

BY-LAWS
OF
MOUNTAIN VIEW MEADOWS HOMEOWNERS ASSOCIATION

ARTICLE I
NAME AND LOCATION

The name of the corporation is **MOUNTAIN VIEW MEADOWS HOMEOWNERS ASSOCIATION**, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 181 South King Street, Jackson, Wyoming, but meetings of members and directors may be held at such places within the State of Wyoming, County of Teton, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to **MOUNTAIN VIEW MEADOWS HOMEOWNERS ASSOCIATION**, a Wyoming nonprofit corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract purchasers, but excluding those having such interest merely as security for the performance of an obligation. An Owner may delegate membership rights and impose concomitant obligations appurtenant to such membership to a lessee under a lease of the Owner's Lot having a term of five (5) years or more.

Section 3. "Property" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association in accordance with the Annexation section herein contained.

Section 4. "General Common Area" or "Common Area" shall mean all real property (including the improvements thereto and common utilities located therein) owned or leased by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of the conveyance or lease of the first Lot is described as all that area shown on the subdivision plat of the Property.

Section 5. "Limited Common Areas" means those portions of the Common Area which are limited to and reserved for the exclusive use of one or more Owners, which shall include garages, parking spaces, deck/patio areas and yard areas.

Section 6. "Lot" shall mean and refer to any parcel or plot of land shown upon any recorded subdivision map of the Property with the exception of the Common Area. It may also be referred to as a "Unit" on said plat.

Section 7. "Declarant" shall mean and refer to **THE TETON COUNTY HOUSING AUTHORITY**, its successors and assigns if such successors or assigns should acquire more than an undeveloped Lot from the Declarant.

Section 8. "Member" shall mean and refer to members of the Association, including those persons who are owners of Townhouses that are situated upon Lots pursuant to ground leases and with Owners who have entered into an Agreement for Delegation and Assumption of Membership Rights and Obligations.

Section 9. "Bylaws" shall mean and refer to the Bylaws of the Association.

Section 10. "Townhouse" shall mean a dwelling unit constructed upon a Lot and sold separately from the underlying lot but subject to a Ground Lease of the Lot.

ARTICLE III MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 8:00 p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, fifty-one percent (51%) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-laws. If, however, such quorum shall not be present or represented at such meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot. An Agreement for Delegation and Assumption of Membership Rights and Obligations shall confer all rights as proxy upon the person described therein.

ARTICLE IV BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of five (5) directors, who must be members of the Association.

Section 2. Term of Office. At the first annual meeting, the members shall elect three directors for a term of one year, and at each annual meeting thereafter the members shall elect three directors for a term of one year.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation, or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without A Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held semi-annually, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the day next following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or any three Directors, after not less than three days' notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) Adopt and amend reasonable rules and regulations governing the conduct of all people on the Properties and the operation and use of the Common Areas. The Board of Directors shall have the power to levy fines against the lot owners for violation thereof or to establish penalties for the violation thereof. No fine may be levied for more than \$10.00 for any one violation; but for each day a violation continues after notice, it shall be considered a separate violation. Collection of fines may be enforced against the lot owner or owners responsible as if the fines were a common charge owed by the particular lot owner or owners.

(b) Suspend the voting rights and right to use the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment or fine levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations.

(c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-laws, the Articles of Incorporation, or the Declaration.

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Violation by Lot Owners. The violation of any rule or regulation adopted by the Association, or the breach of any By-law contained herein, or the breach of any provisions of the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth in these By-laws:

(a) To enter the lot in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting lot owner, any structure, thing, or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass.

(b) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

(c) To levy charges against any lot owner in the amount equal to damages sustained by virtue of such lot owner's violation of the intent and meaning of the provisions of these by-laws or of the rules and regulations promulgated hereunder, or that of guests or tenants under his control upon finding thereof by the Board.

(d) To levy summary fines pursuant to Article IV of the Declaration. Provided, however, that the homeowner against whom this provision is sought to be applied shall be accorded the following rights:

(i) Adequate notice of default with a right to cure the default;

- (ii) An opportunity to defend himself against the allegations of a violation;
- (iii) An opportunity to cross-examine witnesses;
- (iv) An opportunity to receive a formal hearing before the Board;
- (v) Findings of fact by the Board in accordance with the evidence presented; and
- (vi) A penalty reasonably proportionate to the offense.

Section 3. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members of the Association at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

(b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration, to:

(i) Fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period;

(ii) Send written notice of each assessment to every Owner subject thereto at least fifteen (15) days in advance of each annual assessment period; and

(iii) Foreclose the lien against any property for which assessments or fines are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) Procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) Cause the Common Area to be maintained; and

(h) Cause the exterior of the dwellings to be maintained.

ARTICLE VIII
OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The Officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year, unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time after giving written notice to the Board, to the president or to the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

(a) President. The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(b) Vice-President. The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary. The secretary shall record the votes and keep minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association, together with their addresses; and shall perform such other duties as required by the Board.

(d) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts, all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the

completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy to each of the members.

ARTICLE IX COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation, and the By-laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI ASSESSMENTS AND FINES

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments and fines imposed by the Board, which are secured by a continuing lien upon the property against which the assessment or fine is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six percent (6%) per annum, and the Association may bring an action at law against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his lot. X

ARTICLE XII CORPORATE SEAL

The Association shall have a seal.

ARTICLE XIII AMENDMENTS

Section 1. These By-laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-laws, the Articles shall control; and in the case of any conflict between the Declarants and these By-laws, the Declaration shall control.

ARTICLE XIV INDEMNIFICATION

The Association shall indemnify any Director or officer or former Director or officer of the Association against liability, amounts paid in settlement, and expenses (including attorney's fees) actually and necessarily incurred by him in connection with the defense of any action, suit or proceeding in which he is made a party by reason of being or having been such Director or officer, except in relation to matters as to which he shall be adjudicated in such action, suit or proceeding to be liable for misconduct in the performance of his duties to the Association.

Expenses incurred in defending an action, suit or proceeding as contemplated in this Article may be paid by the Association in advance of the final disposition of such action, suit or proceeding upon a majority vote of a quorum of the Board of Directors and, if required by the Board of Directors, upon receipt of an undertaking by or on behalf of the person to repay such amount or amounts unless it ultimately be determined that he is entitled to be indemnified by the Association as authorized by this Article or otherwise.

The indemnification provided for by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any provision in the Association's Articles of Incorporation, By-laws, agreements, votes of disinterested members or Directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office.

The Association may purchase and maintain insurance on behalf of any person who was or is a Director, officer, employee or agent of the Association, or who was or is serving at the request of the Association as a trustee, Director, officer, employee or agent of another corporation, entity or enterprise (whether for profit or not for profit), against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the laws of the State of Wyoming, as the same may hereafter be amended or modified. All indemnification payments made, and all insurance premiums for insurance maintained, pursuant to this Article shall constitute expenses of the Association and shall be paid with funds of the Association.

ARTICLE XIV MISCELLANEOUS

Fiscal Year/ Rules and Regulations. The fiscal year of the Association shall begin on the first day of January and end of the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation. The Board of Directors may, from time to time, adopt, amend, repeal and enforce reasonable rules and regulations governing the use and operation of the Project, to the extent that such rules and regulations are not inconsistent with the rights and duties set forth in the Articles of Incorporation, Declaration, or these By-laws. The members shall be provided with copies of all rules and regulations adopted by the Board of Directors, with copies of all amendments and revisions thereof.

ARTICLE XV
MORTGAGEE PROTECTIVE PROVISIONS

Section 1. Mortgagee. The term "Mortgagee" shall mean the holder and owner of a mortgage and shall include a beneficiary under a deed of trust, as well as any insurer, re-insurer, or guarantor of the mortgage, such as but not limited to HUD/FHA, VA, FNMA, or FHLMC. The term "eligible holder, insurer or guarantor" shall mean a mortgagee who has requested notice, in accordance with later provisions hereof.

Section 2. HUD/FHA/VA Protective Provisions. Notwithstanding anything herein contained to the contrary, so long as a contract of mortgage insurance continues in effect with respect to a lot or Townhouse located in the Project and during such further period of time as the Secretary of Housing and Urban Development or of the Federal Housing Administration or the Veterans Administration, shall be the owner of such unit or holder, or re-insurer of any such mortgage, or during any such time the Secretary of Housing and Urban Development or of the Federal Housing Administration or Veterans Administration is obligated to insure a mortgage on any such unit those provisions contained in the Articles of Incorporation, the following actions of the Board of Directors shall require the prior written approval of the Secretary of HUD, FHA or VA:

1. Mergers and consolidations;
2. Failing to allocate the minimum amount approved by HUD/FHA or VA for monthly payment to the reserve fund for replacements;
3. Making disbursements from the reserve fund for replacements;
4. Leasing, mortgaging or selling any real or personal property of the Association;
5. The execution of any management contracts;
6. The dedication of any common areas;
7. The dissolution of the Association;
8. The amendment of the Articles of Incorporation and By-laws of the Association.

Notwithstanding any provisions in these By-laws to the contrary, notices of all meetings shall be mailed to the director of the local insuring office of the Federal Housing Administration or the Secretary of HUD, or his designee, and special meetings shall be held at the request of the Secretary of HUD, or his duly authorized representative or at the request of the Federal Housing Commissioner or his duly authorized representative.

Section 3. Roster. The Board of Directors shall maintain an roster of Owners, including lessees under a lease having a duration of more than five (5) years, as well as their mailing addresses, and, if the Board has been given sufficient information by Owners or their mortgagees, it shall maintain another roster which shall contain the name and address of each mortgagee of a Lot or Townhouse.

Section 4. Relief from Lien. A mortgagee of any Lot or any Townhouse improvements thereon who comes into possession of a Lot or Townhouse pursuant to the remedies provided in the mortgage, foreclosure of mortgage, or deed (or bill of sale or assignment) in lieu of foreclosure, shall take the property free of any claims for unpaid assessment or charges against the mortgaged Lot or Townhouse which occurred prior to the time such mortgagee comes into possession and the sale or transfer of a Lot or Townhouse pursuant to a foreclosure of a first mortgage shall extinguish a subordinate lien for Association assessments and charges which became payable prior to such sale or transfer.

Section 5 Insurance Coverage. The following provisions shall apply regarding insurance requirements:

(a) Policy Coverage - The Board shall secure and maintain in effect a policy of fire and extended coverage insurance in an amount equal to the full replacement value (i.e., 100% of the current "replacement cost" exclusive of land, excavation, and other items normally excluded from coverage of Common Area improvements situated in the development, including all buildings, service equipment and the like).

(b) Location of Policies - The Association shall retain the original or conformed copies of all insurance policies specified herein in a place of safe keeping, such as a safe or safety deposit box, and shall provide copies of such policies to mortgagees requesting such copies.

(c) Mortgagee's Ability to Place Coverage - All first mortgagees of any Lots or Townhouses may, jointly or singly, pay any overdue premiums on the aforesaid hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such Common Area improvements, and such first mortgagees making such payment shall be owed immediate reimbursement therefor from the Association. The Board shall take appropriate action to assure such immediate payment and shall provide all necessary parties with an original or certified copy of this provision as evidence of the obligation of the Association to make such reimbursement.

(d) Priority Rights and Insurance Proceeds or Condemnation Awards - The Association agrees, and the Board shall require, that all insurance policies shall provide that no Owner or any other party shall have priority over the rights of the first mortgagees in the case of distribution of insurance proceeds or condemnation awards for loss to or the taking of the Common Area or the Association's improvements located thereon.

Section 6. Management Requirements.

(a) Reserve Fund - The Association agrees that the uniform regular assessments or charges assessed on the Owners shall be sufficient to provide an adequate reserve fund for the maintenance, repair, and replacement of those elements of the Common Area that must be replaced, maintained or repaired on a periodic basis.

(b) Other Contracts - The Association and Declarant agree that any agreement for professional management of the Property or any other contract providing for the services of the Declarant, the developer, sponsor or builder, may not exceed three (3) years. Any such agreement shall provide for termination by either party without cause and without payment of a termination fee upon 90 days or less written notice.

Section 7. Notices. The Association agrees that a first mortgagee, upon request, is entitled to and shall receive a written notification from the Association of any default in the performance by an individual Owner/borrower of any obligation under the development's constituent documents which is not cured within 60 days. The Association further warrants that a request for such notification is deemed to have been made and that all first mortgagees known to the Association will be provided with the aforesaid notice.

Section 8. Amendments. Notwithstanding anything herein contained to the contrary, the Declarant, by its own actions, shall have the right to amend this agreement during a two year period commencing on the date of recording of the Declaration solely in order to comply with the rules or requirements of any governmental or quasi-governmental body or any institution holding or insuring or re-insuring a security interest in any portion of the said Property; provided that such amendment shall not modify, waive or adversely affect any of the rights of mortgagees hereunder and subject to the written consent of HUD FHA/VA, FHLMC, or FNMA.

The written consent of Owners to which at least two-thirds (2/3) of the votes in the Association are allocated and the written approval of eligible holders, insurers or guarantors of first Mortgages on Lots or Townhouses to which at least fifty-one percent (51%) of the votes of Owners subject to a Mortgage appertain, shall be required to materially amend any provisions of the Declaration, Bylaws or equivalent documents of the Project, or to add any material provisions thereto, which establish, provide for, govern or regulate any of the following:

- (1) Voting;
- (2) Assessments, assessment liens or subordination of such liens;
- (3) Reserves for maintenance, repair and replacement of the Common Elements;
- (4) Insurance or fidelity bonds;
- (5) Rights to use of the Common Areas;
- (6) Responsibility for maintenance and repair of the several portions of the Property, including Townhouses and Common Areas;
- (7) The addition, annexation or withdrawal of property to or from the Project (except those additions provided for in the Declaration).
- (8) Boundaries of any Lot;
- (9) To amend any provision included in the Declaration which are for the express benefit of holders or insurers of first Mortgages on Lots or Townhouses.

Section 9. Additional Consents Required. The Association shall not, without the prior written approval of at least sixty-seven percent (67%) of the Mortgagees (based upon one vote for each Mortgage owned) or Owners (other than Declarant) of the individual Lots in the Property:

- (a) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area owned, directly or indirectly, by the Association (except for the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area);
- (b) Change the method of determining the obligations, assessments, dues or other charges which may be levied against Owners;
- (c) By any act or omission materially change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of Townhouses, the exterior maintenance of the Townhouses, the maintenance of the Common Area, party walks, or common fences, and driveways, or the upkeep of lawns and plantings within the Property;
- (d) Fail to maintain fire and extended coverage insurance on insurable portions of the Common Area;
- (e) Use hazard insurance proceeds for losses to any portion of the Property (Townhouses or Common Areas) for other than the repair, replacement or reconstruction of such improvements.

Section 10. Enforcement. This agreement may be relied upon and enforced by HUD FHA/VA, FHLMC, or FNMA and any lending institution or mortgagee financing any Lot or Townhouse in the aforesaid development or insuring or purchasing any mortgage of such Lot.

Section 11. No Impairment of Mortgage Liens. No violation or breach of or failure to comply with any provision of this Declaration and no action to enforce any such provision shall affect, defeat, render invalid or impair the lien of any Mortgage, deed of trust or other lien on any Condominium Unit or the Common Areas taken in good faith and value and perfected by recording in the office of the County Clerk of Teton County, Wyoming, prior to such violation, breach or

failure to comply with any provision of this Declaration; nor shall such violation, breach, failure to comply, or action to enforce, effect, defeat, render invalid or impair the title or interest of the holder of any such Mortgage, deed of trust, or other lien or the title or interest acquired by any purchaser upon foreclosure of any such Mortgage, deed of trust or other lien or result in any liability, personal or otherwise, of any such holder or purchaser. Any such purchaser on foreclosure shall, however, take subject to this Declaration; provided, however, that violations or breaches of, or failures to comply with, any provisions of this Declaration which occur prior to the vesting of fee simple title in such purchaser shall not be deemed breaches or violations hereof or failures to comply herewith with respect to such purchaser, his heirs, personal representatives, successors or assigns.

Section 12. Notices to Mortgagees, Etc. A holder, insurer or guarantor of a first Mortgage on a Lot or Townhouse, upon written request to the Association (such request to state the name and address of such holder, insurer or guarantor and the Lot or Townhouse number), will be entitled to timely written notice of:

(a) Any proposed amendment of the Property constituent instruments effecting a change in: (i) the boundaries of any Lot or the exclusive easement rights appertaining thereto; (ii) the interests in the General or Limited Common Areas appertaining to any Lot or Townshous or the liability for Common Expenses appertaining thereto; (iii) the number of votes in the Association appertaining to any Owner ; or (iv) the purposes to which any Lot or Townhouse or the Common Areas are restricted;

(b) Any proposed termination of the Declaration of Covenants, Conditions and Restrictions;

(c) Any condemnation loss or any casualty loss which affects a material portion of the Property or which affects any Lot or Townhouse on which there is a first Mortgage held, insured or guaranteed by such eligible holder;

(d) Any default in performing by an Owner under the constituent documents or delinquency in the payment of assessments or charges owed by any Owner subject to the Mortgage of such eligible holder, insurer or guarantor, where such delinquency has continued for a period of 60 days;

(e) Any lapse, cancellation or material modification of any insurance policy maintained by the Association.

IN WITNESS WHEREOF, we, being all of the Directors of the Association have hereunto set our hands this _____ day of _____, 19____.

