proceeds must be distributed to all Lot and Unit Owners or lien holders as their interests may appear in proportion to the Common Expense Liabilities of all the Lots and Units.

In the event of damage to or destruction of all or a portion of the Master Common Areas due to fire or other adversity or disaster, the insurance proceeds, if sufficient to reconstruct or repair the damage, shall be applied by the Master Association to such reconstruction and repair. If the insurance proceeds with respect to such Master Common Area damage or destruction are insufficient to repair and reconstruct the damage or destruction, the Master Association may levy a Special Assessment in the aggregate amount of such deficiency, or if any Owner or group of Owners is liable for such damage, may levy a Reimbursement Assessment against the Owner or group of Owners responsible therefor, and shall proceed to make such repairs or reconstruction. Such Assessment shall be due and payable as provided by resolution of the Executive Board, but not sooner than sixty (60) days after written notice thereof. The Assessment provided for herein shall be a debt of each Lot and Unit Owner assessed and a lien on his Lot or Unit, and may be enforced and collected in the same manner as any Assessment Lien provided for in this Master Declaration. If the entire damaged Master Common Area is not repaired or replaced, the insurance proceeds attributable to the damaged Master Common Area must be used to restore the damaged area to a condition compatible with the remainder of the Common Interest Community. No distributions of insurance proceeds shall be made unless made jointly payable to the Lot and Unit Owners and first Mortgagees of their respective Lots or Units, if any.

9.19 Limited Liability. Neither the Master Association nor its past, present or future officers or directors, nor any other employee, agent or committee member of the Master Association shall be liable to any Owner or Occupant or to any other Person for actions taken or omissions made except for wanton and willful acts or omissions. Without limiting the generality of the foregoing, the Master

Association, the Executive Board and the Development Review Committee shall not be liable to any Owner or Occupant or other Person for any action or for any failure to act with respect to any matter if the action taken or failure to act was in good faith and without malice. Acts taken upon the advice of legal counsel, certified public accountants, registered or licensed engineers, architects or surveyors shall conclusively be deemed to be in good faith and without malice. To the extent insurance carried by the Master Association for such purposes shall not be adequate, the Owners severally agree to indemnify and to defend the Master Association, the Executive Board and the Development Review Committee against claims, damages or other liabilities resulting from such good faith action or failure to act.

ARTICLE 10 ASSESSMENTS

10.1 Assessment Obligation and Lien. Declarant, for each Lot and Unit, shall be deemed to covenant and agree, and each Lot or Unit Owner, by acceptance of a deed therefor (including a public trustee's or sheriff's deed), whether or not it shall be so expressed in any such deed or other instrument of conveyance, shall be deemed to covenant and agree, to pay to the Master Association: (1) Regular Assessments or charges, (2) Special Assessments, and (3) Reimbursement Assessments, such assessments to be established and collected as hereinafter provided (collectively the "Assessments"). The Assessments, together with interest, late charges, costs, and reasonable attorneys' fees, shall be a continuing lien and security interest upon the Lot or Unit against which each such Assessment is charged. The obligation for such payments by each Lot or Unit Owner to the Master Association is an independent covenant, with all amounts due from time to time payable in full without notice (except as otherwise expressly provided in this Declaration) or demand, and without set-off or deduction of any kind or nature. Each Lot or Unit Owner is liable for Assessments made against such Owner's Lot or Unit during his period of ownership of the Lot or Unit. Each Assessment, together with interest, late charges, costs and reasonable attorneys' fees, shall also be the joint, several and personal obligation of each Person who was an Owner of such Lot or Unit at the time when the Assessment became due. Upon the transfer of title to a Lot or Unit, the transferor and the transferee shall be jointly, severally and personally liable for all unpaid Assessments and other charges due to the Master Association prior to the date of transfer, and the transferee shall be personally liable for all such Assessments and charges becoming due thereafter.

10.2 Statutory Lien. The Master Association has a statutory lien pursuant to state law on the Lot or Unit of an Owner for all Assessments levied against such Lot or Unit or fines imposed against such Lot's or Unit's Owner from the time the Assessment or fine becomes due (the "Assessment Lien"). Fees, charges, late charges, attorneys' fees, fines and interest charged by the Master Association pursuant to the Act or this Master Declaration or any Supplemental Declaration are enforceable as Assessments. The amount of the lien shall include all such items from the time such items become due. If an Assessment is payable in installments, the Master Association has an Assessment Lien for each installment from the time it becomes due, including the due date set by the Executive Board's acceleration of installment obligations. An Assessment Lien is extinguished unless

proceedings to enforce the lien are instituted within six (6) years after the full amount of Assessments becomes due.

10.3 Lien Superior to Homestead and Other Exemptions. An Assessment Lien shall be superior to any homestead exemption now or hereafter provided by the laws of the State of Idaho or any exemption now or hereafter provided by the laws of the United States. The acceptance of a deed subject to this Master Declaration shall constitute a waiver of the homestead and any other exemption as against said Assessment Lien.

10.4 Priority of Lien. An Assessment Lien is prior to all other liens and encumbrances on a Lot or Unit except as follows:

- (a) Liens and encumbrances Recorded before the recordation of this Master Declaration;
- (b) A security interest on the Lot or Unit which has priority over all other security interests on the Lot or Unit and which was Recorded before the date on which the Assessment sought to be enforced became delinquent. An Assessment Lien is prior to the security interest described in the preceding sentence to the extent of an amount equal to the Regular Assessments (based on a Budget adopted by the Master Association pursuant to Section 10.7 below) which would have become due, in the absence of any acceleration, during the six (6) months immediately preceding institution by the Master Association or any party holding a lien senior to any part of the Master Association lien created under this Article 10 of an action or a non-judicial foreclosure either to enforce or to extinguish the lien;
- (c) Liens for real estate taxes and other governmental assessments or charges against the Lot or Unit; and
- (d) As may otherwise be set forth in the Act. The priority of mechanics' and materialmen's liens is not affected by the Act.

This Article 10 does not prohibit an action or suit to recover sums for which this Article 10 creates a lien or prohibits the Master Association from taking a deed in lieu of foreclosure. Sale or transfer of any Lot or Unit shall not affect the lien for an Assessment.

10.5 Perfection of Lien. The Recording of this Master Declaration and of each Supplemental Declaration constitutes record notice and perfection of the statutory lien. Nor further Recordation of any claim of lien for Assessments is required; however, a claim may be Recorded at the Master Association's option, in which event costs and attorneys' fees incurred in connection with the preparation and filing of such claim shall be assessed against the Lot or Unit as a Reimbursement Assessment.

10.6 Regular Assessments.

(a) A Regular Assessment shall be made annually against each Lot and Unit, based upon an annual Budget prepared by the Executive Board, for purposes of paying (i) the annual costs of operating and administering the Master Association and all other Common Expenses, (ii) reasonable reserves for contingencies, replacements, and other proper purposes, (iii) the costs of services rendered or expenditures incurred by the Master Association to or for less than all Lots or Units, including without limitation the cost of maintaining yards, which costs and expenses shall be assessed only to the Lots or Units benefitted, (iv) the costs of improving or maintaining Limited Common Areas, and reasonable reserves for such costs, which costs shall be assessed only to the Lots designated for the use of said Limited Common Areas, and (v) such other matters as may be reasonably determined by the Executive Board to be the subject of a Regular Assessment;

(b) Regular Assessments shall be allocated in accordance with the Allocated Interests of each Lot and Unit in the Common Interest Community, except that (i) any Common Expense or portion thereof benefitting fewer than all of the Lots or Units shall be assessed exclusively against the Lots or Units benefitted, and (ii) the costs of insurance shall be assessed in proportion to risk, and the costs of utilities shall be assessed in proportion to usage. If Common Expense liabilities are reallocated, Common Expense Assessments and any installment thereof not yet due shall be reallocated in accordance with the reallocated Common Expense liabilities.

(c) Regular Assessments shall be levied on a calendar year basis, except that the initial Regular Assessment period shall commence on the first day of the calendar month or quarter in which the first Lot or Unit is conveyed by Declarant to a Person other than Declarant. Regular Assessments shall be paid in installments on a monthly, quarterly, or semi-annual basis, as the Executive Board may determine from time to time, and shall be due either on the first day of each calendar month or on the first day of each calendar year quarter (January 1, April 1, July 1, and October 1), or on the first day of a semi-annual period (e.g., January 1, July 1) as appropriate. Unless and until changed to a monthly or semi-annual system by the Executive Board, Regular Assessments shall be due and payable on the first of each calendar quarter. Any Lot or Unit Owner acquiring a Lot or Unit between installment due dates shall pay a pro rata share of the immediately preceding installment.

(d) The Executive Board shall fix the amount of the Regular Assessment, using the budget procedure described blow, at least thirty (30) days before the end of each calendar year. Written notice of the Regular Assessment shall be sent to each Owner. Failure of the Executive Board timely to fix and levy the Regular Assessments for any year or to send a notice thereof to any Owner shall not relieve or release any Owner from liability for payment of Regular Assessments or any installments thereof for that or subsequent years as soon as the Executive Board levies the Regular Assessment and provides notice thereof.

(e) The Executive Board shall also mail to each Owner at least ten (10) days prior to the due date thereof a written notice of the amount of the next quarterly (or monthly or semi-annual, as the case may be) installment of Regular Assessment that is due from such Owner, and the date on

which such installment is due pursuant to paragraph 10.6(d) above. Failure of the Executive Board to send timely notice to any Owner of an installment of Regular Assessment due shall not relieve or release any Owner from liability for payment of that installment as soon as the Executive Board in fact provides such notice.

(f) Any surplus funds remaining after payment of or provision for Master Association expenses and any prepayment of or provision for reserves shall be carried forward as a credit against the next year's Budget.

10.7 Master Association Budget. Commencing in 2003, and during the last six (6) months of each year thereafter, the Executive Board shall prepare or cause to be prepared an operating budget (the "Budget") for the next calendar year. The Budget shall provide for the allocation of any surplus funds remaining from any previous Budget period. Within thirty (30) days after adoption of any proposed Budget for the Master Association, the Executive Board shall mail, by ordinary first-class mail, or otherwise deliver, a summary of the Budget to all the Lot and Unit Owners and shall set a date for a meeting of the Lot and Unit Owners to consider ratification of the Budget not less than fourteen (14) nor more than sixty (60) days after the mailing or other delivery of the summary. Such meeting may, but need not be, concurrent with the annual meeting of the Members as provided in the Bylaws. Unless at that meeting sixty-seven percent (67%) of all Lot and Unit Owners reject the Budget, the Budget shall be ratified, whether or not a quorum of Owners is present. In the event that the proposed Budget is rejected, the Budget last ratified by the Lot and Unit Owners shall be continued until such time as the Lot and Unit Owners ratify a subsequent Budget proposed by the Executive Board.

10.8 Initial Lot and Unit Owner Deposit to Reserve Fund. Each purchaser of a Lot or Unit from Declarant shall deposit with the Master Association at the closing of the purchase the sum of One Hundred Dollars (\$100.00), which sum shall be non-refundable and shall be deposited by the Board in the Master Association's Reserve Fund. This initial deposit shall be in addition to all Assessment obligations and upon the subsequent transfers of a Lot or Unit a transfer fee in the amount of \$100.00 will be due from the purchaser. The Reserve Fund may be used from time to time for any Master Association purpose deemed appropriate by the Executive Board, and the Reserve Fund may be replenished from time to time by the Executive Board in its discretion, by inclusion in the Budget and the Regular Assessments based thereon.

10.9 Special Assessments. In addition to the Regular Assessments and Reimbursement Assessments authorized in this Article 10, the Executive Board may levy, in any assessment year, a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, maintenance or replacement of capital improvements (including related fixtures and personal property and including without limitation irrigation systems, ditches, and ditch systems) to or upon or serving the Common Interest Community, or for excess reconstruction costs or other extraordinary expenses, or for funding any operating deficit of the Master Association. Any Special Assessment for an improvement or expenditure which will benefit fewer than all of the Lots or Units shall only be levied against the Lots or Units benefitted, provided that expenditures in connection with the Master Common Areas (excepting Limited Common Areas) shall

be deemed for the general benefit of all Lots and Units, wherever located. Except in the event of an emergency, where no membership vote shall be required, the Executive Board shall not levy a Special Assessment without the approval of the Owners of the Lots and Units that will be subject to the Special Assessment as provided below.

Written notice of any meeting called for the purpose of levying a Special Assessment shall be sent to all Owners of Lots and Units that will be subject to the Special Assessment no less than thirty (30) or more than fifty (50) days before the meeting. At the meeting, the presence of Owners in person or by proxy of at least sixty percent (60%) of the Lots and Units that will be subject to the Special Assessment shall constitute a quorum. If the required quorum is not present, another meeting may be called pursuant to the same notice requirements, and the required quorum at this second meeting shall be only thirty percent (30%) of such Lots and Units. No such second meeting shall be held more than sixty (60) days following the date of the first meeting.

Provided a quorum of Owners entitled to vote is present in person or by proxy, in accordance with the quorum requirements set forth in the preceding paragraph, then the affirmative vote a majority of the Owners so present shall constitute approval of the proposed Special Assessment.

For purposes of this Section 10.9, the term "emergency" shall mean any circumstances or set of circumstances which pose an imminent threat of loss, damage or injury, actual or threatened, to persons or property. Special Assessments shall be allocated in the same manner as Regular Assessments, that is, in accordance with the Allocated Interests of each Lot and Unit in the Common Interest Community, and shall be due and payable to the Master Association on the due date fixed by the Executive Board in the notice given to the Owners of such Special Assessment, which due date shall be no earlier than thirty (30) days after the giving of such notice. If fewer than all of the Lots and Units will be subject to the Special Assessment, then such Special Assessment shall be allocated equally amongst those Lots and Units.

10.10 Reimbursement Assessments. In addition to Regular and Special Assessments authorized hereunder, the Executive Board may levy against any Owner or Owners, at any time and from time to time, a Reimbursement Assessment for purposes of reimbursing the Master Association for all costs and expenses incurred by it in enforcing any provision of or in remedying any violation of this Master Declaration, or of any Supplemental Declaration, the Articles, Bylaws, Master rules and Regulations or Master Development Guidelines, or any approvals granted by the Development Review Committee, by such Owner or Owners, their Occupant(s), or their agents, employees or contractors. Reimbursement Assessments may also be made by the Executive Board for any other purposes for which this Master Declaration provides for the levying of a reimbursement Assessment. finally, and in addition to the foregoing, a reimbursement Assessment may also be levied in the form of a reasonable fine against an Owner for a violation of this Master Declaration, a Supplemental Declaration, the Articles, Bylaws, or the Master Rules and Regulations, but only after the Owner(s) to be so fined have been provided with Notice and Hearing. Reimbursement Assessments shall be due and payable to the Master Association on the due date fixed by the Executive Board in the notice given

to the Owner(s) of such Reimbursement Assessment, which date shall be no earlier than thirty (30) days after the giving of such notice.

10.11 Effect of Nonpayment of Assessments; Remedies of the Master Association. Any Assessment or portion or installment thereof which is not paid when due (or for which a bad check is issued) shall be deemed delinquent and shall bear interest from and after the due date at the rate of interest set by the Executive Board from time to time, which shall not be less than twelve percent (12%) nor more than twenty-one percent (21%) per year, and the Executive Board may also assess a late charge (and/or a bad check charge) thereon. The Executive Board may also elect to accelerate the installment obligations of any Regular Assessment for which an installment is delinquent. The Executive Board may also suspend the delinquent Owner's use of the Master Common Areas and be liable for all costs, including attorneys' fees, which may be incurred by the Master Association in collecting a delinquent Assessment, which collection costs shall be added to the delinquent Assessment. The Executive Board may but shall not be required to record a Notice of Delinquent Assessment or charge against any Lot or Unit as to which an Assessment or charge is delinquent. The Notice shall be executed by an officer of the Executive Board, and shall set forth the amount of the unpaid Assessment or charge, the name of the delinquent Owner and a description of the Lot or Unit.

The Assessment Lien may be foreclosed by the Master Association in the same manner as a mortgage on real property. The Master Association shall be entitled to purchase the Lot or Unit at foreclosure. The Master Association may also bring an action at law against the Owner personally obligated to pay the delinquent Assessment and/or foreclose the lien against said Owner's Lot or Unit in the discretion of the Master Association. No Owner may exempt himself or otherwise avoid liability for the Assessments provided for herein by waiver of the use or enjoyment of any of the Master Common Areas or by abandonment of the Lot or Unit against which the Assessments are made. where Assessments that are due from any Owner are more than ninety (90) days delinquent, the Executive Board may temporarily suspend any or all Master Association services or benefits to the delinquent Owner and his Lot or Unit, including the right to use Master Common Areas, until all delinquent Assessments are fully paid.

In any action by the Master Association to collect Assessments or to foreclose a lien for unpaid Assessments, the court may appoint a receiver to collect all sums alleged to be due from the Lot or Unit Owner prior to or during the pending of the action. The court may order the receiver to pay any sums held by the receiver to the Master Association during the pending of the action to the extent of the Master Association's Regular Assessments.

10.12 Statement of Unpaid Assessments. The Master Association shall furnish to an Owner or such Owner's designee or to a holder of a security interest or its designee upon written request, delivered personally or by facsimile transmittal, or by certified mail, first class postage prepaid, return receipt requested, to the Master Association, a written statement setting forth the amount of unpaid Assessments currently levied against such owner's Lot or Unit, whether delinquent or not. The statement shall be furnished within fourteen (14) days after receipt of the request and is binding on the Master Association, the Executive Board, and every Owner. If no statement is furnished either

delivered personally or by facsimile transmission or by certified mail, first-class postage prepaid, return receipt requested, to the inquiring party, then the Master Association shall have no right to assert a lien upon the Lot or Unit for unpaid Assessments which were due as of the date of the request.

10.13 Assessments for Tort Liability. In the event of any tort liability against the Master Association which is not covered completely by insurance, each Owner shall contribute for the payment of such liability as a Special Assessment. The Master Association may, however, require a larger contribution from fewer than all Owners under any legal or equitable principles regarding liability for negligent or willful acts or omissions.

10.14 Teton Springs Foundation Contribution. Upon the initial sale and each subsequent resale of an improved or unimproved Lot within the Common Interest Community, or of an interest therein, to another Person (excluding gifts, transfers for estate planning purposes, and transfers by court order or by will or intestacy, or transfer by Declarant to project affiliated parties), 1.0% of the gross sales price of the lot shall be paid to the Teton Springs Foundation from the closing. In the case of the sale of improved property, the 1% shall apply to the land portion of the sales price only as reflected by the Teton County Tax Assessor market valuation of the land. This Teton Springs Foundation Contribution requirement shall apply to Lot sales made by Declarant; provided, however, the transfers of unimproved Lots by the Declarant to an affiliate of Declarant for the purposes of allowing the affiliate to construct improvements on such Lots, shall be exempt from the requirements of this paragraph. In addition, Teton Springs Foundation Contributions shall not be required in connection with the sale of improvements or property within the Golf Land, or other property that is transferred for a public purpose.

Declarant, in connection with the interested citizens in the Teton Valley, has caused The Teton Springs Foundation to be organized as an Idaho nonprofit organization. The purpose of The Teton Springs Foundation is to provide funds on an ongoing basis for the benefit of public services, programs, facilities, charities and similar needs of Teton County, Idaho.

The funds will be held in trust and administered by The Teton Springs Foundation, whose directors shall be comprised of community leaders of Teton Valley, Idaho and representatives of the Teton Springs project.

The Notice of this contribution obligation is recorded at the Teton County Clerk and Recorder's Office as Instrument No. 155948 (Exhibit E). If a Teton Springs Foundation Contribution is not paid at the time of sale or transfer of a Lot or Unit as provided herein, the unpaid Teton Springs Foundation Contribution shall bear interest at the rate of eighteen percent (18%) per annum from the date of sale or transfer until paid in full, shall constitute the personal obligation of the purchaser/Lot Owner, and shall be a lien and security interest on the title to the purchaser/Lot Owner which may be foreclosed by the Foundation in the same manner as a mortgage on real property. This lien and security interest does not have precedence and is subordinate to any bona fide mortgage on the property.

**ARTICLE 11
EMINENT DOMAIN**

11.1 Definition of Taking. The term "taking," as used in this Article 11, shall mean condemnation by eminent domain or sale under threat of condemnation.

11.2 Representation in Condemnation Proceedings of Master Common Areas. In the event of a threatened taking of all or any portion of the Master Common Areas, the Lot and Unit Owners hereby appoint the Master Association through such persons as the Executive Board may designate to represent the Master Association and all of the Lot and Unit Owners in connection therewith. The Master Association shall act in its sole discretion with respect to any awards being made in connection with the taking and shall be entitled to make a voluntary sale to the condemner in lieu of engaging in a condemnation action. Service of process on the Master Association shall constitute sufficient notice to all Lot and Unit Owners, and service of process on each individual Lot and Unit Owner shall not be necessary.

11.3 Award for Master Common Area. Any awards received by the Master Association on account of the taking of Master Common Area shall be paid to the Master Association. The Master Association may, in its sole discretion, retain any award in the general funds of the Master Association or distribute all or any portion thereof to the Lot and Unit Owners as their interests may appear. The rights of a Lot or Unit Owner and the Mortgagee of a Lot or Unit as to any such distribution shall be governed by the provisions of the Mortgage encumbering the Lot or Unit.

11.4 Taking of Lots or Units. If a Lot or Unit is acquired by eminent domain or part of a Lot or Unit is acquired by eminent domain leaving the Lot or Unit Owner with a remnant which may not practically or lawfully be used for any purpose permitted by this Master Declaration, the award must include compensation to the Lot or Unit Owner for that Lot or Unit and its Allocated Interests whether or not any Master Common Area was acquired. Upon acquisition, unless the decree otherwise provides, that Lot's or Unit's Allocated Interests are automatically reallocated to the remaining Lots or Units (as appropriate) in proportion to the respective Allocated Interests of those Lots or Units before the taking. Any remnant of a Lot or Unit remaining after part of a Lot or Unit is taken is thereafter Master Common Area. Otherwise, if part of a Lot or Unit is acquired by eminent domain, the award must compensate the Lot or Unit Owner for the reduction in value of the Lot or Unit and its interest in the Master Common Areas whether or not any Master Common Area was acquired. Upon acquisition, unless the decree otherwise provides:

(a) That Lot's or Unit's Allocated Interests are reduced in proportion to the reduction in the size of the Lot or Unit; and

(b) The portion of Allocated Interests divested from the partially acquired Lot or Unit is automatically reallocated to that Lot or Unit and to the remaining Lots or Units (as appropriate) in proportion to the respective interests of those Lots or Units before the taking, with the partially acquired Lot or Unit participating in the reallocation on the basis of its reduced Allocated Interests.

11.5 Miscellaneous. The court decree shall be recorded in Teton County. The reallocations of Allocated Interests pursuant to this Article shall be confirmed by an amendment to the Master Declaration prepared, executed and recorded by the Master Association.

ARTICLE 12 SPECIAL PROVISIONS

12.1 Air Quality Restrictions. In order to protect against the degradation which occurs to air quality as a result of utilization of solid fuel burning devices, the following restrictions are imposed:

(a) Any solid fuel burning fireplaces, stoves, appliances or other devices allowed anywhere within the Common Interest Community shall be fitted with catalytic converters reducing solid fuel emissions.

(b) All residential units within the Common Interest Community will not be allowed to use solid fuel burning devices but will be allowed an unrestricted number of natural gas burning fireplaces or appliances.

12.2 Duration and Enforceability. The restrictions set forth in this Article 12 shall constitute covenants running with the title to the Common Interest Community and shall be binding upon Declarant and the Owners and all other persons and parties claiming through the Declarant or Owners and shall be for the benefit of and limitations upon all future Owners of the Common Interest Community and the Lots and Units therein. Notwithstanding any other provision of this Declaration, all use restrictions set forth in this Article 12 shall be enforceable in perpetuity and shall not be amended or terminated by action of the Owners or Declarant nor by any provision for termination of this Declaration. The restrictions of these special environmental use restrictions shall be enforceable in any and all manners provided in this Declaration by any Owners, by Declarant, by the Master Association, or by any County, State or Federal agency charged with preservation of the affected areas. Any such enforcement action may involve a claim for injunctive relief, for damages, or both, and the enforcing party shall be entitled to an award of its reasonable attorney fees and costs of enforcement, including but not limited to, court costs, expert witness fees, and cost of depositions and exhibits.

12.3 Protection of Agricultural Land. It is the intent of the legislature to reduce the loss to the state of its agricultural resources by limiting the circumstances under which agricultural operations may be deemed to be a nuisance. The legislature also finds that the right to farm is a natural right and is recognized as a permitted use throughout the State of Idaho. "Agricultural Operation" includes, without limitation, any facility for the growing, raising or production of agricultural, horticultural and viticultural crops and vegetable products of the soil, poultry and poultry products, livestock, field grains, seeds, hay, apiary and dairy products, and the producing for commercial purposes of livestock or agricultural commodities. No Agricultural Operation or an appurtenance to it shall be or become a nuisance, private or public, by any changed conditions in or about the surrounding nonagricultural activities after the same has been in operation for more than one (1) year,

when the operation was not a nuisance at the time the operation began; provided that the provisions of this section shall not apply whenever a nuisance results from the improper or negligent operation of any Agricultural Operation or an appurtenance to it.

12.4 Water Tank Easement. Through cooperative efforts with a neighbor who owns elevated property to the east called Quickwater Ranch, Teton Springs has placed a 500,000 gallon domestic water supply tank at adequate vertical elevation on the neighboring property to provide a gravity flow water supply to the Teton Springs development and certain other properties. The gravity flow system eliminates the requirement for a booster pump station on Teton Springs' lower elevation property, which in turn reduces the long term operating costs for the water supply system. The water tank and water supply line, to the extent situated on the neighboring property, are allowed by the neighboring property owner to exist pursuant to an easement in favor of Teton Springs and its successors and assigns. The easement is set forth in a document entitled "Grant of Easement (Water Tank)" between Teton Springs and the neighbor. A default by Teton Springs or its assigns or other successors in interest under such easement agreement, or under any of the easement agreements referenced in that document, may constitute a default that could result in termination of the easement rights granted thereunder, and thus loss of rights to use water from the water tank. Teton Springs will be in compliance with the easement agreement as long as the insurance, two domestic water usage rights, and membership privileges to the neighbor are maintained as required. Copies of these documents are available for your review at the Teton Springs office at One Teton Springs Parkway, Victor, Idaho 83455, along with copies of the two recorded memoranda of easements relating to the water tank easement which were recorded on November 27, 2002 with the Clerk of Teton County, Idaho as Instruments #151483 and #151484.

**ARTICLE 13
GENERAL PROVISIONS**

13.1 Duration of Master Declaration. The terms of this Master Declaration shall be perpetual.

13.2 Termination of Common Interest Community. The Common Interest Community may be terminated only by the agreement of (i) Lot and Unit Owners to which at least eighty percent (80%) of the votes in the Master Association are allocated, and (ii) the holders of all first Mortgages on Lots and Units. In the event of such termination, the provisions of state law shall apply.

13.3 Amendment of Master Declaration and Plat. This Master Declaration and the Plat may be amended pursuant to state law. The Master Declaration and Plat may be amended by Declarant in certain defined circumstances, including when the Declarant is exercising reserved rights under Article 6 hereof, and for purposes of correcting clerical, typographical, or technical errors. The Act also provides that the Master Declaration and Plat may be amended by the Master Association in certain defined circumstances. Otherwise, and subject always to (i) any provisions of this Master Declaration requiring the consent of Declarant, and (ii) the provisions of Section 3.38 above allowing Owners to amend this Master Declaration (with the consent of the Master Association) in certain circumstances (condominiumizations, lot line adjustments), this Master Declaration and any Supplemental Declarations (including the Plat and any Supplemental Plats) may be amended only by the vote or agreement of Lot and Unit Owners to which more than fifty percent (50%) of the votes in the Master Association are allocated.

Further, state law, except to the extent expressly permitted or required by other provisions of the Act (e.g., permitted Declarant or master Association amendments), no amendment may (i) create or increase special Declarant rights, (ii) increase the number of Lots and Units, or (iii) change the boundaries of any Lot or Unit or the Allocated Interests of a Lot or Unit in the absence of a vote or agreement of Lot and Unit Owners to which at least sixty-seven percent (67%) of the votes in the Master Association are allocated, including sixty-seven percent (67%) of the votes allocated to Lots and Units not owned by Declarant.

Further, except to the extent expressly permitted or required by other provisions of state law, no amendment may change the uses to which any Lot or Unit is restricted in the absence of a vote or agreement of Lot and Unit Owners to which at least sixty-seven percent (67%) of the votes in the Master Association are allocated.

No consent of any mortgage or trust deed holder shall be required to accomplish any such amendments.

With the exception of amendments accomplished by Supplemental Declaration (when lands are annexed to the Common Interest Community), an amendment to this Master Declaration shall be in the form of a "First (or Second, etc.) Amendment to Master Declaration and Plat of Teton Springs." With the exception of Declarant amendments, amendments to this Master Declaration shall be duly executed by the President and Secretary of the Master Association and Recorded in the Office of the Clerk and Recorder of Teton County. All amendments to this Master Declaration shall be indexed in the Grantee's index in the names of the Common Interest Community and the Master Association, and in the Grantor's index in the name of each Person executing the amendment.

13.4 Compliance; Enforcement. Every Owner and Occupant of a Lot or Unit in the Common Interest Community (including Occupants of the Caretaker and Accessory Dwelling Units), and every other Person who may be an authorized user of any part of the Master Common Areas, shall fully and faithfully observe, abide by, comply with and perform all of the covenants, conditions and restrictions set forth in this Master Declaration, any Supplemental Declaration, the Articles, Bylaws, Master Rules and Regulations, the Master Development guidelines and all approvals granted by the Development Review Committee, as the same or any of them may be amended from time to time. In addition to any other rights or remedies that may be provided to any Person under the terms and provisions of this Master Declaration or of any Supplemental Declaration, Declarant (for as long as it holds any of the rights set forth in Article 6 hereof), the Association through its Executive Board, the Development Review Committee as to matters arising under Article 4 hereof, and every Lot and Unit Owner (except an Owner that is delinquent in the payment of Assessments hereunder) shall have the right, acting alone or together with others having such right, to enforce, by any proceeding at law or in equity, any or all of the covenants, conditions, restrictions, assessments, charges, liens, servitudes, easements and other provisions now or hereafter imposed by this Master Declaration, any Supplemental Declaration, the Articles, Bylaws, Master Rules and Regulations, the Master Development guidelines, and approvals granted by the Development Review Committee.

Such enforcement rights shall include without limitation the right to bring an injunctive action for any form of injunctive relief available under Idaho law (including specific performance), or an action for damages, or both. Injunctive relief may include, without limitation, orders to stop work, orders to remove Improvements constructed in violation hereof, orders to compel performance, and any other orders appropriate under the circumstances.

The Executive Board shall have the further right (a) to levy and collect, after Notice and Hearing, reasonable fines for the violation of any of the foregoing matters, (b) to levy and collect a Reimbursement Assessment against any Owner, (c) to enter upon any Lot or Unit within the Common Interest Community, after giving the Lot or Unit Owner or Occupant at least five (5) days' written notice of the nature of the violation, (unless an emergency exists, in which case without notice), without liability to the Owner or Occupant thereof, to enforce or cause compliance with such matters, at the cost and expense of the Owner or Occupant in violation, and/or (d) where the violation has continued for more than ninety (90) days after the Executive Board has given the Lot or Unit Owner or Occupant written notice of the violation, the Executive Board may temporarily cut off any or all

Master Association services or benefits to the subject Owner or Occupant and his Lot or Unit, including the right to use Master Common Areas (except access roads), until the violation is cured.

In any action brought under this Section 13.4 the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs incurred in connection therewith. Failure by any party entitled to do so to exercise in a particular instance any of the rights available to it under this Section 13.4 shall in no event be deemed a waiver of the right to do so in any other instance.

Provided always, that no Owner shall have the right to bring an enforcement action against another Owner or Occupant for breach by the Owner or Occupant of any of such matters, or against the Master Association for a breach by the Master Association of any of such matters or for a failure by the Master Association to enforce compliance with such matters by others, until the aggrieved Owner has given the offending Owner or Occupant and the Master Association at least thirty (30) days prior written notice of the aggrieved Owner's complaint and the opportunity to resolve the problem during that thirty (30) day period.

And further provided, that notwithstanding any law to the contrary, no action shall be commenced or maintained to enforce the terms of any building restriction contained in the provisions of this Master Declaration, any Supplemental Declaration, the Bylaws, the Articles of Incorporation, or the Master Rules and Regulations, or to compel the removal of any building or Improvement because of the violation of the terms of any such building restriction, unless the action is commenced within one (1) year from the date from which the person commencing the action knew or in the exercise of reasonable diligence should have known of the violation for which the action is sought to be brought or maintained.

13.5 Rights of First Mortgagees. Upon the filing of a written request therefor with the Master Association, the holder of a First Mortgage on any Lot or Unit in the Common Interest Community shall be entitled to:

- (a) Written notice from the Master Association that the Owner of the subject Lot or Unit is delinquent in the payment of Assessments thereon;
- (b) Inspect the books and records of the Master Association during normal business hours;
- (c) Receive copies of annual Master Association financial statements;
- (d) Receive written notice of meetings of the Master Association where matters will be considered that, if approved, will require the consent of First Mortgagees or some of them;
- (e) Receive written notice of condemnation proceedings affecting any Master Common Areas; and

(f) Receive written notice of the lapse of any insurance that the Master Association is required to maintain under this Master Declaration.

In addition, any first Mortgagee shall be entitled to pay any taxes or other charges which are in default and which may or have become a lien against the Master Common areas and may pay any overdue premiums on hazard or general liability insurance policies covering the Master Common Areas, and shall be entitled to immediate reimbursement therefor from the Master Association, unless the Master Association is contesting any unpaid taxes or other charges and has set aside sufficient funds to pay the contested amounts if necessary.

13.6 Golf Land and Facilities. In no event and for no purpose shall the Golf Land or any golf course improvements or facilities constructed thereon or related thereto be deemed to be a part of the Common Interest Community, or be burdened by this Master Declaration or any Supplemental Declaration. No Lot or Unit shall have any right (i) to have the golf course and/or facilities constructed in any particular location on the Golf Land, (ii) to have or preserve a visual or sight easement over and across any portion of the Golf Land, and/or (iii) to have access to or across the Golf Land along any particular alignments.

13.7 Golf Land Hazards, Risks and Liabilities: Disclosure, Assumption of Risk, Release and Indemnification. The Golf Land will be used as a public golf course and related improvements, facilities and uses. By acceptance of a deed to a Lot or Unit, each Lot and Unit Owner acknowledges and agrees that the golf course use enhances the value of the Lot or Unit by providing pleasant surroundings and open space for the Common Interest Community. Each Lot and Unit Owner further acknowledges (i) that the use and operation of the Golf Land as a golf course involves certain risks to the Common Interest Community, including but not limited to damage to property and improvements and personal injury and death caused by errant golf balls that may be hit into the Common Interest Community, and (ii) that while the Common Interest Community has been designed to minimize these risks to the extent reasonably possible, it would be impossible to render the Common Interest Community free of all golf course-related risks. Certain of the more common hazards associated with the operation of a golf course are more particularly described in subsections (a) through (g) below (collectively the "Golf Course Hazards").

(a) Errant Golf Balls. Owners of Lots or Units, particularly Lots or Units abutting the Golf Land, acknowledge the inherent risk of errant golf balls and assume and accept such risk. Owners acknowledge and accept the risk that golfers may attempt to retrieve errant golf balls from Lots or Units and each Owner agrees to release and waive any claims said Owner may have as a result of such retrieval.

(b) View Impairment/Privacy. Owners of Lots or Units, including Owners of Lots or Units abutting the Golf Land, have no guarantee that their view over and across the Golf Land will be forever preserved without impairment or that the view from the Golf Land will not be impaired. The Golf Owner has no obligation to the owners to prune or not prune trees or other landscaping and such Golf Owner may change, add to or reconfigure the golf course and related facilities and improvements on

the Golf Land, including structural improvements, trees, landscaping, tees, bunkers, fairways and greens, without liability or obligation to the Owners.

(c) Pesticides and Fertilizers. Pesticides, fertilizers and other chemicals may be utilized in connection with the operation of the Golf Land and related landscaping and the Owners of Lots and Units acknowledge, accept and assume the risks associated with the use of pesticides, fertilizers and other chemicals.

(d) Over spray. Owners of Lots or Units, particularly Owners of Lots or Units abutting the Golf Land, may experience "Over spray" from the golf Land irrigation system, and such Owners acknowledge, accept and assume the risks associated with such "Over spray."

(e) Noise and Light; Tournaments. Owners of Lots or Units, particularly Owners of Lots or Units in proximity to the golf course clubhouse, may be exposed to lights, noise or activities resulting from the use of the golf course for tournaments, from the use of the clubhouse for dining and entertainment, and from use of the parking lot, and such Owners acknowledge, accept and assume the risks associated with such uses.

(f) No Access. The Owner of each Lot and Unit abutting any portion of the golf Land, by accepting a deed to his Lot or Unit, acknowledges that the Golf Owner may not permit access to any portion of the Golf Land directly from any Lot or Unit. Such access will only be permitted through the clubhouse and at such other entry points as the Golf Owner may from time to time specifically designate. Accordingly, each Owner of a Lot or Unit abutting any portion of the Golf Land agrees not to access the Golf Land directly from his Lot or Unit (unless otherwise expressly permitted by the Golf Owner), and agrees not to permit any of his Occupants, family, guests, invitees, licensees or any other person to do so.

(g) Maintenance. The Golf Land and related improvements and facilities require daily maintenance, including mowing, irrigation and grooming, during early morning, evening and night hours, including without limitation the use of tractors, mowers, blowers, pumps, compressors and utility vehicles. Owner of Lots or Units, particularly Owners of Lots or Units in proximity to the Golf Land, will be exposed to the noise and other effects of such maintenance, and such Owners acknowledge, accept and assume the risks associated with such maintenance activities.

IN CONSIDERATION FOR THE ABOVE-ACKNOWLEDGED ENHANCEMENT IN VALUE, AND WITH FULL AWARENESS OF THESE AND OTHER RISKS, BY ACCEPTING THE DEED TO A LOT OR UNIT EACH OWNER FOR HIMSELF AND HIS OCCUPANTS, INVITEES, LICENSEES, SUCCESSORS AND ASSIGNS (COLLECTIVELY THE "OWNER'S RELATED PARTIES") HEREBY (I) ACKNOWLEDGES, ACCEPTS AND ASSUMES THE RISKS ASSOCIATED WITH SAID GOLF COURSE HAZARDS AND OF ANY DAMAGE TO PROPERTY OR TO THE VALUE OF PROPERTY, DAMAGE TO IMPROVEMENTS, PERSONAL INJURY OR DEATH, OR THE CREATION OR MAINTENANCE OF A TRESPASS OR NUISANCE, CAUSED BY OR ARISING IN CONNECTION WITH ANY OF SAID GOLF

COURSE HAZARDS OR OTHER RISKS, HAZARDS AND DANGERS ASSOCIATED WITH THE OPERATION OF A PUBLIC GOLF COURSE (COLLECTIVELY THE "ASSUMED RISKS"), AND (II) RELEASES, WAIVES, DISCHARGES, COVENANTS NOT TO SUE, INDEMNIFIES AND AGREES TO DEFEND AND HOLD HARMLESS THE DECLARANT, THE OFFICERS, DIRECTORS, PARTNERS, SHAREHOLDERS, MEMBERS, AFFILIATES, EMPLOYEES, CONTRACTORS, CONSULTANTS, AGENTS, SUCCESSORS AND ASSIGNS (COLLECTIVELY THE "RELEASE PARTIES"), AND EACH OF THEM, FROM ANY AND ALL LIABILITY TO THE OWNER OR OWNER'S RELATED PARTIES FOR ANY DAMAGES, LOSSES, COSTS (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES), CLAIMS, DEMANDS, SUITS, JUDGMENTS, ORDINARY NEGLIGENCE, OR OTHER OBLIGATIONS ARISING OUT OF OR CONNECTED IN ANY WAY WITH ANY OF THE ASSUMED RISKS. THIS RELEASE IS INTENDED TO BE A COMPREHENSIVE RELEASE OF LIABILITY BUT IS NOT INTENDED TO ASSERT DEFENSES WHICH ARE PROHIBITED BY LAW. NOTWITHSTANDING THE FOREGOING, HOWEVER, THIS SECTION 13.7 SHALL NOT LIMIT THE LIABILITY OF INDIVIDUAL GOLFERS USING THE GOLF LAND.

In addition to the foregoing, the Golf Course Play and Operational Easement (Exhibit F) also establishes certain easements and restrictions upon portions of the Common Interest Community for the benefit of the Golf Owner and the Golf Land, and each Owner of a Lot or Unit acknowledges having read that document and being familiar with the terms thereof.

The acknowledgments, assumptions of risk and agreements contained in this Section 13.7 shall be deemed to run with the title to each Lot and Unit within the Common Interest Community.

13.8 Notice. Each Lot and Unit Owner, and each First Mortgagee if it so elects, shall register its mailing address from time to time with the Master Association. Except as otherwise specifically provided in this Master Declaration, any notice permitted or required to be given hereunder shall be in writing and may be delivered either personally, or by facsimile transmission, or by mail. Notices delivered personally or sent by facsimile transmission shall be deemed given on the date so delivered or sent. If delivery is made by mail, it shall be deemed to have been delivered two (2) business days after a copy of the same has been posted in the first-class U.S. Mail with adequate postage affixed, addressed to the receiving party at the address last registered by such party with the Master Association, or in the case of a Lot or Unit Owner that has not provided such an address, to the Lot or Unit of that Owner. Notices to the Master Association shall be sent to such address as it may from time to time designate in writing to each owner.

13.9 No Dedication to Public Use. Except for the streets and pedestrian path conveyed to the County for public use by separate instrument, and except as otherwise expressly provided herein to the contrary, nothing contained in this Master Declaration or in any Supplemental Declaration shall be deemed to be or to constitute a dedication of all or any part of the Common Interest Community to the public or to any public use.

13.10 Interpretation of Master Declaration and Supplemental Declarations. The provisions of this Master Declaration and of all Supplemental Declarations shall be liberally construed to effectuate its purposes of creating a common and general plan for the development, improvement, enhancement, protection and enjoyment of the Common Interest Community, and to the extent possible, shall be construed so as to be consistent with the Act. In the event that any of the terms and conditions of this Master Declaration or of any Supplemental Declaration are determined to be inconsistent with the Act, the Act shall control.

13.11 Conflict With Plats. In the event of any conflict or inconsistency between the provisions of this Master Declaration or any Supplemental Declaration and the Plat, or any Supplemental Plat, including the Plat notes thereon, the provisions of said Plat or Supplemental Plat or Plat notes, as the case may be, shall govern and control and this Master Declaration or any Supplemental Declaration shall automatically be amended, but only to the extent necessary to conform the conflicting provisions hereof with the provisions of said Plat, Supplement Plat or Plat notes.

13.12 No express or implied Covenants on Lands Not Annexed. Nothing in this Master Declaration or in any Supplemental Declaration shall create, or be deemed to create, any express or implied covenants upon or with respect to any real property or interest therein not actually annexed to the Common Interest Community in the manner provided herein.

13.13 Violations Constitute a Nuisance. Any violation of any provision, covenant, condition, restriction or equitable servitude contained in this Master Declaration, or in any Supplemental Declaration, whether by act or omission, is hereby declared to be a nuisance and may be enjoined or abated, whether or not this relief sought is for negative or affirmative action, by any Person entitled to enforce the provisions of this Master Declaration. This provision does not limit the remedies that may be available under this Master Declaration or at law or in equity. Failure of the Master Association to bring enforcement action to correct any violation of this Master Declaration or any Supplemental Declaration shall not constitute a waiver of or estop the Master Association from bringing a future or subsequent enforcement action to correct such violation or any other similar violation.

13.14 Declarant's Disclaimer of Representations and Warranties. No representations or warranties of any kind, express or implied, have been given or made or shall be deemed to have been given or made by Declarant or its agents or employees in connection with the Common Interest Community or the Golf Land or any portion thereof or any Improvements thereon, its or their physical condition, zoning, compliance with applicable laws, fitness for intended use or operation, adequacy or availability of utilities, or in connection with the subdivision, sale, improvement, operation, maintenance, cost of maintenance, taxes or regulation thereof, unless and except as shall be specifically set forth in writing herein, in any registration statement or purchase and sale agreement executed by Declarant, or in any closing document related thereto. Furthermore, no such representations or warranties have been given or made or shall be deemed to have been given or made by Declarant or its agents or employees that the plans presently envisioned for the complete development of the Common Interest Community and/or the Golf Land can or will be carried out, or that any land now

owned or hereafter acquired by Declarant is or will be subjected to this Master Declaration or that any such land (whether or not it is subjected to this Master Declaration) is or will be committed to or developed for a particular (or any) use, or that if such land is once used for a particular use, such use will continue in effect, unless and except as shall be specifically set forth in writing herein, in any registration statement or purchase and sale agreement executed by Declarant, or in any closing document related thereto.

13.15 Captions. Captions given to various Articles and Sections herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof and shall not be considered in interpreting any of the provisions hereof.

13.16 Singular Includes Plural. Unless the context requires a contrary construction, as employed in this master Declaration the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

13.17 Remedies Cumulative. Each remedy provided under this Master Declaration is cumulative and not exclusive.

13.18 Costs and Attorneys' Fees. In any action or proceeding involving the interpretation or enforcement of any provision of this Master Declaration, or any Supplemental Declaration, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs incurred in connection therewith.

13.19 Governing Law; Jurisdiction. The laws of the State of Idaho shall govern the interpretation, validity, performance, and enforcement of this Master Declaration and any Supplemental Declaration. Any legal action brought in connection with this Master Declaration or any Supplemental Declaration shall be commenced in the District Court for Teton County, Idaho, and by acceptance of a deed to a Lot or Unit each Lot or Unit Owner voluntarily submits to the jurisdiction of such court.

13.20 Severability. Any determination by any court of competent jurisdiction that any provision of this Master Declaration or of any Supplemental Declaration is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions hereof. Where any provision of this Master Declaration or any Supplemental Declaration is alleged to be or declared by a court of competent jurisdiction to be unconscionable, Declarant shall have the right by amendment to this Master Declaration or Supplement Declaration to replace such provision with a new provision, as similar thereto as practicable but which in Declarant's reasonable opinion would be considered not to be unconscionable.

13.21 Disclaimer Regarding Safety. DECLARANT AND THE MASTER ASSOCIATION HEREBY DISCLAIM ANY OBLIGATION REGARDING THE SECURITY OF ANY PERSONS OR PROPERTY WITHIN THE COMMON INTEREST COMMUNITY. ANY OWNER OF PROPERTY WITHIN THE COMMON INTEREST COMMUNITY ACKNOWLEDGES THAT DECLARANT AND THE MASTER ASSOCIATION ARE ONLY OBLIGATED TO DO THOSE ACTS SPECIFICALLY ENUMERATED HEREIN, OR IN THE ARTICLES OF INCORPORATION AND BYLAWS, AND ARE NOT OBLIGATED TO DO ANY OTHER ACTS WITH RESPECT TO THE SAFETY OR PROTECTION OF PERSONS OR PROPERTY WITHIN THE COMMON INTEREST COMMUNITY.

EXHIBIT A

DESCRIPTION OF COMMON INTEREST COMMUNITY

- The Final Phase One Subdivision Plat of Teton Springs Golf and Casting Club as recorded on February 13, 2001, with the Office of the Clerk of Teton County, Idaho defines and delineates the outside property boundary of Teton Springs. Said description also provides, defines and delineates the Legal Description of Common Interest Community. Therefore, the Final Phase One Subdivision Plat of Teton Springs Golf and Casting Club hereby serves as Exhibit A.

From time to time, should Teton Springs Golf and Casting Club expand beyond its existing boundaries, or other Subdivision Plat adjustments occur, the Description of the Common Interest Community will be adjusted accordingly.

EXHIBIT B

ALLOCATED INTERESTS FOR COMMON INTEREST COMMUNITY

- The following residential lots and units were approved by the Subdivision Platting process for Teton Springs Golf and Casting Club including total lots and units comprised of:

- Ranch Estate lots	18
- Golf Estate lots	98
- Golf Home lots	172
- Old Town North/South lots	180
- Forest/Warm Creek Cabin lots	100
- Old Town (Village) units	50
- Inn Units	<u>100</u>
Total lots and units	718

From time to time, should Teton Springs Golf and Casting Club expand beyond its existing boundaries, or other Subdivision Plat adjustments occur, the Allocated Interests will be adjusted accordingly.

EXHIBIT C

DESCRIPTION OF GOLF LAND

- The Final Phase One Subdivision Plat of Teton Springs Golf and Casting Club as recorded on February 13, 2001 with the office of the Clerk of Teton County, Idaho, defines and delineates the Golf Land more particularly described as Open Space Areas 1, 2, 3, 4, 5, 6, 7. Therefore, the Final Phase One Subdivision Plat of Teton Springs Golf and Casting Club hereby serves as Exhibit C.

From time to time, should Teton Springs Golf and Casting Club expand beyond its existing boundaries, or other Subdivision Plat adjustments occur, the Description of the Golf Land will be adjusted accordingly.

EXHIBIT D

EASEMENTS

- The Final Subdivision Plats of Teton Springs Golf and Casting Club as recorded in phases with the Office of the Clerk of Teton County, Idaho describes various easements and rights of way for roadways, various utilities, irrigation ditches and ponds, pathways and trails, drainage and stormwater facilities.

From time to time, should Teton Springs Golf and Casting Club expand its existing boundaries, or other Subdivision Plat adjustments occur, the Easements will be adjusted accordingly.

RECEIVE

JUL 14 2003

TETON CO., ID
CLERK RECORDS

NOTICE OF TETON SPRINGS FOUNDATION CONTRIBUTION

WITNESSETH:

WHEREAS, heretofore, there has been established and recorded the Master Declaration of Protective Covenants for Teton Springs Golf and Casting Club and the Second Amendment on January 31, 2003, and the Third Amendment on July 14, 2003; and

WHEREAS, Article 10.14 of said Master Declaration of Protective Covenants describes the requirements and obligation of the Teton Springs Foundation Contribution; and

WHEREAS, Declarant wishes to put all buyers and sellers of residential property within Teton Springs on notice of said requirements, this notice is hereby stated and filed on record at the office of the Clerk and Recorder of Teton County, Idaho.

Upon the initial sale and each subsequent resale of an improved or unimproved residential lot within the Common Interest Community, or of an interest therein, to another person (excluding gifts, transfers for estate planning purposes, and transfers by court order or by will or intestacy, or transfer by Declarant to project affiliated parties), 1.0% of the gross sales price of the lot shall be paid to the Teton Springs Foundation from the closing. In the case of the sale of improved property, the 1% shall apply to the land portion of the sales price only as reflected by the Teton County Tax Assessor market valuation of the land. This Teton Springs Foundation Contribution requirement shall apply to lot sales made by Declarant; provided, however, the transfer of unimproved lots ably the Declarant to an affiliate of Declarant for the purposes of allowing the affiliate to construct improvements on such lots, shall be exempt from the requirements of this paragraph. In addition, Teton Springs Foundation Contributions shall not be required in connection with the sale of improvements or property within the Golf Land, or other property that is transferred for a public purpose.

If a Teton Springs Foundation Contribution is not paid at the time of sale or transfer of a lot as provided herein, the unpaid Teton Springs Foundation Contribution shall bear interest at the rate of eighteen percent (18%) per annum from the date of sale or transfer until paid in full, shall become the personal obligation of the purchaser/lot owner, and shall be a lien and security interest on the title to the purchaser/lot owner which may be foreclosed by the Foundation in the same manner as a mortgage on real property. This lien and security interest does not have precedence and is subordinate to any bona fide mortgage on the property.

In witness whereof, Declarant has executed this notice as of July 14, 2003.

Declarant

Teton Springs Golf and Casting Club, LLC

[Signature]
by: Authorized Representative

State of Idaho)
) ss.
Teton County)

HEIDI M. HOFF
NOTARY PUBLIC
STATE OF IDAHO

Instrument # 155948

DRIGGS, TETON, IDAHO
2003-07-14 11:10:06 No. of Pages: 1
Recorded for: TETON SPRINGS GOLF & CASTING
NOLAN G. BOYLE Fee: 3.00
Ex-Officio Recorder Deputy *[Signature]*
Index to: MISCELLANEOUS RECORDING

[Signature]
Notary Public for the State of Idaho:
Residing at: *Victor*
My Commission expires: *04/29/08*

RECEIVED

JUL 14 2003

TETON CO., ID
CLERK RECORDER

**DECLARATION OF GOLF COURSE PLAY
AND OPERATIONAL EASEMENT**

STATE OF IDAHO)
)
COUNTY OF TETON)

KNOW ALL MEN BY THESE PRESENTS:

THIS DECLARATION OF GOLF COURSE PLAY AND OPERATIONAL EASEMENT (this "Declaration") is made this 11th day of July, 2003, by Teton Springs Golf & Casting Club, LLC, a Wyoming Limited Liability Company.

WHEREAS, Declarant is the owner of that certain tract of land located in the County of Teton, Idaho, known as the Golf Land described on Exhibit "A" attached hereto and made a part hereof for all purposes (hereinafter referred to as the "Golf Land"); and

WHEREAS, Declarant is also the owner of that certain tract of land, located in the County of Teton, Idaho, adjacent to the Golf Land described on Exhibit "B" attached hereto and made a part hereof for all purposes (hereinafter referred to as the "Community Area"); and

WHEREAS, Declarant desires to develop and construct a housing development, together with common areas, streets, roads, and other incidental uses on the Community Area; and

WHEREAS, Declarant desires to develop and construct, or cause to be developed and constructed, a public golf course containing twenty-seven (27) holes of golf, pro shop, driving range, and other recreational improvements related thereto on the Golf Land (collectively, the "Golf Course"); and

WHEREAS, in order to facilitate the construction and future operation of the Golf Course, Declarant desires to create certain easements and to place certain restrictions and encumbrances on the Community Area for the benefit fo the Golf Land; and

WHEREAS, in order facilitate the construction and future operation of the housing development to be located on the Community Area, Declarant desires to create certain easements and to place certain encumbrances on the Golf Land for the benefit of the Community Area,

NOW THEREFORE, Declarant does hereby create and reserve, for the mutual benefit of the Golf Land and the Community Area, the following easements, restrictions, and obligations:

I.

CONSTRUCTION EASEMENTS

Declarant hereby encumbers the Community Area for the benefit of the Golf Land with a temporary easement and right of entry onto portions of the Community Area for the construction of certain improvements as follows:

1. **Construction of Golf Cart Paths, Utilities and Drainage Features.** A temporary construction easement is hereby created and reserved for the construction of water supply lines, drainage features, irrigation lines, sanitary and storm sewer lines, electric gas supply lines, telephone lines, other utility service lines, golf cart paths, and other improvements related to and reasonably necessary for the operation of the Golf Course (collectively, the "Facilities") over portions of the Community Area designated as "Master Common Area" and/or "Utility or Drainage or Irrigation Easements" on the Plat or Plats thereof (collectively, the "Temporary Easement").
2. **Construction of Golf Course.** A temporary construction easement is hereby created and reserved for the construction of the Golf Course, and all other related improvements over and across portions of the Community Area adjacent to and abutting the Golf Land (the "Golf Course Construction Easement"). The Golf Course Construction Easement shall extend for twenty feet (20') onto the Community Area along the Golf Course Corridor Easement, along the mutual property line (the "Mutual Boundary Line") between the Community Area and the Golf Land (the Golf Course Construction Easement and Temporary Easement are collectively hereinafter referred to as the "Construction Easement").
3. **Privileges and Obligations.** The easement rights created and reserved herein shall include (I) the right to cut, trim, or remove any trees with prior approval by Declarant or other obstructions which may interfere with the construction, reconstruction, or operation of the Golf Course or the Facilities, pile dirt and materials, and to operate equipment on the surface of the land, within the Construction Easement tracts only, during periods of construction of the Golf Course and Facilities, and (ii) the right of ingress and egress onto said Construction Easement tracts for the purpose of exercising the rights herein granted. All such work in connection with the Construction Easement granted herein shall be conducted in such a manner as to prevent injury to person or property. The Golf Land owner and/or all persons under contract with it shall exercise all necessary precautions to prevent injury as a result of any open trench and/or construction, maintenance, and/or repair of the Golf Course and Facilities, including, but not limited to, barricades.

4. **Nonexclusive Rights.** The easement rights created and reserved herein shall be nonexclusive and Declarant and subsequent owners of lots within the Community Area shall have the right to use the land within said Construction Easement tracts for any purpose not inconsistent with the rights herein conveyed.
5. **Underground Facilities.** All utility services comprising the Facilities are to be maintained and kept underground and shall be buried at least twenty-four inches (24") below the proposed finish grade. Where Facilities are installed within a right-of-way, they shall be installed at such a depth as to avoid conflict with other utility installations.
6. **Restoration.** Within a reasonable time after completion of any portion of the Golf Course and Facilities, the surface of the Construction Easement tracts shall be restored as near as practicable to the condition found prior to the construction of such portion of the Golf Course or Facilities, including, without limitation, ground covers, plantings, roads, sidewalks, and other improvements.
7. **Termination of Construction Easement.** The foregoing right to enter onto the Community Area for the initial construction of the Golf Course and the Facilities shall be deemed to commence upon the recording of this Easement and shall be terminated October 31, 2003, or thirty (30) days following the completion and the placement into service of the last of the Facilities, whichever occurs first.
8. **Liability During Construction.** Should any damage or destruction to improvements result during the construction, replacement, or repair of the Golf Course or the Facilities, the person or party responsible for such damage or destruction shall, following written notice from the owner of such improvements, effect the repair or replacement of such damaged improvements within a reasonable time.

II.

PERMANENT EASEMENTS

Declarant hereby creates and reserves for the mutual benefit of the Golf Land and the Community Area the following permanent easements:

1. **Golf Cart Paths.** A nonexclusive easement is hereby created and reserved for the purpose of construction, maintenance, repair, and replacement of golf cart paths over and across the Golf Course Corridor Easements as previously defined, to provide ingress and egress by and between portions of the Golf Land (the "Golf Cart Path Easements"). The owner of the Golf Land shall maintain the Golf Cart Path Easements in a safe and orderly manner. Inclusive within the foregoing grant of Golf Cart Path Easements shall be the right of the owner of the Golf Land and users of the

Golf Course to operate golf carts and Golf Course machinery, equipment and maintenance vehicles on all Golf Cart Path Easements. Also, inclusive within the foregoing grant of Golf Cart Path Easements shall be the right of the owner of the Golf Land to install, replace, maintain and repair directional and safety signage within the Golf Cart Path Easements, as deemed reasonably necessary. Such signage shall be made of materials and of the type as to be reasonably consistent with materials and type of signage utilized for similar purposes on the Community Area and the Golf Course.

2. Signage. An easement is hereby created and reserved for the construction, repair, maintenance, and replacement of directional and informational signage within the Community Area along the roads, streets, and rights-of-way located therein, for the purpose of providing directions to users of the Golf Course. Such signage shall be constructed of materials and of a type of signage utilized for similar purposes on the Community Area and the Golf Land.
3. Golf Course Corridor Easement. A permanent, exclusive easement is hereby created and reserved in, on, upon, over and through all areas designated as Golf Course Corridor Easements, which shall be defined as that area of land along the mutual property line between the Community Area and the Golf Land and extending twenty feet (20') onto the Community Area. The Golf Course Corridor Easement shall be for the following purposes:
 - 3.1 The planting, replanting, maintenance, irrigation, repair, and removal, or trimming of vegetation, the spraying of herbicides, fungicides, pesticides, insecticides, and fertilizers, and all other activities necessary for the maintenance and operation of the Golf Course.
 - 3.2 The right to utilize the Golf Course Corridor Easement for typical golf course play, including every act necessary and proper to the playing of golf. These acts shall include, but not be limited to, the placement and maintenance of "out-of-bounds" signs or markers, play of golf balls, retrieval of golf balls, the flight of golf balls over and upon the easement, the use of necessary and usual equipment to maintain and operate the Golf Course, the usual and common noise level created by the playing of the game of golf and the operation of equipment incident thereto, and all other common and usual activity associated with playing the game of golf and operating and maintaining the Golf Course.

- 3.3 The right to utilize the Golf Course Corridor Easement as an area for observation by tournament galleries, and the further right to utilize the Golf Course Corridor Easement for the installation of temporary above-ground utility lines for use solely in conjunction with tournaments and special events on the Golf Course. Any installations made in connection with this grant of easement set forth in this subparagraph shall be removed by the owner of the Golf Land and all damage repaired promptly upon conclusion of each such tournament or special event.
- 3.4 The right to landscape and make use of the Golf Course Corridor Easement as set forth in this paragraph shall be exclusive to the owner of the Golf Land. Owners of lots burdened by the Golf Course Corridor Easement shall make no improvements of any kind, including landscaping, in, upon, over or across the Golf Course Corridor Easement without the prior written consent of the owner of the Golf Land. The owner of the Golf Land shall erect no permanent structures or other permanent improvements in or upon the Golf Course Corridor Easement except for landscaping as provided herein and except for construction and maintenance of "out-of-bounds" markers or other signs or markers normally associated with the playing of the game of golf.
4. Golf Course Play Easement. There is hereby created and reserved to the owner of the Golf Land and the users of the Golf Course, a nonexclusive easement over and across the Community Area for the following purposes:
- 4.1 Flight of golf balls over, across, and upon the Community Area;
- 4.2 Doing of every act necessary and incident to the playing of golf and other recreational activities on the Golf Land, including, but not limited to, the creation of usual and common noise levels associated with such recreational activities;
- 4.3 Creation of noise related to the normal maintenance and operation of the Golf Course, including, but not limited to, the operation of mowing and spraying equipment, which may occur from early morning until late evening; and
- 4.4 An easement for the over spray of herbicides, fungicides, pesticides, fertilizers, and water over portions of the Community Area located adjacent to the Golf Land.
5. Damage by Errant Golf Balls. Declarant, for itself and each and every subsequent owner of portions of the Community Area, hereby acknowledges and agrees that the existence of the Golf Course on the Golf Land is beneficial and highly desirable; however, each such owner acknowledges and agrees that portions of the Community

Area located adjacent to the Golf Land are subject to the risk of damage or injury due to errant golf balls. Owners of portions of the Community Area, their successors and assigns, hereby assume the risk of damage and injury and hereby release the Declarant and the owner of the Golf Land, its successors and assigns, from any and all liability for damage or injury caused by errant golf balls in, on, or around the Community Area, and agree to indemnify and hold the Declarant and the Owner of the Golf Land, its successors and assigns, harmless from any and all claims, actions, costs or liability arising from any damage or injury caused, directly or indirectly, by golf balls flying, landing, hitting, or resting in or around the Community Area. The obligation to indemnify, defend, and hold harmless shall pass with title to each portion of the Community Area, and once any owner of land within the Community Area has conveyed title to his, her, or its portion of the Community Area, the obligation ceases as to that owner for all subsequently occurrences and that obligation passes to the new owner. Nothing contained herein shall be deemed to limit liability of the individual golfer who has struck the errant golf ball for any damages he or she has caused.

III.

MISCELLANEOUS

1. Fencing Restrictions. No owner of land within the Community Area shall construct a fence or enclosure located along or next to the boundary lines between the Golf Land and the Community Area, without the prior written consent of Declarant, and its successors-in-interest to the Golf Land, in their sole discretion. Declarant shall develop criteria and specifications for the type, size, and materials it deems acceptable for fences located along the Golf Land (the "Fence Criterion"), and the Fence Criterion shall be available to all owners or prospective owners of land within the Community Area. The Fence Criterion shall be subject to change, provided such changes shall not affect any fences existing at the time such changes become effective, and such changes shall not be effective until forty-five (45) days following publication of same by Declarant as owner of the Golf Land, its successors and assigns.
2. Liability for Damages. The owner of the Golf Land, its successors and assigns, agrees to repair or replace any improvements located on the Community Area damaged or destroyed due to the repair or maintenance of the Facilities. Should any damage or destruction to improvements result during the repair or maintenance of the Facilities, the owner of such improvements shall notify the owner of the Golf Land in writing of such event and allow a reasonable time, not to exceed forty-five (45) days, to repair or replace such damaged improvements.

3. **Entire Agreement.** This instrument contains the entire agreement between parties relating to the rights herein granted and the obligations herein assumed. Any oral representations or modifications concerning this instrument shall be of no force and effect except a subsequent modification in writing, signed by the party to be charged.
4. **Transfer of Golf Land.** Upon the transfer of the Golf Land by Declarant to a third party, all of Declarant's rights, duties and obligations arising under this Declaration as owner of the Golf Land shall be deemed transferred and assigned to such third party, whereupon, Declarant shall no longer have any further liability, obligations or duties arising under this Declaration as owner of the Golf Land.
5. **Duration and Enforceability.** The easements and restrictions set forth in this Easement shall constitute covenants running with the land in perpetuity, burdening the Community Area and Golf Land, and benefitting the Community Area and Golf Land, and shall be binding upon Declarant, its successors and assigns, and all persons or parties claiming through, by, or under Declarant, its successors and assigns, including, but not limited to, any property or lot owners.
6. **Effectiveness of Agreement.** Notwithstanding anything herein to the contrary, this Declaration shall not be effective for any purpose until all parties shown below have executed this document and it has been filed of record in Teton County, Idaho.
7. **Persons Entitled to Enforce Declaration.** The owner of the Golf Land and the Teton Springs Master Association composed of all lots within the Community Area shall have the right to enforce any or all of the provision, covenants, conditions, restrictions, and equitable servitudes contained in this Declaration. The right of enforcement shall include the right to bring an action for actual damages suffered as well as an action to enjoin any violation of any provision of this Declaration.
8. **Violations Constitute a Nuisance .** Any violation of any provision, covenant, condition, restriction, and equitable servitude contained in this Declaration, whether by act or omission, is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by any person or party entitled to enforce the provision of this Declaration.
9. **Enforcement of Self-Help.** Declarant, its successors and assigns, or any authorized agent of them, may enforce, by self-help, any of the provisions, covenants, conditions, restrictions, and equitable servitudes contained in this Declaration, provided such self-help is preceded by a written notice delivered to the defaulting party, at least thirty (30) days to the exercise of such self-help remedy.
10. **Remedies Cumulative.** Each remedy provided under this Declaration is cumulative and not exclusive.

11. Costs and Attorney's Fees. If there is any action or proceeding under this Declaration, the prevailing party shall be entitled to recover its costs and expenses in connection therewith, including reasonable attorneys' fees.
12. Liberal Interpretation. The provisions of this Declaration shall be liberally construed as a whole to effectuate the purpose of this Declaration.
13. Governing Law. This Declaration shall be construed and governed under the laws of the State of Idaho.
14. Severability. Each of the provisions of this Declaration shall be deemed independent and severable, and the invalidity or unenforceability or partial validity or partial enforceability of the provisions or portion thereof shall not affect the validity or enforceability of any other provisions.
15. Number and Gender. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine, or neuter genders shall each include the masculine, feminine, and neuter genders.
16. Captions for Convenience. The titles, headings, and captions used in the Declaration are intended solely for convenience of reference and shall not be considered in construing any of the provisions of this Declaration.
17. Notice to Property Owners Within Community Area. NO OWNER OF PROPERTY OR A LOT WITHIN THE COMMUNITY AREA SHALL HAVE ANY RIGHTS IN OR TO THE GOLF LAND, THE GOLF COURSE, OR ANY RECREATIONAL ACTIVITIES OCCURRING THEREON, INCLUDING, BUT NOT LIMITED TO, A VISUAL OR SIGHT EASEMENT OVER AND ACROSS ANY PORTION OF THE GOLF LAND, RIGHTS OR MEMBERSHIP IN OR TO THE GOLF COURSE, OR RIGHT OF ACCESS TO OR ACROSS THE GOLF LAND, UNLESS SUCH RIGHT OR RIGHTS HAVE BEEN GRANTED OR CONVEYED IN WRITING BY THE GOLF LAND OWNER OR ITS SUCCESSORS AND ASSIGNS. ADDITIONALLY, GOLF LAND OWNER, ITS SUCCESSORS AND ASSIGNS, HAS THE RIGHT, WITHOUT NOTICE OR WARNING, TO PLANT, REMOVE, OR TRIM TREES OR BUSHES ON THE GOLF LAND AS IT DEEMS ADVISABLE, IN ITS SOLE AND ABSOLUTE DISCRETION.

IN WITNESS WHEREOF, Declarant and Master Association have executed this Amended and Restated Master Declaration as of the day and year first above written.

DECLARANT:

TETON SPRINGS GOLF AND CASTING CLUB, LLC

By: [Signature]

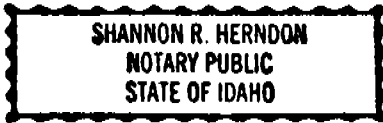
Authorized Representative

STATE OF Idaho)
) SS.
COUNTY OF Teton)

The foregoing Master Declaration was acknowledged before me this 8 day of April, 2005, by Michael Potter as Authorized Representative of Teton Springs Golf and Casting Club, LLC, Declarant.

WITNESS my hand and official seal.

(SEAL)



Shannon R Herndon
Shannon R Herndon
Notary Public
Residing at: Teton, ID 83452
My Commission expires: 11-6-09

ASSOCIATION:

TETON SPRINGS MASTER ASSOCIATION

By: [Signature]

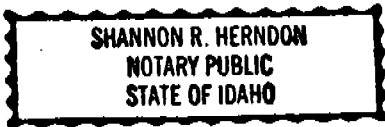
Authorized Representative

STATE OF IDAHO)
) SS.
COUNTY OF TETON)

The foregoing Master Declaration was acknowledged before me this 8 day of April, 2005, by Michael Potter as Authorized Representative of Teton Springs Master Association, an Idaho nonprofit corporation.

WITNESS my hand and official seal.

(SEAL)



[Signature]
Shannon R Herndon
Notary Public
Residing at: Teton, ID 83452
My commission expires: 11-06-09

FOURTH AMENDMENT
TO
MASTER
DEVELOPMENT GUIDELINES
FOR
TETON SPRINGS
GOLF AND CASTING CLUB

April, 2005

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INTRODUCTION

The Development Guidelines have been created in order to ensure that all improvements at Teton Springs preserve the natural beauty of the mountain valley setting, ensure harmonious residential design, and protect and enhance property values. The Guidelines are intended for use by all persons involved in new buildings or landscapes, as well as subsequent additions or alterations to any property at Teton Springs.

The Development Guidelines are administered and enforced by the Development Review Committee (DRC) in accordance with procedures set forth in this document and the Master Declaration of Protective Covenants (CC&R's). The DRC's role is to provide assistance to homeowners and their chosen design professionals and to ensure that the design process is a satisfying experience.

This document may be amended and supplemented by the DRC. Before submitting plans, the Owner or their representative is required to meet with the DRC to obtain and review a copy of the current Development Guidelines.

The Development Guidelines are supplemental to Teton County Building Codes and the Master Protective Covenants of Teton Springs recorded with the office of the Clerk and Recorder of Teton County. In the event of a conflict between the documents, the more restrictive document shall govern and control.

ARCHITECTURAL DESIGN

Teton Springs provides a wide range of housing choices within a series of interconnecting neighborhoods set in a spectacular landscape. An understanding and respect for the natural resources of the site, as well as an understanding of the area's history and climate, will provide the keys to the successful design of new buildings and landscapes at Teton Springs.

The strengths of the property are the panoramic views of the Snake River Range, Big Hole Range and Teton Range, along with the natural springs and spring creeks within the property.

Teton Springs has been designed to recreate the classic living environment of the Teton Valley for today's lifestyles:

- Traditional friendly neighborhoods
- Rancher's sense of living close to the land and its water.
- Long views to mountain skylines everywhere.
- A sense of community created by a group of families that have sought out this spectacular natural setting and the lifestyle accompanying it.

These qualities are being shaped and protected by the Teton Springs Master Plan and the Development Guidelines. In the Master Plan, layout of roads and streets, open space patterns, distinctive neighborhood settings, golf routing, ponds, waterways, pedestrian trails and the design of infrastructure and streetscapes respond to topography, water, views, and the traditional way of building a place to live on this land. As a result every home site will share in the sense of connection to the river valley, the mountains, and the history of settlement here.

The Development Guidelines apply that same approach to the individual buildings and landscapes that will be built here.

Neighborhood Guidelines

Old Town Traditional Homes

The Old Town Traditional homes have been envisioned as the nostalgic neighborhoods of days gone by with "front porch living," rear entry and side entry garages, alleys, compact lots and homes with a western Victorian flair.

Individual neighborhood guidelines have been developed for these parcels by the DRC and are not included in this document.

Forest/Warm Creek Cabins

The Forest and Warm Creek cabins have been conceived as the “cabin in the woods” closer to nature and its surroundings, blending the rustic western architecture with modern technology and conveniences.

Individual neighborhood guidelines have been developed for these parcels by the DRC and are not included in this document.

Old Town Commercial Area

The Old Town Commercial area includes the Teton Springs Inn, other overnight accommodations and the various shops, services, amenities, ancillary and club facilities. This area will be characterized by an old west architectural theme which emphasizes individual unique structures which blend together in a pedestrian scale setting.

Individual commercial area guidelines have been developed for this area by the DRC and are not included in this documents.

Teton Springs Single Family Residential

The guidelines contained in this document focus on the design of residences in Teton Springs other than the Old Town residences and the Forest/Warm Creek cabins.

The intent is to create a sense of spaciousness and of living close to the land, in a place where the natural environment dominates the scene. Accordingly the look of this neighborhood can be characterized as follows:

- Continuity of rolling grasslands, water and mountain views.
- Trees in natural looking clusters: riparian forms along the drainage ways and water’s edges, windbreak forms around houses or groups of houses, and groves at “landmark” locations, such as intersections and entries.
- Houses designed to optimize views and utilize natural features found onsite.
- Large front and side setbacks
- Unfenced front yards
- An architectural vocabulary that emphasizes a ranch house heritage
- Complex buildings made up of different heights and forms
- Exterior surfaces that harmonize with the natural landscape as well as provide an outer skin that will withstand the climate extremes.
- Windows recessed to give an appearance of substantial wall thickness, strength and durability
- Natural and stained, rather than painted, finishes.
- Broad, overhanging pitched roofs with a minimum overhang of 24 inches and a minimum roof pitch of 5' vertical in 12 of distance (5:12).

- Typical ranch house details like porches, expansive stone chimneys, and strong structural expression.

The design of the homes at Teton Springs should work together as a composition of compatible, albeit distinct, architectural solutions: no individual residence should stand so apart in its design as to detract from the visual harmony of the community, or compete with the natural character of the site.

It is recommended that the owner retain competent assistance from a licensed architect. Additional assistance from other licensed design professionals such as a civil engineer and a landscape architect is also recommended. The owner and their chosen consultant(s) should also carefully review the Protective Covenants as well as the Development Guidelines prior to commencing the design review process.

1.1 General Design Considerations

It is the intent of Teton Springs to build upon the architectural traditions of the area, and allow a diversity of individual architectural expression within an overall unity that characterizes a distinctive community. The Guidelines also seek to ensure that buildings remain subordinate to the grandeur of the surrounding natural landscape.

Location and orientation of building sites provide for the optimization of views to key elements of the landscape such as the mountain ranges, spring creeks and the golf course. Those view opportunities will be an important organizing factor in the architectural design. Consequently, homesites will be required to limit landscaping in designated view corridors.

1.2 Building Height

Generally, the maximum height limit established by the Teton County Zoning Regulations is 30 feet. In the event that the maximum height limit established by the Teton County Zoning Regulations is increased to 35 feet for Teton Springs Golf and Casting Club, the DRC will consider height variances up to 35 feet on a case by case basis if the architectural solution is sound and does not adversely affect neighboring properties.

Single story buildings are not necessarily the best solution. There may be instances where the smaller footprint from a two story building would provide more ground level view opportunities than would a single story building of the same square footage. Creative design solutions which seek to maximize views from within each home and the surrounding neighborhood will be considered by the DRC.

1.3 Building Mass and Form

Buildings need to be residential in scale and preferably asymmetrical in form. Exterior volumes should express the nature and organization of interior spaces to provide articulation of walls and roofs.

It is preferred that the second story portion of homes not exceed 60% of the ground floor square footage including garage area. A minimum of a least three distinct masses will be required on each home. Building walls can not have an unbroken horizontal length greater than 30 feet. While it is anticipated that building masses will follow natural site contours, nothing in these guidelines shall prohibit a single floor level provided the building height; massing and grading guidelines are met.

The minimum and maximum square footages to be allowed for Ranch Estate, Golf Estate and Golf Home lots are as follows:

Ranch Estate minimum is 2,800 sq. ft. and maximum is 8,000 sq. ft.

Golf Estate minimum is 2,400 sq. ft. and maximum is 6,000 sq. ft.

Golf Home minimum is 2,200 sq. ft. and maximum is 4,000 sq. ft.

Basement space is not included when determining the minimum or maximum square footage of any residence.

Buildings are to follow topographic changes through the use of stepped floor levels. This is particularly important for the hillside lots along the hillside.

1.4 Building Projections

The use of porches, courtyards, and patios for climate control and/or outdoor living and circulation is encouraged. Such projections must be designed as integral elements of the building using compatible forms and materials. Porch roofs must remain within the building envelope.

All roof projections including flues, vents, and other equipment must penetrate the roof behind the ridge and must be compatible in height and material with the structure from which they project and/or painted to match the roof color.

External stone chimneys are encouraged as a major design feature in all neighborhoods.

Free standing external pad-mounted equipment such as required for A/C units, pools and spas, or garbage can storage area, must be integrated into the building through the use of walled or fenced enclosures.

1.5 Ancillary Structures

All ancillary structures such as garages, storage sheds, guest wings, caretaker units, etc. are to be designed as integral parts or extensions of the main building in terms of material and color, even if they are physically separated.

1.6 Roofs

Roofs potentially have the greatest impact upon the overall image of Teton Springs from many public viewpoints, community spaces and individual lots. For that reason, roof design will be one of the most carefully considered elements for design review by the DRC.

Large unbroken expanses of single pitched roof will not be approved by the DRC. Gable and hip roof forms with dormers, and limited shed roofs are to be used. Flat and mansard roof forms will not be approved. Internal volumes and groups of uses within the building should be expressed by changes in roof planes.

The roof pitch, form, color, texture and reflectivity are all key design considerations to ensure minimal visual impact. In general, roofing materials are to be non-reflective, textured and a variegated dark color. Unit roofing materials such as wood shakes or shingles that meet all applicable fire retarding standards, slate roofs, oxidized copper shingles and composite thick butt asphalt shingles are all encouraged. Standing seam metal roofs and oxidized corrugated metal roofs may be approved if they are an integral part of the overall building aesthetic. Metal roofs must have a non-reflective surface and a muted dark color.

Broad roof overhangs can create deep shadow lines that reduce the appearance of the wall expanse and add visual interest to the overall structure. A minimum overhang of 2 feet, measured horizontally, is required. All roof overhangs and porch projections must remain within the building envelope. Other architectural roof elements such as corbels, rafter tails, and decorative cornices are encouraged to create shadow patterns, visual depth, and interest.

A minimum roof pitch of 5:12 (a slope of 5 inches vertical in 12 inches horizontal) is required. Porch roofs and limited shed roofs are exempt from this requirement and may have a minimum pitch of 3:12. The lower pitched roofs will be limited to a maximum of 30% of the roof and will be reviewed on a case-by-case basis by the DRC.

Roof mounted mechanical equipment is prohibited on any roof. Roof mounted solar collectors may be approved if they are integrated into the structure and do not appear as an add-on unrelated to the overall design.

The DRC may determine that there is a negative cumulative effect of many residences having similar roof specifications and subsequently may not approve further use of this specification.

Roof colors should be selected to be compatible with the surrounding natural landscape and integral to the exterior color palette of the house. Samples of approved colors are available from the DRC. Approved colors are as follows:

- Black
- Dark greens
- Browns
- Grays
- Natural cedar shingles

1.7 Doors and Windows

Entries, doors, and windows are visually prominent features and can convey an initial impression of either appropriate or inappropriate design for the setting. In general, doors and windows must be recessed into the outside wall for both aesthetic and functional purposes. Flush mounted nail fin windows are not in keeping with this requirement and will not be approved.

The recessed surface area and the resulting shadow lines help to break up and articulate wall planes to minimize visual monotony, add visual strength to the structure, and give the appearance of substantial wall thickness and durability. Recessed windows also protect and shelter potentially reflective glass, and act as natural climate controls to reduce excessive solar exposure in the summer.

Large expanses of undivided glass will not be approved for building facades visible from off-site. Large openings should be divided through the use of mullions or the ganging of smaller window units. The exterior color of the window frames shall be harmonious with the house color palette.

Glass may be coated or tinted to control solar heat gain, but a reflective mirrored appearance will not be approved. All glazing is to be double-pane as a minimum for energy conservation.

Sliding windows, horizontal rectangular windows and pop-out windows are not in keeping with the architectural character of Teton Springs and will not be approved. In addition, sliding glass doors are generally discouraged in favor of swinging french doors or single light casement doors.

Garage doors shall be set back from the wall face a minimum of 12 inches. The support walls that separate individual garage doors should be designed so as to emphasize shadow lines on the recessed door surface and to visually break up the continuum of similar construction materials and color. The materials, treatment and color selected for the garage doors must be integrated into the design of the main residence. Double wide garage doors are not allowed. Side entry garages are strongly suggested and preferred to those visible from the street or public areas. The garage door shall be oriented to the secondary street on corner lots. The main entry of the home should be designed as the focal point to greet visitors rather than the garage structure. The DRC will enforce the provisions of 1.7 to the extent possible.

1.8 Exterior Walls and Finishes

An excessive vertical or horizontal expanse of a wall plane may visually compete and contrast with the natural surroundings forming a dominant structure that cannot aesthetically blend or harmonize with its setting. To avoid this condition, the guidelines have established maximum length limit for walls. In addition wall surfaces shall be articulated for the purpose of adding interest and alleviating visual monotony. A continuous wall plane may be visually broken by one or more of a variety of design treatments listed below. The intent of any of these methods of articulation is to create a change in the appearance of the wall surface, utilizing color, form, depth, material, or textural variations. Strong shadow lines resulting from different architectural treatments are an effective means to achieve this objective.

The exterior walls of any residence are required to be surfaced with more than one material, but not more than three. One material should be dominant over the other(s) and they should express a logical structural relationship. Stone is required on every home and at a minimum it must be utilized on fireplace masses and at the base of several building masses. The type of stone veneer will be critically reviewed by the DRC and it should appear natural and indigenous to the immediate area. Cultured stone is acceptable and must meet the same specifications as natural stone. Stucco is to be used sparingly and in conjunction with other materials. It must be dark in color, with a light reflectivity of 40% or less, and incorporate frequent control joints and significant textural qualities.

Texture can be introduced into a wall surface by the use of shingles, shiplap boards, board and batten, logs, stone, and rock. Jogs or steps in the wall surface, site walls distinguished from the building wall by height and/or alignment, recessed openings, significant vegetation masses, roof overhangs, porches and trellis structures all add articulation to the wall expanse.

Natural finishes and stains shall be used on the majority of exterior materials. Stains and sealers will protect and enhance the intrinsic qualities of the material to which they are applied. Painted surfaces will only be allowed on window and door trim and on exterior doors.

1.9 Color

Exterior wall stains and trim colors must be chosen from a palette of approved colors. These colors have been carefully chosen for their compatibility with the natural environment, their harmony with each other, and the overall aesthetic goals of the Guidelines. Samples of approved colors are available from the DRC.

A minor amount of accent color on trim work may be considered appropriate by the DRC. Because of the emphasis on natural materials, finishes which complement and enhance the material's intrinsic qualities are encouraged. Colors should complement and blend with, rather than contrast with, the surrounding natural environment. Colors should generally be recessive; particularly those used for roofs and walls. Approved paint and stain colors are:

- Black
- Browns
- Natural wood
- Grays
- Dark greens

1.10 Texture

Textures are to be incorporated throughout a structure in order to create a variety of light and shadow at all scales. Building forms are to be complex; with setbacks, overhangs, porches, and varied skylines. Walls, roofs, and windows are to be made up of clearly defined smaller elements.

A richness of architectural detailing including columns, brackets, corners, rafter tails, corbels, eaves, railings, and doors will provide approvable micro-textural elements.

Materials are to appear closer to their natural state rather than manufactured in appearance. Rough, rather than smooth, textural quality materials will more likely meet with DRC approval.

Small unitary materials such as stone, rock, lumber, logs, etc. are considered appropriate for all homes west of the river.

1.11 Resource Conservation

Teton Springs encourages environmentally friendly practices through the selection of “green” building materials.

Teton Springs encourages the use of appropriate passive energy technologies and the utilization of products made from recycled materials. The DRC will actively support the use of additional resource conservation measures in the design of all new homes in ways that are compatible with the intent of the Development Guidelines.

1.12 Solar Applications

Solar applications are encouraged by the DRC. However, they must be integrated into the design of the building and/or its landscape and should not appear as an add-on unrelated to the overall design. Non-reflective components are to be used wherever possible.

1.13 Golf Course Homesites

As is the case with all golf course properties, the potential hazard of golf balls must be considered when designing a residence. The homesite owner is responsible for a home design that mitigates the hazards of living on the golf course.

The DRC and Developer are not responsible for any damage or injuries that can and may occur when a home is constructed adjacent to the golf course.

SITE PLANNING & LANDSCAPE DESIGN

The native landscape at Teton Springs is of a remarkable quality consisting of grassy meadows, natural springs and spring creeks and the evergreen and aspen covered hillsides that form the western backdrop to the project.

The Landscape Guidelines have been formulated to ensure that the natural beauty of the site is enhanced by the addition of landscape elements within the residential homesites.

The Guidelines contain recommendations for homeowners and builders regarding the installation of landscape architectural elements. The recommendations provide a framework through which the design details of each residence will work together to create a sense of harmony throughout the Teton Springs community.

An extensive list of appropriate plant material has been formulated to provide a basis for plant selection compatible with the mountain valley environment of Teton Springs.

Suggested use of herbicides and pesticides with an emphasis on limited applications of these chemicals through appropriate planting, maintenance, and watering practices as recommended by the DRC.

2.1 General Design Considerations

Landscape is a major component in the establishment of Teton Springs's community image. Homesite owners should plan on budgeting at least 10% of their construction budget for landscaping. The siting of buildings and the design of the landscape surrounding them is as critical as the architecture of the buildings themselves. The site design and residence must work in unison to create a ranch vernacular of buildings set into an agrarian landscape. The employment of licensed Landscape Architects are strongly encouraged for proper landscape design.

The following landscape concepts are recommended to enhance the ranch vernacular:

- Continuity of rolling grasslands
- Vegetation planted in clusters of like species
- Vegetation ecosystems created to compliment the adjacent native environment
- Agrarian patterns of vegetation, such as hedges, wind rows, and orchards
- Landscape elements used to define spaces and frame views.

2.2 Building Envelopes

Each homesite has a defined building envelope. The building envelope is recorded on the building envelope map with Teton County and establishes reasonable front yard, side yard, and rear yard setbacks. The maximum building height has been established by the zoning process of Teton County and is subject to approval of the DRC. These conditions comprise the three-dimensional volume within which all structures must be built.

2.3 Combining Lots

If an owner owns two contiguous homesites and wants to combine the homesites into a single homesite with a reconfigured building envelope, the owner may do so with the consent of the DRC. When combining homesites, the owner should consider that while joining two or more homesites may provide more open space, a relocated building envelope may also have an adverse impact on the views and privacy of other nearby homesites or common areas and therefore may not be approved by the DRC.

The plat for the newly configured single homesite must also be approved by Teton County and recorded by Teton County.

All expenses associated with recording the new homesite and pursuing any required government approvals are the responsibility of the owner.

2.4 Site Design

The site design of each residence shall blend with the overall mountain valley setting of Teton Springs. To the extent possible, all landscape improvements should incorporate, rehabilitate, and enhance existing vegetation, utilize indigenous species, and minimize areas of intensive irrigation.

All landscape plans should respond to and integrate the landscape designs, grading plans, and plant materials of adjacent residential homesites, community spaces and streetscape.

New plantings must respect view easement restrictions, screen any potentially intrusive uses from view, and help define use areas within the homesite.

Exhibit A provides a comprehensive list of approved plant materials. The DRC will consider plants not included in Exhibit A and may approve their use if they are compatible with the climate and the aesthetic objectives of Teton Springs.

Evergreen trees and shrubs should be used where visual screening is an important functional requirement of the landscape. However, care should be exercised in the placement of evergreen trees to avoid compromising the solar access requirements of both the home and adjacent properties. Long term growth and maintenance should be considered when developing the landscape plan.

No synthetic or artificial plant materials such as "Astroturf" or imported exotic inorganic materials such as "white rock" or "lava rock" will not be approved by the DRC in any location potentially visible from off-site.

Landscape Planning Areas. Each residential site can be considered in three zones; front yard, side yard, and back yard. The front yard is the public face of the residence, the side yard defines and separates adjacent residences, and the back yard is the private outdoor living space but may also be visible from public spaces such as the golf course or open space.

Front Yard. The front yard landscape design should provide continuity along the streetscape, compliment the vegetation planted in the right-of-way and form a welcoming entrance to the residence. Landscape elements shall be used to enhance the residence's architectural design, soften long expanses of the facade, and screen utilities and parking. Graceful transitions shall be made between lawn/garden spaces and native/xeriscape spaces.

Bluegrass sod shall be placed in the front yard along the entire front property line to create a continuity between the right-of-way sod and the private residence. Native seed areas will be allowed in the side and back yard zones. All seeded areas, shrub beds, and gardens visible from off site shall be maintained in a clean, weed free condition. Vegetation may not be used to form a wall that hides the residence from the street. Low undulating landforms shall be permitted provided they blend with existing grade, do not exceed a slope of 4 feet horizontally to 1 foot vertically, and do not effect offsite drainage. Play structures and outbuildings are not permitted in the front yard zone.

Side Yard. The side yard landscape design should provide privacy and screening between adjacent residences. The DRC will consider long term effects to the owner's homesite and adjacent properties when evaluating the design. Large stature trees that encroach on a neighboring properties, block views, or create substantial shade may not be approved.

Utilities and service areas are permitted in the side yard provided they are screened from off site view. All seeded areas, shrub beds, and gardens visible from offsite shall be maintained in a clean, weed free condition. Due to the narrow cross section of most side yards, landforms will only be permitted by special review.

Back Yard. The back yard landscape design should provide private outdoor spaces and continuity with adjacent uses such as golf course rough, open space areas, or undisturbed native areas. Landscape elements shall be used to compliment the architecture of the residence especially if the residence is visible from public spaces.

Property lines that adjoin public spaces with sod shall have bluegrass sod placed along the entire property line to create a continuity between the public space and the private residence. Property lines that adjoin public spaces with native areas shall recreate the native environment along at least 50% of property line to create a continuity between the public space and the private residence. All seeded areas, shrub beds, and gardens visible from offsite shall be maintained in a clean, weed free condition. Vegetation may not be used to form a wall that hides the residence from the public spaces.

Low undulating landforms shall be permitted provided they blend with existing grade, do not exceed a slope of 4 feet horizontally to 1 foot vertically, and do not effect offsite drainage. Play structures and outbuildings shall be permitted if sufficiently screened from offsite view.

2.5 Minimum Planting Requirements.

Each residence is required to plant a minimum of 4 trees and 10 shrubs per 1,000 square foot of gross structure square footage. All trees and shrubs planted must meet the minimum size

requirements suggested by the DRC. All lots with golf course frontage are required to plant a minimum of 8 additional rear yard trees as defined by the DRC.

2.6 Right-Of-Way Landscaping

Developer installed landscaping in the right-of-way generally consists of sod, shrubs, and trees planted in clusters along the street. Irrigation systems, sidewalks and paths may also be present in this zone. Owners are not allowed to install or alter landscaping in this area.

Due to the importance of the right-of-way landscape features, any damage caused to this area by the owner or owner's operators shall be repaired in a timely fashion by the owner utilizing materials and construction techniques to match existing landscape elements. The owner shall notify the Teton Springs Master Association of any damage that has occurred to the landscape elements within 24 hours of the occurrence. The disturbance shall be temporarily repaired or made functional within 24 hours and permanently repaired within 2 weeks of the disturbance. If damage to the landscape elements is not repaired within 2 weeks, the Master Association shall perform the repairs and subsequently charge the owner for all costs incurred.

2.7 Private Residence Irrigation

Each residence is required to install and maintain an underground electrically controlled irrigation system. The Master Association will provide untreated irrigation water for use on a fee basis. A stub service will be provided on the rear lot line and the lot owner will be responsible for installation of a standard tap facility and water meter.

Due to the dry climate in Idaho, lawn areas, trees, shrubs, and gardens will require permanent irrigation throughout the summer. Native seed areas and xeriscape gardens will require irrigation for the first few years to establish the plant material. Irrigation may be removed from these areas upon establishment of healthy sustainable plant material.

2.8 Right-Of-Way Irrigation

An underground irrigation system is installed in the street right-of-way. This system consists of mainline and electric cables placed approximately 30 inches below grade, lateral lines approximately 12 inches below grade, valve boxes placed at grade, electronic control clocks set above grade, and pop-up irrigation heads placed at grade. Damage caused to any part of the irrigation system jeopardizes the functioning of that irrigation zone and thus effects the health of the streetscape plantings in that area.

Due to the importance of the right-of-way irrigation system, any damage caused to this system by owner or owners operators shall be repaired immediately by the owner utilizing materials and construction techniques to match the existing system. The owner shall notify the Teton Springs Master Association immediately of any damage that occurred so that the zone may be turned off until it is repaired. The owner shall repair the system to full working condition within 24 hours of occurrence. If damage to the system is not repaired within 24 hours, the Master Association shall perform the repairs and subsequently charge the owner for all costs incurred.

New driveway construction will occur over the existing irrigation system. The owner shall locate the driveway to effect as few irrigation heads as possible. Driveways will not be allowed over valve box or control clock locations expect by DRC approval. Teton Springs will be responsible for relocating valve boxes and control clocks with the costs to be paid for by the owner.

In the event that irrigation heads are affected by driveway construction, the owner shall install new irrigation heads located to maintain the previous irrigation pattern. The owner is also responsible to place a 6 inch PVC sleeve under the entire width of the new driveway at a depth of 12 inches below grade. This sleeve is necessary to accommodate future repairs or adjustments to the irrigation lateral line.

The materials and construction techniques to be used in the irrigation repair are as follows:

1. Mainline: 4" to 6" (match existing) ring seal 200 PVC installed 12" below grade. Fittings to be deep socket solvent weld. Flood trenches to ensure soil compaction and minimize future settling of trenches.
2. Electrical Wiring: match existing wiring, meet all applicable codes.
3. Lateral Line: 1" or 1.5" (match existing) Class 200 PVC installed 12" below grade. Fittings to be deep socket solvent weld. Flood trenches to ensure soil compaction and minimize future settling of trenches.
4. Spray Head: match existing spray heads, same manufacturer, product and volume. Match existing irrigation patterns to ensure double coverage and eliminate dry zones. Care shall be taken to avoid over spray onto hard surfaces such as paths or street.

The owner is required to have the Master Association's approval of right-of-way irrigation adjustments prior to issuance of Certificate of Occupancy.

2.9 Site Grading and Drainage

Site grading shall be used to provide adequate drainage within the homesite, as well as enhance the aesthetic qualities of the residence. Due to the ranch character of the neighborhood, imposed severe grade changes and steep berms are discouraged. Existing vegetation and site features shall be protected from potential damage from site grading.

Surface drainage shall not drain to adjoining homesites or open spaces except as established by natural drainage patterns, nor cause a condition that could unnaturally lead to off site soil erosion on open spaces. Wherever practical, natural drainage courses should be protected and existing drainage patterns maintained. New drainage ways are to be designed to appear and function like natural drainage ways. Impervious surfaces are to be minimized and excessive cut and fill is discouraged. Grading is not permitted outside the property line.

All topsoil disturbed by grading operations must be stockpiled within the construction area, and reused as a part of the site restoration/landscape plan.

Grading is to be designed a combination of cuts, fills, and occasional retaining walls that protect existing vegetation and blend into and/or appear to be extensions of existing natural land forms. Whenever possible natural slopes are preferable to structures. Retaining walls, where visible from off site, are to be built of rock or stone, and/or treated timber. Structures exceeding four feet in height should be battered and stepped to include ample planting pockets. Slopes should not exceed a slope of three feet horizontally by one foot vertically unless there are extenuating circumstances. Disturbed areas are to be revegetated and blended into the surrounding environment.

Developing a proper drainage plan will be the responsibility of the owner. Ensure that when driveways intersect streets that any existing road shoulder drainage patterns are maintained. Any drainage damage that may occur from one homesite to other homesites or common areas because of a change in natural conditions will be the responsibility of the owner of the homesite that caused the unnatural drainage flow. Approval of a drainage plan by the DRC does not make the Committee liable or responsible to the owner or others with respect to the adequacy of the engineering or otherwise, but merely implies compliance with the intent of these Guidelines and with design aesthetics. Committee approval does not eliminate or reduce the obligation of the owner to comply with all legal requirements and be responsible for all damages arising from changes in natural conditions.

2.10 Vehicle Access/Driveways

The street scene of Teton Springs has been carefully planned to include certain street trees and landscape features. The interruption of this landscape feature can have a significant impact on the appearance and character of a site. Only one driveway entrance is suggested for each homesite. Lots located at the corner of a collector street, a residential street, or a cul-de-sac, shall have the driveway access from the subordinate street.

To ensure minimal visual impact and disturbance, the alignment of residential driveways should generally follow the contours of the land and avoid, to the greatest extent possible, the removal of distinctive site features such as washes or drainage ways, trees, shrubs and irrigation. Where space permits, curving driveway alignments are favored over linear alignments because of their softened visual appearance.

Maximum driveway widths are limited to 16 feet except as approved for parking and turn around areas. Any damage done to the landscaping and irrigation in the street right-of-ways that may occur during the construction of the driveway, must be repaired at the owner's expense. See right-of-way Landscape and Irrigation Section 2.8 for more information. Required drainage across driveways should be integrated into the design of the drive or apron. Additionally, consideration must be given to the location, orientation and screening capacity of adjacent building envelopes and public area relative to potential visual impacts from exposed road pavement, headlight glare, traffic disturbance, and general loss of privacy.

Driveway paving materials may vary as they relate to individual architecture, but should always maintain a finished purposeful quality and be of a singular material. These areas shall have a dull, non reflective surface and color that blend well with the natural surroundings. Uncolored concrete may not be used. Bomanite concrete, colored exposed aggregate concrete, colored concrete,

flagstone and black asphalt, are all approved materials. Feature strips of separate materials and special aggregates in exposed aggregate concrete will be reviewed on a case by case basis.

Where driveways cross the bike path, the owner shall replace the path surface within the drive area with the new driveway material. The owner shall "saw cut" the path to create a straight smooth edge on each side of the drive. The new drive surface shall be flush with the path and adjoin the "saw cut" edges.

Should a drainage culvert be necessary for a driveway approach, the DRC will require a standard culvert design.

2.11 Parking

Each single family residence shall include at least two parking spaces in an enclosed garage. The garage may be attached to the residence or detached as a separate building. Except where lot dimensions prohibit, locating the garage towards the rear of the homesite, or turning the garage door away from the street is required to lessen the dominance of garage doors on the street. Additionally, each single family residence shall provide space on site to accommodate at least two parked cars for guests. Guest parking will not be allowed within the roadway easements.

Guest parking areas may be constructed from any of the materials that are acceptable as driveways and may be part of the driveway or located on an adjacent area. Turf pavers may be used as guest parking areas.

Parking spaces are to be located behind the front face of the residence where the site and the architecture permit. Except during such special events, residents and guests are required to park within their homesites.

Outdoor parking or storage of boats, trailers, motor homes, buses, campers and trucks over one ton is forbidden.

2.12 Site Utilities

All site utilities are to be installed underground in alignments that minimize grading, tree clearing, and other physical impacts on the homesite. To the extent possible and with the approval of the utility company, utility boxes are to be located and/or screened so that they are not visible from offsite.

Satellite dishes smaller than 18" in diameter are permitted, but their location and proposed screening must be approved by the DRC.

2.13 Exterior Service Areas

Outdoor work/storage areas and outside equipment such as mechanical equipment, must be completely screened from offsite views by using walls and/or fences and incorporating them into the building design. In addition to screening, garbage can storage areas must also be made inaccessible to wildlife.

2.14 Fences, Walls, and Gates

In order to preserve a continuous rural character, no fences, walls or gates will be approved along the front property line or within the front yard setback. In addition, on corner homesites, fences, walls or gates will not be allowed along the side yard property line facing the street. Perimeter fences along other side and rear yards are permitted on the Ranch Estate lots only, however, these fences shall be limited to buck and rail unpainted fence. The DRC may approve the addition of a black wire mesh to the fence to provide animal control, however additional landscape screening may be required.

Site walls, privacy fences or screen walls that are a visual extension of the architectural design of the residence will be permitted within the building envelope and within the side yards that do not abut streets. They may be used to separate the private areas from the rest of the building envelope and/or as a screening element for parking and service areas otherwise visible from other homesites or public areas. These walls may be used to articulate horizontal and vertical building planes. The standards that shall apply to the use and treatment of site wall are listed below:

- Freestanding site walls and fences shall have a maximum exposed height of 6'-0" measured from the lowest natural grade adjacent to the wall.
- Site walls may not be used to delineate property lines or buildings envelopes. Site walls are typically used for screening and/or defining outdoor living spaces.
- The colors of the walls must be compatible with the residential exterior walls and conform to the same exterior color requirements.
- Finish materials on all site and building walls must be continued down to finished grade so as to eliminate exposed or unfinished foundation walls.
- The objective to minimize site disturbance suggests balanced cut and fill grading solutions, and thus, in turn, reduces the need for tall retaining walls. However, if retaining walls are required, they may not exceed a height of 6 feet for a fill slope condition, and not more than 8 feet in a cut slope condition.
- Terraced retaining walls must be offset horizontally by sufficient distance to support viable plant materials.
- No site wall may continue in an unbroken plane for more than 30 linear feet.

All site walls, privacy fences and screen walls must be approved by the DRC.

2.15 Terraces, Paths, Hardscape Areas

Patios, terraces, paths, and outdoor stairs shall transition smoothly between the natural topography and the building. Natural materials such as stone, rock, and wood are recommended or these elements.

2.16 Exterior Landscape Lighting

In order to maintain a rural character and to preserve the views to the night sky, exterior lighting is to be minimized. Lighting should be used to meet the requirements of safety and easy identification of entrances and buildings. Exterior lights should be compatible with the design of the residence. Lights whose sole function is to floodlight a building or its yard will not be permitted.

Subdued landscape accent lighting may be incorporated into the landscape design. The light source shall not be visible from offsite with the exception of lantern style fixtures. Low wattage bulbs or frosted glass should be used in lantern type fixtures to soften the impact of the point source of light.

Uplights and flood lights will not be permitted if visible from neighboring properties or public spaces. Lighting within exterior courtyards or private back yard spaces may include uplighting and other design accent lighting provided it does not impact other property or public spaces. Down lights or path lights may be used to light paths and terraces. Down lights may not be placed higher than five feet from the ground to avoid the appearance of a flood light. Recessed can lights in exterior soffits can not be higher than ten feet above exterior grade.

In general, light sources and all conduit and junction boxes should be concealed, and the lowest wattage bulb for any given application is recommended. Lamps over 75 watts may not be approved. Lamps should be color-corrected metal halide or incandescent. Sodium vapor, mercury vapor, or other "colored" lights are not permitted. Decorative Christmas lighting is permitted between December 1 and January 7.

In order to allow each owner the flexibility and freedom to creatively resolve unique conditions, the DRC will ultimately consider the acceptability of each installation and its resultant light levels and visual effects on surrounding properties on a case by case basis. However, low key, down lighting will be strictly enforced. The DRC will require a standard driveway entry light.

2.17 Lawn Ornament, Sculpture, Flag Poles

Lawn ornaments and sculpture shall only be permitted in private areas immediately adjacent to the residence. These elements may not be placed to be intentionally visible from offsite. Landscape lighting associated with such elements will only be allowed by special review.

Flag poles and similar structures will not be allowed in the landscape. Flags may be hung on structures mounted to the residence provided they do not extend further than 5' from the residence and the flag is not greater than 3'x5'.

2.18 Tree Removal

The removal of existing trees and shrubs on homesites is to be avoided, but may be approved by the DRC where necessary to accommodate a new structure. Clearing for view corridors and solar exposure may be considered by the DRC provided it does not increase the visual impacts on adjacent homesites, public spaces, or offsite visibility of the house.

2.19 Landscape Structures and Play Equipment

Landscape structures such as gazebos or sheds and play equipment such as basketball hoops with backboards or jungle gyms are permitted with the approval of the DRC. Typically, the DRC will approve those structures that are located behind the front plane of the residence and are not obtrusive to adjacent homesites, the street, or other community amenity areas.

In general, the same guidelines that apply to architecture apply to landscape structures and play equipment. In order to minimize their visual impact, landscape or play structures visible from offsite should be of muted tone natural materials such as stained wood. Brightly colored play structures potentially visible from offsite must be effectively screened or they will not be approved.

Swimming pools, hot tubs, and spas should be designed to be visually connected to the residence through the use of privacy fences, walls, or courtyards. All supporting equipment must be screened. Pools, hot tubs, and spas must be constructed and fenced according to all applicable State and local agency regulations.

2.20 Address Markers

Individual address markers for custom home sites located within front yards should be harmonious with the architectural design of the home, and should not exceed 36 inches in length and 24 inches in height. The DRC will require a standard driveway address sign.

DEVELOPMENT REVIEW PROCEDURES

This section provides a guide to the design review process for the Teton Springs community. The process involves a series of meetings between the owner, their design professionals and the DRC. It begins with an informal introductory meeting and concludes with the completion of construction. Along the way are a series of meetings, or check points, designed to ensure a smooth and efficient review of the new home design or improvements to an existing home.

The DRC is committed to assisting owners through the design review process and has a variety of educational and guidance materials available to assist them. As opposed to a “regulatory review agency,” the DRC should be thought of a member of the owners design team.

3.1 Design Review Process

Improvement plans will be carefully reviewed by the DRC to ensure that the design is compatible with both Teton Springs as a whole, and to the particular homesite. This design review process must be followed for any of the following improvements:

- Construction of all new buildings;
- The renovation, expansion or refinishing of the exterior of existing buildings including repainting with the same color as previously approved by the DRC; and
- Major site and/or landscape improvements except for replacement of plant species similar to those previously approved by the DRC.

The DRC evaluates all development proposals on the basis of the Teton Springs Guidelines. Most of the Guidelines outlined in this document are written as relatively broad standards and the interpretation of these standards is left up to the discretion of the DRC.

Other development standards are more definitive, or absolute design parameters and it is the intention of this design review process to ensure that all improvements comply with these absolute standards.

The design review process takes place in four steps:

1. A pre-submission conference
2. Preliminary design review
3. Final design review, and
4. Inspections

Any improvement, as described above, will require and must be preceded by the submission of a application package accompanied by an application fee and the required plans and specifications describing the proposed improvements. Incomplete applications will not be accepted by the DRC.

It is recommended that the Owner retain assistance from a competent, licensed architect. Additional assistance from other licensed design professionals such as a civil engineer and a landscape architect is also recommended. The owner and their chosen consultant(s) should also carefully review the Master Declaration of Protective Covenants (CC&R's) as well as the Development Guidelines prior to commencing the design review process.

Having secured final design approval from the DRC, the Owner will also have to meet all the submittal and approval requirements of the County of Teton to obtain a building permit.

3.2 Pre-Submission Conference

Prior to the preparation of any materials for formal DRC review the Owner and his consultant(s) are required to meet with representatives of the DRC for a Pre-submission conference. The purpose of the meeting will be:

1. To discuss the particular characteristics and any restrictions on development of the homesite;
2. To review any preliminary building program the owner may choose to offer; and
3. To ensure that the owner understands the requirements, fees, and schedule of the design review process.

This informal review is intended to offer guidance prior to initiating any investment in preliminary design, and is a very important step in the overall process.

3.3 Preliminary Design Review

After the pre-submission conference in order to continue the process, the owner may initiate preliminary design documents, together with the appropriate fee.

A checklist of the required preliminary development documents includes:

- Site plan
- Floor plans
- Elevations
- Outline of materials and colors

This preliminary review step in the process is intended to avert wasted time and professional fees that result from pursuing a design solution which is in conflict with the standards contained in these Guidelines.

3.3.1. Staking. The owner will be responsible for staking the location of corners of the proposed buildings and all other major improvements upon submittal of the preliminary review documents. Any trees to be removed and/or protected must also be properly tagged.

3.3.2. *Preliminary Design Review Meeting.* Upon receipt of the required documents and staking of the property, the DRC will notify the owner of the scheduled meeting date to review the preliminary development documents. The DRC will review and comment on the application at the meeting, allow time for discussion, and subsequently provide the owner with a written record from the meeting.

The comments of the DRC on the preliminary submittal shall be advisory only, and shall not be binding upon either the owner or the committee. Additional review meetings may be necessary to review corrected and/or new materials. Corrected materials must be provided to the DRC a minimum of five (5) working days prior to the next regularly scheduled meeting.

3.4 Final Design Review

Within one year of preliminary design review the owner shall initiate the final design review process by submitting a written application together with the required final development documents and the appropriate fee.

A checklist of required final development documents include:

- Site plan
- Landscape plan
- Floor plans
- Elevations
- Construction specifications
- Samples of exterior materials and colors

3.4.1 *Final Design Review Meeting.* Upon receipt of the required documents, the DRC will notify the owner of the scheduled meeting date of review the final development documents. The DRC will review and comment on the application at the meeting, allow time for discussion, and subsequently provide the owner with a written record from the meeting.

Additional review meetings may be necessary to review corrected and/or new materials. Corrected materials must be provided to the DRC a minimum of five (5) working days prior to the next regularly scheduled meeting.

3.4.2 *Final Design Approval.* The DRC will issue final design approval in writing within fifteen (15) days of a vote for approval at a final design review meeting. Final design approval is site specific, and should not be construed to establish precedent for other sites.

If the decision of the DRC is to disapprove the submission, the committee shall provide the owner with a written statement of the basis for such disapproval to assist the owner in modifying or redesigning the project so as to obtain the approval of the committee.

3.5 Resubmittal of Plans

In the event that final submittal are not approved the by DRC the owner will follow the same procedures for a resubmission as for original submittal. An additional design review fee may be required for each resubmission as required by the DRC.

3.6 Appeals Procedure

The owner has the right to appeal decisions made by the DRC. The owner can initiate such an appeal procedure by submitting in writing a document stating the reason for the appeal. The DRC will set a meeting date to review the appeal and notify the owner of such date. The owner or representative must be present at the meeting to review the appeal. The DRC will render a decision at a scheduled meeting and provide the reasons for denying or approving the appeal in writing within fifteen (15) days.

The owner also has the right, as a last resort, to appeal to the Executive Board of the Teton Springs Master Association if they consider that all the established avenues of communication with the DRC have been exhausted.

3.7 Building Permits

The owner may apply for all applicable building permits from the County of Teton only after receiving final design approval from the DRC. Prior to the start of actual construction, the lot owner will be required to pay a utility fee to Teton Springs.

3.8 Subsequent Changes

Additional construction, landscaping or other changes in the improvements that differ from the approved final design documents must be submitted in writing to the DRC for review and approval prior to making changes.

3.9 Work in Progress Inspections

During construction, the DRC or its authorized representative has the right to check construction to ensure compliance with approved final design documents. These inspections are specified in Section 3.13 of this document. If changes or alterations have been found which have not been approved, the DRC will issue a Notice to Comply. Failure by the DRC to provide the Notice to Comply shall not be deemed a waiver or release of the committee's right to enforce any provisions of these Guidelines.

3.10 Notice to Comply

When as a result of a construction inspection the DRC finds changes and/or alterations which have not been approved, the DRC will notify the owner within three (3) days of the inspection describing the specific instances of non-compliance and will require the owner to comply or resolve the discrepancies.

3.11 Certificate of Compliance

Upon completion of work, the owner must request a Certificate of Compliance. The DRC will make a completion inspection of the property within twenty-one (21) days of the request, and if the DRC determines that the improvements have been completed in accordance with the DRC approval, a Certificate of Compliance will be issued within seven (7) days of inspection. If it is found that the work was not done in compliance with the approved final development documents, the DRC will issue a Notice to Comply within three (3) days of inspection.

3.12 Non-Liability

Neither the DRC nor any member or employee will be liable to any party for any action, or failure to act with respect to any matter if such action or failure to act was in good faith and without malice.

3.13 Development Review Schedule

The DRC will make every reasonable effort to comply with the time schedule for development review outlined below. However, the DRC will not be liable for delays that are caused by circumstances beyond their control. The DRC will provide design review according to the following schedule;

1. Pre-submission conference
 - Meeting scheduled within fourteen (14) days of receipt of written request
2. Preliminary design review
 - Application documents to be submitted fourteen (14) days prior to the next scheduled DRC meeting.
 - Written comments from DRC provided to Owner within forty-five (45) days
3. Final Design Review
 - Application documents to be submitted fourteen (14) days prior to the next scheduled DRC meeting, and within one year of Preliminary Design Review.
 - Written comments from DRC meeting and/or written notice of Final Design approval provided to owner within forty-five (45) days.
4. Building permits
 - Owner applies to County of Teton for all applicable building permits.

5. Construction Inspections.
 - Construction area inspection with the builder prior to any site disturbance, and within seven (7) days of receipt of written request.
 - Final inspection within twenty-one (21) days of receipt of written request for Certificate of Compliance, and prior to request for a Certificate of Occupancy from County of Teton.
 - Certificate of Compliance with DRC approval issued within seven (7) days of inspection.

3.14 Application Fees

In order to defray the expense of reviewing plans and related data, and to compensate any consulting architects, landscape architect, and other professional, the Covenants establish submission fees payable each time an application is made to the DRC as follows:

1. New Construction
 - Pre-submission conference: \$500
 - Preliminary design review: \$1,250.00
 - Final design review: \$1,250.00
2. Remodel
 - Pre-submission conference: N/A
 - Preliminary design review: \$250.00
 - Final design review: \$750.00
3. Fee for Resubmission
 - The first resubmission is subject to a 50% discount on original submission fees.

Any subsequent resubmissions on the same project will be treated as new submissions and may be subject to full payment of fees.
4. Discounts
 - 25% of the fees will be waived if the proposed improvements include an active solar power system and/or a renewable energy device that provides at least 75% of the space heating needs of the building.

These fees are subject to revision annually.

A damage and performance deposit, in an amount established and from time to time revised by the DRC, or a Bond for 100% of the estimated construction costs (whichever the owner chooses) must be deposited with the DRC prior to the commencement of any work on-site. Deposits will be returned with the Certificate of Compliance if all the conditions established in Section 4.17 of the Master Declaration of Protective Covenants have been met, and no damage to common elements or adjacent property has occurred.

3.15 Application Format

An application package is available from the DRC . Each submission must be accompanied by the required information, as specified in the application package instructions, in order to be scheduled for review.

DESIGN REVIEW COMMITTEE

4.1 Design Review Committee Membership

The DRC will consist of a minimum of three members. Each person will hold office until such time as they have resigned, or removed, or a successor has been appointed. members shall be appointed by the Executive Board of Teton Springs.

Members shall serve staggered two year terms. There is no limit to the number of consecutive terms which can be served by any member.

Any member of the DRC may resign from the DRC at any time upon written notice stating the effective date of the member's resignation to the Association. Any member may be removed at any time by the Executive Board with or without cause.

4.2 Functions of the Committee

The principal functions of the DRC are as follows:

- To consider and act upon such proposals or plans submitted to it in accordance with the Design Review Procedures established in Section 3.0 of these Development Guidelines.
- To amend the Development Guidelines as deemed appropriate with final approval of amendments contingent upon the Executive Board's concurrence.
- To perform any duties assigned to it by the Declarant or the Association as set forth in this document and the Protective Covenants.

The Executive Board may hire or appoint a secretary for the DRC, and shall provide appropriate compensation for any such secretarial services. The DRC shall have the right to establish one or more sub-committees to perform one or more of the functions of the DRC.

4.3 DRC Meetings

The DRC will meet monthly or as needed to properly perform its duties. The Committee's actions on matters will be by a majority vote of the Committee. Any action required to be taken by the Committee may be taken without a meeting if a consent in writing, setting forth the action so taken is signed by a majority of the Committee members.

The Committee will keep and maintain a record of all actions taken by it, and report in writing to the Executive Board all final actions taken by the DRC. The powers of this Committee relating to design review will be in addition to all design review requirements imposed by the County of Teton.

4.4 Compensation

The Executive Board has the right to set compensation for DRC members. Compensation may be revoked or changed at any time by the Executive Board with or without cause. Professional consultants retained by the DRC to assist them in carrying out their responsibilities may be paid such compensation as the DRC determines appropriate.

4.5 Amendment of Development Guidelines

The DRC may, from time to time and in its sole discretion, adopt, amend and repeal by unanimous vote, rules and regulations to be incorporated into, or amendments of the Development Guidelines which, among other things, interpret, supplement or implement the provisions of the Development Guidelines. All such rules and regulations or amendments, as they may from time to time be adopted, amended or repealed, will be appended to and made a part of the Development Guidelines. Each owner is responsible for obtaining from the DRC a copy of the most recently revised Development Guidelines.

4.6 Non-Liability

Provided that Committee members act in good faith and without malice, neither the Committee nor any member will be liable to the Association, any owner or any other person for any damage, loss or prejudice suffered or claimed on account of:

- Approving or disapproving any plans, specifications and other materials, whether or not defective;
- Constructing or performing any work, whether or not pursuant to approved plans, specifications and other materials;
- The development or manner of development of any land within Teton Springs;
- Executing and recording a form of approval or disapproval, whether or not the facts stated therein are correct; and
- Performing any other function pursuant to the provisions of the Development Guidelines or the CC&R's.

CONSTRUCTION & BUILDER REGULATIONS

5.1 Introduction

To assure that the construction of any improvements on a homesite will occur in a safe and timely manner without damaging the natural landscape or common improvements of Teton Springs or disrupting residents or guests, these regulations will be enforced during the construction period. The contractor must provide a signed copy of the most recent construction and builder regulations to the DRC prior to commencement of work.

Construction will not begin until Final Plan approvals have been issued from the DRC, a building permit has been obtained from the County of Teton and a damage performance deposit or bond has been placed with the DRC.

5.2 Builder Eligibility

In order to undertake work for Owners within Teton Springs, any builder or contractor must provide the names, addresses, and phone numbers of their last five customers and agree to a customer satisfaction survey which will be kept on file by the DRC and made available to prospective customers.

All registered builders will agree to provide additional information such as credit information and current financial statements to any prospect on request.

5.3 Pre-construction Conference

Prior to commencing construction, the builder/contractor must meet with an authorized representative of the DRC to review the approved final plans, the construction activities with the DRC. At this meeting the builder/contractor or owner must bring a copy of the building permit issued by the County of Teton.

5.4 Construction Area

Prior to the commencement of any construction activity the builder/contractor will provide the DRC with a detailed plan of the proposed "construction area" showing the area in which all construction activities will be confined, and how the remaining portions of the homesite will be protected.

The construction area plan will designate the location and size of the construction material storage and parking areas, and the locations of the chemical toilet, temporary trailer/structure, dumpster, debris storage, fire fighting equipment, utility trenching, and the limits of excavation. The plan should clearly identify the methods proposed for the protection of adjacent areas, such as fencing, flagging, rope barricades or other means to be set up prior to construction.

Architects, contractors, and sub-contractors will not be permitted to display any signs on any homesites within Teton Springs.

5.5 Access to Construction Areas

Access to the construction site for all vehicles will be limited to access via Route 33 and interior route established by the DRC prior to the commencement of any construction activity. If such a route is violated, the DRC may establish a fine system in order to enforce construction traffic routing.

5.6 Vehicles and Parking Areas

Parking for construction personnel vehicles or machinery other than with the DRC approved construction area on site, will occur only in specific areas designated by the DRC so as to minimize damage to the existing landscape, and adjacent properties. Construction crews will not be permitted to park on adjacent homesites (without written approval from the homesite owner that is forwarded to and recorded by the DRC) or any other unapproved areas.

5.7 Storage of Materials and Equipment

All construction materials, equipment and vehicles must be stored within the fenced boundary of the DRC approved construction area, and outside any tree protection fencing located within the approved construction area. Equipment and machinery is to be stored onsite only while needed for activities specific to the homesite.

5.8 Construction Activity Times

The time of construction will be limited to the period from 7:00 am until 7:00 pm Monday through Friday, 8:00 am until 6:00 pm on Saturdays and national holidays, and 12 noon until 6:00 pm on Sundays. Temporary living quarters for the owner, builder, contractor, or their employees will not be permitted.

5.9 Construction Trailers/Temporary Structures

Any owner or builder/contractor who desires to bring a construction trailer or the like to Teton Springs must obtain written approval from the DRC. The DRC will work closely with the applicant to site the trailer in the best possible location to minimize impacts to the site and to adjacent homesite owners. All such facilities must be removed from the homesite prior to issuance of a Certificate of Compliance.

5.10 Sanitary Facilities

Sanitary facilities must be provided for construction personnel onsite in a location approved by the DRC. The facility must be screened from view from adjacent residences and roads, and maintained regularly.

5.11 Debris and Trash Removal

Builder/contractor must clean up all trash and debris on the construction site at the end of each day. trash and debris must be removed from each construction site at least once a week and transported to an authorized disposal site. A heavy, wind proof construction project dumpster shall be used at each job site. Lightweight material, packaging, and other items, must be covered or weighted down to prevent wind from blowing such materials off the construction site. Builder/contractor are prohibited from dumping, burying or burning trash anywhere on the homesite or elsewhere in Teton Springs.

During the construction period, each construction site must be kept neat and tidy to prevent it from becoming a public eyesore, or effecting adjacent homesites. Dirt, mud, or debris resulting from activity on each construction site must be promptly removed from roads, open spaces, and driveways or other portions of Teton Springs. Any cleanup costs incurred by the DRC or the Association in enforcing these requirements will be billed to the Owner.

5.12 Excavation, Grading, and Tree Protection

The builder/contractor will take extreme care during excavation to assure that trees not authorized for removal are not damaged. All trees remaining within an approved construction area must be properly tagged and protected prior to the commencement of any grading operations. Every effort must be made to reduce compaction and/or disturbance within the drip line of all trees located within and outside an approved construction area.

Blowing dust resulting from grading operations must be controlled by watering. During construction, erosion must be minimized on exposed cut and/or fill slopes through proper soil stabilization, water control and revegetation. The builder is responsible for the implementation of all erosion control techniques as may be required by State or local agencies. Grading operations may be suspended by the DRC during periods of heavy rains or high winds. All topsoil disturbed by grading operations must be stockpiled within the construction area and reused as part of the site restoration/landscaping plans.

5.13 Damage Repair and Restoration

Damage and scarring to other property, including open space, adjacent homesites, roads, driveways, and/or other improvements will not be permitted. If any such damage occurs, it must be repaired and/or restored promptly at the expense of the person causing the damage or the owner of the homesite. Upon completion of construction, each owner and builder will be responsible for cleaning up the construction site and the repair of all property which was damaged, including but not limited to restoring grades, planting shrubs and trees as approved or required by the DRC, and repair of streets, driveways, pathways, drains, culverts, ditches, signs, lighting and fencing. Any property repair costs as mentioned above, incurred by the DRC or the Association will be billed to the owner. Failure to remedy damage as directed by the DRC may result in a registered or preferred builder being suspended from Teton Springs program, or deducted from the damage and performance deposit or performance bond posted by owner.

5.14 Inspections

In addition to the building inspections required by the County of Teton the following inspections must be scheduled with the DRC:

1. Site inspection - the construction area, all corners of proposed buildings, the driveway, extent of grading and protected vegetation must be staked, together with the locations of any temporary buildings. This inspection must be completed prior to any site clearing or disturbance of existing grade.
2. Final inspection - this inspection must be done prior to any application to the County of Teton for a Certificate of Occupancy.

5.15 Pets

Pets belonging to construction personnel must be kept within vehicles or leashed at all times while within Teton Springs, and must not be a nuisance, to, or threaten, any persons. Any pet waste is to be picked up daily.

5.16 Security

Security precautions at the construction site may include temporary fencing approved by the DRC. Security lights (except those with motion detectors) audible alarms and guard animals will not be permitted.

5.17 Noise

Builder/contractors will make every effort to keep noise to a minimum. Radio sound will be kept at a low level to minimize disturbance to neighbors and wildlife.

EXHIBIT A

PLANT LIST SUGGESTIONS

Trees:

- Narrowleaf Cottonwood (seedless)
- Quaking Aspen
- Golden Willow
- European Mountain Ash
- Amur Maple
- Hawthorn
- Canada Red Cherry
- Choke Cherry
- Crabapple (varieties)

Evergreen Trees:

- Colorado Spruce
- Lodgepole Pine
- Scotch Pine
- Limber Pine
- Bristle Cone Pine
- Mugo Pine (small tree)

Shrubs:

- Wildrose (varieties)
- Snowberry
- Flowering Almond
- Redtwig Dogwood (varieties)
- Caragana (Siberian Pea Shrub)
- Potentilla (varieties)
- Honeysuckle
- Sumac
- Lilac
- Spirea
- Bittersweet

Evergreen Shrubs:

- Dwarf Mugo Pine
- Buffalo Juniper
- Tam Juniper
- Bar Harbor Juniper