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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR VALLEY VISTA ESTATES**

This Declaration is made and executed the 21 day of June, 2002, by Teton Valley Development Company, LLC, a Wyoming limited liability company, hereinafter referred to as "Declarant", to become effective on the date of recordation in the Office of the County Clerk of Teton County, Idaho.

RECITALS/DECLARATION

Declarant is the owner of certain real property located in the County of Teton, State of Idaho, and more particularly described as follows:

Lots 1- 115 of Valley Vista Estates, a subdivision of Teton County, Idaho, according to that plat recorded June 27, 2002 as Plat No. 148903 (the "Property").

In order to provide for the orderly development and controlled use of the Property and the residential lots created in the subdivision of the Property, and to provide for the maintenance, repair, replacement and management of the common area for the benefit of present and future Owners, and to protect the value and desirability of the Property as a residential real estate project, in a manner consistent with the Applicable Teton County Comprehensive Plan and Land Use Regulations, Declarant adopts the following covenants.

Declarant hereby declares that the Property and each and every Lot thereof shall be held, conveyed, hypothecated, encumbered, leased, rented, occupied and improved subject to the following limitations, restrictions, covenants and conditions, all of which are established and agreed upon for the purpose of enhancing and protecting the value and attractiveness of the Property. All of the covenants, conditions and restrictions shall run with the Property, and shall be binding upon all parties having or acquiring any right, title or interest in the Property, or any part thereof, and shall be for the benefit of each Owner of any

Instrument # 148904

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Ex-Officio Recorder Deputy *N. Boyle*

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portion of the Property, or any interest therein, and shall inure to the benefit of and be binding upon said successors in interest of the Owners thereof.

ARTICLE I

DEFINITIONS

Section 1.1. "Association" means Valley Vista Estates Owners Association, an Idaho non-profit corporation, consisting of all Owners of the Lots, including Declarant as long as any Lot remains unsold.

Section 1.2. "Lots" or "Lot" shall mean and refer to each of the residential Lots in Valley Vista Estates, Lots 1- 112; and common area Lots, Lots 113, 114, 115, consisting of 1.29 acres; in accordance with the final subdivision plat recorded in the Office of the Teton County Clerk.

Section 1.3. "Common Area" shall mean the common area Lots (Lots 113, 114, 115 of Valley Vista Estates) which is designated as such on the Plat, together with all utility, water, sewer pipes, lines or systems, roads and streets, lighting systems, playground equipment, common walkways, and other common property recreating easements or facilities serving the Lots which shall be located mainly within the common area as described on the Plat, and which shall be operated and maintained.

Section 1.4. "Property" means Lots 1- 112 of Valley Vista Estates.

Section 1.5. "Plat" means the Final Plat for Valley Vista Estates recorded with the Teton County Clerk.

Section 1.6. "Owner" means the record owner, or owners if more than one, of a fee simple title to each residential Lot (including Declarant as long as any Lot remains unsold), including contract buyer, but excluding mortgagees, holders of a deed of trust, lienholders, or others having an interest merely as security for the performance of an obligation.

Section 1.7. "Mortgage" means a mortgage, deed of trust or other security instrument encumbering title of a Lot.

Section 1.8. "Mortgagee" or "Beneficiary" means the holder of a mortgage or trust deed to all or any part of a Lot.

Section 1.9. "Board of Directors" or "Board" means the Board of Directors of the Association which is the management body of the Association.

Section 1.10. "Articles" means the Articles of Incorporation of the Association.

Section 1.11. "Bylaws" means the Bylaws of the Association.

Section 1.12. "Members" shall mean the Owners.

Section 1.13. "Declaration" shall mean these Covenants, Conditions and Restrictions.

Section 1.14. "Declarant" shall mean Teton Valley Development Company, LLC, an Wyoming limited liability company, and its successors as developer of the Property.

ARTICLE II

PROPERTY RIGHTS

Section 2.1. Easements reserved by Declarant for conveyance to the Association. Declarant hereby reserves, for conveyance to the Association for the benefit of all Owners, the following easements:

(a) An easement over and across all Lots for the construction, maintenance and use of all roads.

(b) An easement over, through and across all land within road easements and within ten (10) feet of all Lot line boundaries (the entire circumference of the Lot) for the installation and maintenance of gas lines, water lines, sewage disposal lines, power lines, telephone lines, and other utilities.

Declarant agrees to convey the easements reserved above to the Association prior to the time of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association to impose reasonable rules, regulations, and restrictions on the use of the Common Area for the overall benefit of its Members, including limitations on the number of guests permitted to use the Common Area.

(b) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area.

(c) The right of the Association to suspend the voting rights and right to use of the recreation facilities by any Owner for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed thirty (30) days for any infraction of its published rules and regulations.

(d) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of Members agreeing to such dedication or transfer has been recorded.

Section 2.2. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers.

ARTICLE III

THE ASSOCIATION

Section 3.1. Membership. Every Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Lot, and ownership of a Lot shall be the sole qualification for

membership. The Owner of Lots 113, 114, 115, the Common Area, shall not be a member of the Association since the Owner of such Lot is the Association. Each residential Lot ownership shall constitute one Member.

Section 3.2. Legal Status. The Owners, individually or as a group, do not constitute the Association, and the sole legal entity created hereunder is the Association as defined herein. The name of the Association shall be the name in which contracts shall be entered into, title to Property shall be acquired, held, dealt in and disposed of, bank accounts shall be opened, and suit shall be brought and defended by the Association or officer thereof on behalf of and as agents for the Owners in the manner specified in this Declaration, the charter, the Bylaws, or by applicable law.

Section 3.3. Voting. Voting by Members of the Association upon any matter allowing or requiring a vote of the Members shall be as follows: There shall be one (1) vote allowed for each Lot.

(a) Provided, however, for the express purpose of granting Declarant control of the Association until 85% of the Lots are sold, Declarant shall have five (5) votes for each separate Lot that Declarant owns and shall be entitled to cast such votes at any meeting with the same force and effect as if each vote constituted a separate Lot Owner. This Declarant control provision shall terminate thirty (30) days after closing on the sale by Declarant of the 95th Lot. For the purpose of this section (Declarant control), only conveyance by Declarant by a contract for deed or land sale contract shall be deemed to be an immediate sale.

(b) If an Owner includes more than one person and/or entity, the vote for such Member shall be cast in such manner as the persons or entities constituting the same shall determine, but the decision of the Board as to the authority conferred upon one or more the Owners in casting the vote of the Owner shall be conclusive and binding.

Section 3.4. Meetings of the Association.

(a) There shall be an annual meeting of the Association on a date and time and at a location in Teton County, Idaho as shall be designated by the Board. The Board shall give the Members written notice of each annual meeting not less than thirty (30) days prior to the date of such meeting. At each annual meeting of the Association, the Members shall elect directors to fill any expiring or vacant positions and shall conduct such other business as determined by the Members.

(b) Special meetings of the Members may be called by the Board, or by the written request of not less than fifteen percent (15%) of the Owners. The business to be conducted at a special meeting of the Members shall be specified in the notice of the special meeting, which shall be given not less than twenty (20) days prior to the date of such meeting.

(c) At any annual or special meeting of the Members, the presence in person or by proxy of a majority of the Owners shall constitute a quorum. In the event that a quorum is not present, the meeting may be adjourned by the chairman presiding at the meeting, and at any reconvened meeting after not less than fifteen (15) days written notice has been given, thirty-five percent (35%) or more of the Owners present in person or by proxy shall constitute a quorum.

(d) At any annual or special meeting of the Members, Owners may vote in person or by proxy executed in writing by the Owner or a duly authorized attorney in fact. Proxies shall be filed with the secretary of the Board before or at the time of the meeting.

(e) For the purpose of this Section 3.4, each of Declarant's votes shall be deemed to be a separate "Owner".

Section 3.5. The Board of Directors. The administration of the Common Area and business of the Association shall be conducted by the Board of Directors, consisting of three (3) members, or such other number as may be

determined by the Members, who shall not be required to be Owners and shall not be required to be residents of the State of Idaho. The initial Board of Directors shall be appointed by the Declarant, and succeeding Directors shall be appointed by the Board to fill vacancies (until the next annual meeting of Members) and otherwise elected by the Members as set forth herein and in the Bylaws of the Owner's Association. The Board of Directors shall be elected by vote of the general membership of the Owner's Association. The terms of Board members, and the right to remove and replace Board members, and the right to fill vacancies shall be set forth in the articles and Bylaws of the Owner's Association. The Board shall have full power and authority to manage the business and affairs of the Association, as more fully set forth in the Articles of Incorporation and Bylaws of the Association, and to enforce the provisions of this Declaration. In the event of conflict between the provisions of the Articles or Bylaws and the provisions of this Declaration, the terms hereof shall control. Without limiting the foregoing, the Board shall have the authority to:

- (a) Enforce the provisions of this Declaration.
- (b) Engage the services of managers, accountants, attorneys or other employees or agents, and to pay said persons a reasonable compensation for their services.
- (c) Operate, maintain, repair and improve the Common Area, and any improvements thereon, including entering into agreements for the use and maintenance of the Common Area.
- (d) Determine and pay Common Expenses of the Association.
- (e) Assess and collect the proportionate shares of Common Expenses and other applicable expenses from the Owners.
- (f) Enter into contracts, leases and other agreements and to authorize the execution and delivery thereof by the appropriate officers.

(g) Open bank accounts on behalf of the Association and to designate signatories therefor.

(h) Obtain insurance for the Association with respect to the Common Area, and for the Association's directors, officers and employees, and for recreational facilities operated or used by the Association.

(i) Keep and maintain books and accounts for the Association, which shall be available to Owners for inspection on a reasonable basis.

(j) Do all other acts necessary for the administration, operation and maintenance of the Common Area of the Property and portions of Owners' Lots as provided in this Declaration.

(k) Adopt design guidelines to carry out the purpose and intent of these covenants, to provide for landscaping for the Common Area, to provide for maintenance of exteriors of structures, to protect the property values of Lot Owners, and to insure that incompatible development does not occur.

(l) Appoint a Site Committee which shall be empowered, subject to the Board's control, to establish rules, regulations and restrictions, and within narrow constraints for good cause shown, grant variances therefrom.

(m) Hear appeals from decisions of the Site Committee.

Section 3.6. Meetings of the Board.

(a) There shall be an annual meeting of the Board on a date and time and at a location in Teton County, Idaho as shall be designated by the Chairman. The Chairman shall give written notice of each annual meeting not less than thirty (30) days prior to the date of such meeting. At each annual meeting of the Board, the Members shall elect officers to fill any expiring or vacant positions, and shall conduct such other business as determined by the members of the Board.

(b) Special meetings of the Board may be called by the Chairman and shall be called by the Chairman upon the written request of two (2) or more

members of the Board. The business to be conducted at a special meeting of the Board shall be specified in the notice of the special meeting, which notice shall be given not less than twenty (20) days prior to the date of such meeting.

(c) At any annual or special meeting of the Board, the presence in person of a majority of the members of the Board shall constitute a quorum. In the event that a quorum is present, the decision of a majority of the entire Board shall be binding on the Board.

(d) Any member of the Board may waive notice in writing of any meeting of the Board, and such waiver shall be equivalent to the giving of notice to such Member. If all members of the Board are present in person at a meeting, no notice shall be required and any proper business of the Board may be conducted at such meeting.

(e) The Board may act without a meeting as provided in the provisions of the Idaho Nonprofit Corporation Act.

Section 3.7. Officers. The Board shall elect officers, including a Chairman, Secretary and Treasurer. Officers shall be elected at the annual meeting of the Board and shall serve a term of one (1) year. Officers may serve more than one (1) year in an office. The Board may appoint such assistant officers as the Board may deem necessary or appropriate. No officer shall receive compensation for serving as such, but may be reimbursed for expenses incurred.

Section 3.8. Management of Association and Property. The management and maintenance of the Property and the business shall be managed by the Association through its Members as provided in this Declaration and its articles and the Bylaws. All agreements and determinations with respect to the Property lawfully made or entered into by the Association shall be binding upon all of the Owners and their successors and assigns.

Section 3.9. Limited Liability of Association. Members of the Association and its Board, officers, assistant officers, agents and employees acting in good faith on behalf of the Association:

(a) Shall not be liable to an Owner as a result of their activities for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or bad faith;

(b) Shall have no personal liability in contract to an Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such;

(c) Shall have no personal liability in tort to any Owner or any person or entity, except for their own willful misconduct or bad faith;

(d) Shall have no personal liability arising out of the use, maintenance or condition of the Property, which might in any way be assessed against or imputed to them for any act or omission in their capacity as a Member, Board member, officer or employee of the Association.

ARTICLE IV

OWNERSHIP OF THE COMMON AREA

The Association, as a separate entity, shall own the Common Area as defined herein or shown on the Plat, and any improvements located thereon. It is expressly understood that the applicable provisions of this Declaration set forth elsewhere herein shall govern the ownership and management of the Common Area and improvements thereon.

ARTICLE V

ASSESSMENTS

The making and collection of assessments of any nature from Owners for their share of common expenses (determined pursuant to this Article and the other

applicable provisions of this Declaration) shall be carried out by the Board in accordance with the following provisions:

Section 5.1. Shares of Common Expenses. Each Owner of a Lot shall be responsible for an equal proportionate share of all general common expenses. "General Common Expenses" include the following services obtained or provided by the Association: road maintenance, maintenance of drainage and storm water facilities, utility line maintenance, exterior fencing of the full development if contiguous to ranching or agriculture, landscaping, installation and maintenance of any common walkways, sprinkler systems, common lighting, security systems and security personnel and equipment and facilities, installation and maintenance of Common Area facilities, operation and maintenance of the recreational or playground equipment, and other areas approved by the Board, and the cost of the administration of the Property (including accounting legal, equipment, insurance, personnel and overhead expenses), and the cost of liability insurance covering the Association and its directors, officers and employees.

Section 5.2. Payment of Assessments; Lien Created. Assessments not paid on or before fifteen (15) days after the date due shall bear interest at the rate of eighteen percent (18%) per annum. The Board may also impose a late charge of up to five percent (5%) of any amount remaining unpaid for fifteen (15) days or more. All payments on account shall be first applied to interest or other charges and then to the assessment payments in the order of when due (that is, the oldest unpaid amounts shall be paid first). All annual and special assessments, together with interest, reasonable attorneys fees and all costs and expenses incurred by the Board incident to the collection of such assessments shall be a charge upon the Lot involved and shall be a continuing lien upon the Lot (including all improvements thereon) for which the assessment was made, as well as the personal obligation of each Owner, jointly and severally, who had any interest of record in or to such Lot

at the time the assessment became due or any time thereafter. It is expressly understood and agreed that fines for any violations of this Declaration or the rules and regulations of the Board may be assessed against a Lot and against an Owner, for violations by that Owner or by tenants or invitees. The assessment liens shall run with the land and shall constitute personal obligations of the Owners of each Lot.

Section 5.3. Purpose of Assessment. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Property, and for the establishment, improvements and maintenance of facilities enhancing the use and enjoyment of the common area and the homes situated upon the Property, including but not limited to maintenance of roads on easements owned by the Association and the cost of labor, equipment, materials, management and supervision, road maintenance and utility line maintenance, common landscape buffers, bridges, waterways, Association employees' wages, mailing costs and other related expenses incurred on behalf of the Association.

Section 5.4. Maximum Annual Assessment. Until January 1, 2003, the maximum annual assessment shall be \$180.00 per Lot. From and after January 1, 2003, the maximum annual assessment may be increased each year not more than ten percent (10%) above the maximum assessment for the previous year without a vote of the membership; and, after January 1, 2004, the maximum annual assessment may be increased above ten percent (10%) by a vote of two-thirds (2/3) of the membership who are voting in person or by proxy, at a meeting duly called for this purpose. The Board of Directors may fix the annual assessment at any amount not in excess of the maximum. The Association shall prepare an annual budget estimate for common services and administration of the Association and shall fix the amount of the annual assessment based upon that estimate. Such

annual budget shall be prepared and approved by the Association at least thirty (30) days in advance of each annual assessment period. Snow removal shall be an additional variable expense that shall be billed monthly during months when such removal is necessary.

Section 5.5. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall be approved by a vote of two-thirds (2/3) of the votes of Members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5.6. Road Maintenance Escrow Fees. In addition to the regular and special assessments of the Association, each purchaser of a lot, and his successors and assigns, shall pay the sum of \$3.50 per month for each lot owned, for a period of 120 consecutive months, commencing in the first calendar month after closing of the original purchase transaction, for the purpose of a road maintenance escrow. Said monthly road maintenance escrow fee shall be collected from purchaser or subsequent purchasers of each lot until the fees for each lot have been paid for a total of 120 months from the date on which the lot was originally purchased from Declarant.

Section 5.7. Notice and Quorum for Any Action Authorized Under Sections 5.4 and 5.5. Written notice of any meeting called for the purpose of taking any action authorized under Sections 5.4 or 5.5 shall be sent to all Members not less than thirty (30) days nor more than forty-five (45) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast fifty percent (50%) of all the votes of the membership shall

constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 5.8. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots once development of the lot has been completed.

Section 5.9. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of completion of the development of the lot. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The Board of Directors shall establish the due dates. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section 5.10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be governed according to the law of the State of Idaho. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage or lien foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessment as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VI

ARCHITECTURAL STANDARDS

Section 6.1. Initial Site Committee. The members of the initial Site Committee shall consist of three (3) Members appointed by the Association Board of Directors as soon as practicable after the effective date of this Declaration, and may be members thereof.

Section 6.2. Site Committee - Organization. There shall be a Site Committee organized as follows: The Site Committee shall consist of three (3) Members of the Association. All members of the Site Committee shall be appointed by the Board of Directors, either upon expiration of a term of office, or to fill an unexpired term of office should a vacancy occur prior to the expiration thereof. The term of office for members of the Site Committee shall be two (2) years. The Board, at its discretion, shall set an anniversary date to be used in determining the start and end dates for Site Committee terms of office.

Section 6.3. Site Committee – Duties. It shall be the duty of the Site Committee to consider and act upon such proposals for plans submitted to it from time to time, to adopt rules and regulations, to be known as “Site Committee Rules”, pursuant to Section 6.5 of this Article, and to perform such other duties from time to time delegated to it by these covenants.

Section 6.4. Site Committee – Meetings, Action, Expenses. The Site Committee shall meet from time to time as necessary to properly perform its duties hereunder. The Site Committee must act by a majority of its members, and any authorization or approval made by the Site Committee must be signed by a majority of the members thereof. The Site Committee shall keep and maintain a record of all actions taken by the Site Committee at such meetings or otherwise, from time to time. Unless authorized by the Association, the members of the Site Committee shall not receive any compensation for services rendered. All

members shall be entitled to reimbursement for reasonable expenses incurred by them in connection with the performance of any Site Committee function. The Site Committee may from time to time hire an architect for consultation.

Section 6.5. Site Committee – Rules. The Site Committee may, from time to time, and at its sole discretion, adopt, amend and repeal by unanimous vote the Site Committee rules. A copy of the Site Committee rules, as they may from time to time be adopted, amended or repealed, certified by any member of the Site Committee, shall be available to each Lot Owner and shall have the same force and effect as if they were a part of the covenants. The Site Committee may record the rules if deemed necessary.

Section 6.6. Non-Waiver. The approval by the Site Committee of any plans, drawings or specifications for any work done or proposed, or in connection with any other matter requiring the approval of the Site Committee under the covenants, shall not be deemed to constitute a waiver of any right to subsequently or additionally approve or disapprove plans submitted for approval.

Section 6.7. Estoppel Certificate. Within thirty (30) days after written demand therefor is delivered to the Site Committee by any Owner, and upon payment therewith to the Association of a reasonable fee from time to time to be fixed by the Association, the Site Committee shall record an Estoppel Certificate executed by the three (3) members, certifying with respect to any plans of said Owner that as of the date thereof either: (1) all improvements or other work made or done by the Owner, or otherwise, comply with the covenants; or (2) such improvements and/or work do not comply, in which event the certificate shall also: (a) identify the noncomplying improvements and/or work/ and (b) set forth with particularity the cause or causes for such noncompliance. Any purchaser of a Lot from an Owner, or mortgagee or other encumbrancer, shall be entitled to rely on said certificate with respect to the matter therein set forth, such matters being

conclusive as between the Association, Declarant and all Owners and such purchaser, mortgagee or other encumbrancer.

Section 6.8. Site Committee – Liability. Neither the Site Committee nor any members thereof shall be liable to the Association or to any Owner or project committee for any damage, loss or prejudice suffered or claimed on account of: (1) the approval of any plans, drawings and specifications, whether or not defective; (2) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications; (3) the development, or manner of development, of any property within the project; or (4) the executing and filing of an Estoppel Certificate pursuant to Section 6.7 of this Article, whether or not the facts therein are correct; provided, however, that such member must have, with the actual knowledge possessed by him, acted in good faith. Without in any way limiting the generality of the foregoing, the Site Committee, or any member thereof, may, but is not required to, consult with or hear the Association or any Owner with respect to any plans, drawings or specifications, or any other proposal submitted to the Site Committee.

Section 6.9. No Warranty. No approval given by the Site Committee shall constitute a warranty, express or implied, of compliance with any applicable building or safety codes, and no approval shall have any other purpose other than to provide Association authority for the person submitting the plans to commence construction.

Section 6.10. No Construction to Begin Without Approval. All construction of or improvements, modifications or alterations to any structure on any Lot affecting the external appearance of any main buildings, fences, walls, railing, artifacts, etc. must be approved by the Site Committee or a variance granted therefor prior to commencement of said construction; improvements, modifications or alterations. No wire, pipe, sewage disposal system, well or

walkway or decks, shall be made, erected, altered, placed, or permitted to remain upon a Lot until plans and specifications showing the site plan design, landscaping, structures, material and colors shall have been submitted to the Site Committee and approved in writing by the Site Committee.

Section 6.11. Plan Approval – Fees. A reasonable fee not to exceed \$150.00 shall be assessed by the Board for review of plans submitted to the Site Committee. Said fee may be raised from time to time when appropriate.

Section 6.12. Submittals. Plans for buildings or the refinishing or improvement of the same shall include scaled floor plans, exterior elevations indicating heights, and a list of exterior materials. Plans and elevations shall clearly show all external features and materials for all structures. The plans and elevations shall show garages, porches, decks, stoops, chimneys, vents, doors and windows, trim and special architectural features. Two copies of any proposed plans and related data shall be furnished to the Site Committee, one of which may be retained by the Site Committee for its records.

Section 6.13. Failure of Site Committee to Timely Approve Plans. In the event the Site Committee fails to approve or disapprove such design, location, construction and materials within sixty (60) days after the detailed plans and specifications have been submitted to it, approval shall not be required and this Article shall be deemed to have been fully complied with. Any plans, specifications and proposals so approved, either expressly in writing or by the expiration of the sixty (60) days period hereinabove provided, shall then permit the Owner to commence construction in accordance with said plans, but any deviation from said plans which in the judgment of the Site Committee is a substantial detriment to the appearance of the structure or to the surrounding area shall be corrected to conform with the plan as submitted.

Section 6.14. Time for Completion of Construction. Any structure to be erected in accordance with approval of the Site Committee must be erected and completed within eighteen (18) months of approval, or a new approval of the Site Committee must be obtained. If any structure is begun and not completed within one (1) year of the commencement of construction, and in the sole judgment of the Site Committee is of offensive or unsightly appearance, the Site Committee or the Directors of the Association, at either's option, may take such action as may be necessary in its judgment to improve the appearance so as to make the property harmonious with other properties, including completion of the exterior of the structure, landscape screening, or covering of the structure, or any combination thereof, or similar operations, and the amount of any expenditures made in so doing shall constitute a lien on the Lot and may be enforceable by an action at law.

Section 6.15. Variances. The Site Committee has the authority to grant a variance to any rule or regulation under Article VI for any reason it deems appropriate in the circumstances, except no variance may be granted regarding matters controlled by Federal, State, County, or Town law, rules or regulations. Variances may be granted due to personal handicaps, a uniqueness of a Lot or for any reason deemed relevant by the Site Committee, as long as the end result is consistent with the theme, spirit and overall concept of Valley Vista Estates.

Section 6.16. Appeals. Any decision of the Site Committee may be appealed by the applicant to the Board of Directors as follows:

(a) Written notice of the appeal, including the grounds for the appeal, must be delivered by the applicant to the Chairman or Secretary of the Board, with a copy to the Site Committee, within twenty (20) calendar days from the date of the receipt of the decision. Upon receipt of a notice of appeal, the Site Committee shall promptly transmit the entire file to the Chairman or Secretary of the Board.

(b) The Board of Directors shall review the file and may, at their discretion, meet with the applicant prior to making a decision on the appeal. The decision of the Board must be in writing and must be made within sixty (60) days of the date of the notice of appeal. The decision of the Board shall be final and binding in all respects.

ARTICLE VII

GENERAL DESIGN STANDARDS

The following standards and restrictions are applicable to the construction, remodeling, alteration and exterior refinishing of any and all improvements and site preparation upon each Lot and shall be reflected in the Site Committee rules. No structure which fails to meet the following minimum standards shall be erected, placed or allowed to remain on any Lot, and the Site Committee shall have no power to approve any structure failing to at least meet these minimum standards:

Section 7.1. Design Character. The desire of the Declarant is that the design of the houses shall be consistent with that of "Ranch Style" homes. Two-story homes will, however, be allowed. No geodesic domes, underground or berm homes shall be permitted. Minimum square footage on a main home is 1200 square feet of living area on the main floor, plus a two (2) car garage. All Lots must be completed with underground sprinkler systems, lawns, and landscaping, which shall include trees, shrubs, flowers, etc. as described and approved by the Site Committee.

(a) All improvements shall be of a new construction. Pre-built, component, modular, or factory-built construction shall be permitted. All buildings shall require a Teton County, Idaho and Teton County inspection, and be in general compliance with the Development Ordinances.

(b) Exterior materials shall be new materials, except for architectural detailing, which may utilize used materials. Acceptable materials shall be wood, masonite, metal, redwood, or cedar siding, log, stucco with wood accents, or natural wood paneling. Submission of samples of exterior materials is a condition precedent to the Site Committee approval of any plan or construction, and the Owner shall be bound by the samples submitted.

(c) Exterior finishes shall be semi-transparent or heavies bodied stains, or pigmented or clear non-glossy preservatives. Glossy painted finishes shall not be permitted. All exposed metals shall have a dull covered finish, or shall be flat color anodized or painted.

(d) Exterior colors shall be subdued, i.e., NO pinks, lime greens, yellows, etc. Color samples, on pieces of all exterior materials to be used, shall be submitted to the Site Committee for approval. Submission of samples of exterior colors is a condition precedent to Site Committee approval of any plan or construction, and the Owner shall be bound by the samples submitted.

Section 7.2. Building Design.

(a) Roofs shall have a minimum overhang of sixteen (16) inches. Solar collectors shall not be considered to be roofs.

(b) Exposed foundations of concrete or masonry construction shall not have an exposed surface that exceeds a height of eighteen (18) inches above finished grade, unless approved by the Site Committee. All concrete that extends eighteen (18) inches or more above ground will be painted a blending color with its natural surroundings or covered with compatible stone.

(c) Solar collectors shall be permitted only upon specific approval of the Site Committee. Solar collectors may be of any construction, materials or pitch required for efficient operation, but they shall not be placed on a structure in a manner which causes objectionable glare to any neighboring residence. Solar

collectors shall be integrated into the structure of a residence, garage, carport or accessory building and shall not be free-standing.

(d) Television, radio, and other antennas or satellite receivers are to be located so as to be inconspicuous. The Board shall have the right to adopt and to modify specifications and requirements for antennas or satellite receivers installed on the outside of permitted structures. No ham radio operator antennas shall be permitted.

Section 7.3. Exterior Maintenance. Each Owner shall provide exterior maintenance upon his Lot and any structures thereon, including painting and repairing the structure(s); maintaining the grounds to preclude weeds, underbrush and other unsightly growth; and not permitting refuse piles or other unsightly objects to accumulate or remain on the grounds. In providing such exterior maintenance, the Owner shall utilize color and landscaping schemes that are harmonious with the surrounding area and consistent with generally accepted concepts for desirable residential developments and in accordance with these covenants. All Lots, including Common Area Lots, may be farmed with a harvestable crop or clipped, mowed or grazed regularly in order to avoid a fire hazard.

Section 7.4. Failure to Maintain Exterior. In the event that any Owner shall fail or neglect to provide such exterior maintenance, the Association shall notify the Owner in writing specifying the failure and demanding that it be remedied within sixty (60) days. If the Owner shall fail or refuse to provide such exterior maintenance within the sixty (60) day period, the Association may then, at its sole option, take such action as may be necessary in its judgment to provide exterior maintenance, including but not limited to entering upon said Lot and providing the required maintenance at the sole expense of the Owner. The full amount of any expenditures made by the Association for necessary exterior

maintenance of a Lot shall be due and payable within thirty (30) days after the Owner is billed therefor and shall constitute a lien on the Lot and may be enforceable by an action at law. Such entry on a Lot by the Association for the purposes of providing necessary exterior maintenance shall not be deemed a trespass.

ARTICLE VIII

PURPOSE OF THE DECLARATION AND PROTECTIVE COVENANTS

Section 8.1. General Purpose. The general purpose of this Declaration is to provide for the maintenance, administration and control of the Property as a first-class residential development and a uniform plan for development of the Property. Each Owner shall use or occupy his Lot in a manner consistent with all applicable Teton County rules and regulations and these covenants.

Section 8.2. Use as Residences Only. No structure shall be erected, altered, placed or permitted to remain on any Lot other than a dwelling required for a single family and its guests, and structures associated with such a dwelling providing for the exclusive use of a single family; provided, however, that:

(a) No Lot or any building or improvement erected thereon shall at any time be used for the purpose of any trade, profession, manufacturing or business of any description, nor for hospitals, duplexes, apartment houses, nor any other multiple dwelling houses.

(b) No basement or structure on any Lot may be used for dwelling purposes until its area, as defined by the foundation, has been completed and enclosed according to plan and has been substantially completed, and sanitary facilities and utilities permanently installed. No tent, shack or other outbuilding erected on a Lot shall at any time be used as a residence, either temporarily or permanently.

(c) No livestock, wildlife, poultry, or other commercial animals shall be kept on said Lots except domestic pets. No domestic pet will be allowed off its Owner's premises unless it is in the immediate company of its Owner or his agents. The Association's Directors or a review committee established by the Association may limit the number of domestic pets on any Lot and may withdraw permission for any domestic pets from any Owner who violates the restrictions of this section.

Section 8.3. Use of Parking Facilities and Roadways; Storage. The Board shall have full power and authority to issue reasonable regulations for the outdoor parking and storage of cars, motor homes, recreational vehicles, boats, bicycles, motor bikes, motorcycles, all terrain vehicles, trailers, and other similar vehicles and equipment, and to regulate the use of roadways by imposing and enforcing speed limits and other restrictions, all with full power and authority to impose and enforce (by special assessments hereunder or otherwise) fines or other penalties for violations of such regulations. An Owner shall not permit designated parking spaces to be used for a purpose other than to park vehicles.

Section 8.4. Certain Additional Restrictions. The following additional restrictions are applicable to Lots. Each reference to "Owners" includes their tenants and invitees.

(a) The Owners shall not place or store anything within the Common Area without the prior written consent of the Board or its assignee, except in a facility specifically designated or approved for storage. All Owners shall keep their Lots in a reasonably clean, safe, sightly and tidy condition, except for reasonable activities permitted by the Site Committee during the construction of an authorized improvement.

(b) Refuse and trash shall be kept at all times in a covered container, and such covered containers shall be screened from view on three (3) sides, or

enclosed by a structure approved by the Site Committee, at all times other than a specified regular time period for garbage pick-up. No trash, debris, organic or inorganic wastes shall be permitted to accumulate on any Lot or in any road adjacent thereto, but shall be promptly and efficiently disposed of, and no vacant or other Lot shall be used as a dump ground or burial pit. Outside incinerators shall not be permitted.

(c) The collection and disposal of such garbage and trash shall be in strict compliance with such rules as may be adopted by the Association, which may provide for common collection points. The cost of garbage and trash collection shall be in accordance with the billing of the collector, paid by each Owner. The Association will contract for said service.

(d) No noxious or offensive activities shall be carried on, nor shall anything be done on any Lot or Common Area, which may be or become an annoyance or nuisance to the neighborhood. No unreasonably loud or annoying noises, or noxious or offensive odors, shall be permitted from any Lot. No light shall be emitted or reflected from any Lot which is unreasonably bright or causes unreasonable glare for any adjacent Owner. Complaints shall be forwarded to the Association. The Board of Directors shall hear complaints, and their decision shall be final.

(e) No signs, billboards, posters or other advertising devices of any kind or character shall be erected or displayed upon any Lot, except promotional signs for Valley Vista Estates and signs of an approved type and size displayed to identify the occupants of a dwelling, without prior written consent of the Board. Said restrictions shall not apply to the Declarant during the construction or sales period or to traffic signs, Lot designations, project designations or similar signs displayed by the Board or the Declarant.

(f) Dogs and other domestic animals shall be controlled and restrained at all times and shall not be allowed to run at large on any portion of any Lot, except within its Owner's Lot. If an animal shall trespass on a neighbor's Lot, said animal shall be subject to restraint or removal. The animal's owner shall bear the full cost of said restraint or removal.

(g) Neither hunting nor the discharge of any rifle, shotgun, pistol, or other firearm shall be permitted at any time on any Lot or Common Area.

(h) Fireworks shall not be permitted on any Lot or Common Area unless the Board gives prior approval therefor in writing.

(i) Snowmobiles and trail bikes shall not be used within the Common Area, and absent rules permitting such use, the use is prohibited.

(j) The common roads on the Property shall be common roads at all times. Bushes and shrubs shall be cleared, and large trees shall be limbed within the road and highway rights-of-way to improve sight distance, with related costs being common general expenses.

(k) Under no circumstances shall non-operative equipment, cars, motorcycles, snowmobiles or any other motorized vehicles be permitted to remain on any Lot for any length of time.

(l) All recreational vehicles, boats, snowmobiles, all terrain vehicles, and trailers shall be parked within five (5) feet of the principal residence and parked on a concrete slab or crushed gravel with a retainer around the border.

(m) Owners shall not violate any rules and regulations for the use of Common Areas adopted by the Board and furnished in writing to the Owners. Fines and other penalties for violations thereof may be imposed and enforced (by special assessment or otherwise) by the Board for violations of such rules and regulations, and it is expressly understood that Owners may be held responsible for acts of their tenants and invitees.

(n) Each Owner's right to the use of Common Area shall be restricted to his personal family, tenants, and guests, with the right of the Board to reasonably limit the number of guests which an Owner, tenant or lessee may invite to use such facilities.

Section 8.5. Agricultural Water Rights. There are no water rights associated with this development.

Section 8.6. Maintenance of Mail Boxes and School Bus Shelter. The Association shall be responsible for maintenance of the mail boxes and school bus shelter situated on and for the benefit of the Property.

ARTICLE IX

GENERAL PROVISIONS

Section 9.1. Enforcement. Violation of any restrictions, conditions, covenants or agreements herein contained shall give to the Association, acting through its Board of Directors, the right to enter upon any Lot and to summarily abate and remove at the expense of the Owner any erection, thing, or condition that may be in or upon said Lot contrary to the provisions hereof, without being deemed guilty of trespass. The Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration.

Section 9.2. Nuisance. The result of every act or omission whereby any restriction, condition, covenant or agreement is violated in whole or in part is hereby declared to constitute a nuisance, and every remedy allowed by law against a nuisance either public or private shall be applicable against every such nuisance.

Section 9.3. No Waiver. Failure by the Association or by any individual Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 9.4. Costs of Enforcement. Should any lawsuit or other legal proceeding be instituted by the Association against an Owner alleged to have violated one or more of the provisions of this Declaration, and should the Association be wholly or partially successful in such proceeding, the offending Owner shall be obligated to pay the costs of such proceeding, including reasonable attorneys fees, which sums may then be assessed as a lien against the Lot.

Section 9.5. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 9.6. Additional Land. Additional land contiguous to the above-described Property may be annexed by the Declarant without the consent of the Members within ten (10) years of the date of this instrument; provided, however, that the annexation is in accord with the general plan heretofore established for the land subject to this Declaration. In the event of such annexation, all Lot Owners within said annexed land shall also become Members of the Association, and additional Common Areas may be conveyed to the Association.

Section 9.7. Insurance. Each Owner is solely responsible for obtaining casualty insurance covering any and all improvements on such Owner's Lot, and liability insurance with regard thereto. The Association shall contract for and maintain liability insurance on the Common Area and any structures and improvements thereon, and casualty insurance on the Common Area.

Section 9.8. Amendment. Any provision herein may be amended or revoked, and additional provisions added, at any time by a written instrument recorded in the Office of the Clerk and Recorder of Teton County, Idaho, duly signed and acknowledged by the Owners of record of not less than two-thirds (2/3) of the Lots subject to this Declaration; provided, however, that the express written consent of Declarant is required until eighty-six (86) Lots are sold.

Section 9.9. Term. The provisions of this Declaration shall be binding for a term of twenty-five (25) years from the date of this Declaration, after which time the Declaration shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the Owners of two-thirds (2/3) of the Lots has been recorded, agreeing to change this Declaration in whole or in part.

ARTICLE X

ACCEPTANCE OF COVENANTS

Every Owner or purchaser of a Lot shall be bound by and subject to all of the provisions of this Declaration, and every Lot Owner or purchase through his or her purchase or ownership expressly accepts and consents to the operation and enforcement of all of the provisions of this Declaration.

IN WITNESS WHEREOF, Declarant has executed this Declaration on the 21 day of June, 2002, to become effective upon recordation in the Office of the Clerk and Recorder of Teton County, Idaho.

**Teton Valley Development
Company, LLC, a Wyoming
limited liability company**

By: *SM Shepherd*
Scott Shepherd
Presiding Member

STATE OF WYOMING)
) SS
COUNTY OF TETON)

On this 21 day of June, 2002, before me personally appeared Scott M. Shepherd, to me personally known, who, being by me duly sworn, did say that he is Presiding Member of Teton Valley Development Company, LLC, an Wyoming limited liability company, and that the foregoing instrument was acknowledged on behalf of said limited liability company.

Witness my hand and official seal.

Monica Reising
Notary Public

SEAL

MONICA REISWIG • NOTARY PUBLIC

COUNTY OF
TETON



STATE OF
WYOMING

MY COMMISSION EXPIRES: 12/10/2004