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**FIRST AMENDMENT TO MASTER DECLARATION AND  
FIRST AMENDMENT TO COVENANTS, CONDITIONS  
AND RESTRICTIONS FOR TETON RESERVE**

This First Amendment to Master Declaration and First Amendment to Covenants, Conditions and Restrictions for Teton Reserve (hereinafter referred to as "First Amendment") is made effective on the date it is recorded in the Official Records of Teton County, Idaho, by Hopkins Northwest Fund, LLC, an Idaho Limited Liability Company, "as trustee on a parity for the benefit of all Series "NW" Debenture Holders," successor in interest to Teton Valley Golf Associates, LP, an Idaho Limited Partnership, pursuant to the Certificate of Transfer of Declarant's Right, recorded on April 27, 2011, as Instrument No. 216792, Official Records of Teton County.

1. **Recording History.** On March 3, 2003, the Master Plan for Teton Reserve Planned Unit Development was recorded as Instrument No. 153363, Official Records of Teton County, Idaho. The Master Plan was subsequently amended by Teton Reserve Planned Unit Development Amended Master Plan/Phase Map, recorded on September 2, 2004, as Instrument No. 163218, Official Records of Teton County, Idaho. Thereafter, Teton Reserve Planned Unit Development Snow Goose/Trumpet Swan/Peregrine was recorded November 23, 2005, as Instrument Nos. 172907 and 172906.

The original Declaration of Covenants, Conditions and Restrictions for Teton Reserve was recorded on March 5, 2003, as Instrument No. 153427. The Master Plan Declaration and

First Amendment to Covenants, Conditions and Restrictions for Teton was thereafter recorded on January 25, 2006, as Instrument. No. 174268 (hereinafter “Master Plan Declaration”).

2. **Amendments.** This First Amendment hereby amends Sections 3.4, 3.5, 3.17, 3.29, 3.35, and 4.15 of the Master Plan Declaration, and adds Sections 1.64 and 1.65, as follows:

a. **Section 1.64** shall be added as follows:

**Bed and Breakfast.** “Bed and Breakfast” means a commercial operation which has as its primary purpose renting individual bedrooms and offering meals to guests in a residential setting.

b. **Section 1.65** shall be added as follows:

**Unit.** “Unit” means one of a number of Residences built on a Lot which are each designed for separate ownership, such as a duplex, condominium, or townhome.

c. **Section 3.4 Residential Use and Occupancy.** Subsection (a) shall be added as follows:

(a) **Exception for Beds and Breakfast in Silver Fox and Red Fox.** Notwithstanding the foregoing, Owners in Silver Fox and Red Fox shall be allowed to operate a Residence as a commercial Bed and Breakfast, subject to prior approval by the Executive Board, and subject to the Master Rules and Regulations and the following:

(1) Each bedroom in a Bed and Breakfast may be rented to a maximum of (2) persons, and a total of ten (10) persons may rent from any such Bed and Breakfast at the same time.

(2) Guests of the Bed and Breakfast shall be allowed to park one vehicle on the Lot per bedroom.

(3) Guests shall be required to park either in the garage, driveway, or designated spaces on the Lot. On-street parking for vehicles, boats, trailers, or recreational vehicles shall not be allowed by guests or Owners for any period of time, except in specifically designated common parking areas (if any), or facilities as may be designated for authorized short term guest and visitor use. Additional parking restrictions as stated in Section 3.16 shall apply to Beds and Breakfast.

(4) Operation of any Bed and Breakfast shall not interfere with the residential use and character of Teton Reserve, or otherwise create a nuisance to nearby Residences.

(5) If the use and/or activities of any Bed and Breakfast should interfere with the residential use and character of Teton Reserve, or otherwise create a nuisance to nearby Residences, the Executive Board shall be permitted to call a special hearing to determine whether to revoke the approval to operate as a Bed and Breakfast or to impose additional restrictions upon such Bed and Breakfast.

(6) If one or more Beds and Breakfast have been approved in Silver Fox and/or Red Fox and are operating as such, the Executive Board shall have the authority to deny further applications for operation as a Bed and Breakfast if the Executive Board determines that additional Beds and Breakfast would create an undue burden on surrounding Residences for reasons such as parking, traffic, and changes to the residential character of the subdivision.

(7) The Executive Board may promulgate additional requirements for the operation of Beds and Breakfasts in the Master Rules and Regulations.

(8) After first obtaining approval from the Executive Board to operate a Residence as a Bed and Breakfast, if any variance or special use permit is required by the County to operate a Residence as a Bed and Breakfast, the Owner(s) shall be responsible for obtaining such approvals prior to commencing such operations.

(b) Exception for Other Commercial Operations in Red Hawk. Notwithstanding the foregoing, Owners of Lots 1 and 2 in Red Hawk shall be allowed to operate other commercial operations, subject to prior approval by the Executive Board, and subject to the Master Rules and Regulations.

**d. Section 3.5 New Construction Required; No Temporary Buildings or Occupancy.** This section shall be modified as follows:

Any temporary facilities which are placed on the Property shall be removed immediately following completion of construction and in any event, no later than twelve (12) months following commencement of construction or remodeling, unless a written extension is granted by the Development Review Committee.

All other provisions of this Section shall remain the same and in full force and effect.

**e. Section 3.17 Animals.** This section shall be modified as follows:

The number of cats and dogs, in any combination, shall be limited to a total of (4).

All other provisions of this Section shall remain the same and in full force and effect.

- f. **Section 3.29 Signs and Advertising.** Subsection (a) shall be added as follows:

Notwithstanding the foregoing, signs which are discrete, reasonably sized, and which do not interfere with the residential character of Teton Reserve shall be allowed in conjunction with the operation of a Bed and Breakfast in Silver Fox and Red Fox, subject to prior approval of the Design Review Committee.

- g. **Section 3.35 Leases.** Subsection (a) shall be replaced with the following:

Except for Beds and Breakfast in Silver Fox and Red Fox (addressed in Section 3.4(a)), a Lease must cover the entire Unit or Lot, *i.e.*, no leases of bedrooms alone or otherwise covering less than all of the Unit or Lot shall be permitted (except that the Owner may exclude from the Lease any portion of the Residence or Unit separated in a “lock-off,” in which case the leased portion shall include at least a bedroom, bathroom and kitchen). The Lease term shall not be less than seven (7) days except for Beds and Breakfast, and except as otherwise expressly approved in the Master Rules and Regulations.

- h. **Section 3.35 Leases.** Subsection (d) shall be replaced with the following:

For any lease of 30 days or more, each Owner shall notify the Master Association immediately upon the leasing of his Lot or Unit, and shall provide the Master Association with a copy of the Lease and the name and mailing address of the Occupant and the mailing address (if changed) of the Owner.

- i. **4.15 Commencement, Prosecution and Completion of Work.** This Section shall be replaced with the following:

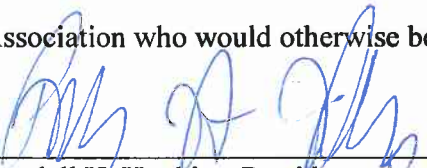
Following the approval of any proposed Improvements by the Development Review Committee and identification of the Registered Builder, the proposed Improvements shall be completed by the Lot or Unit Owner using the Registered Builder: (a) as promptly and diligently as possible, but in no event in excess of the time periods set forth below; (b) in compliance with the Master Development Guidelines and 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 twelve (12) months from the date of commencement of such Improvements, or (ii) within such other time period as the Development Review Committee may prescribe. Provided, however, that any and all 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 not limited to, the imposition of fines and penalties of up to \$25 for each day of non-compliance. The Development Review Committee may extend the required date for commencement of construction in its discretion.

3. **Effect on the Remaining CC&R's.** In all other respects the Master Declaration and First Amendment to Covenants, Conditions and Restrictions for Teton Reserve shall be unaffected by this First Amendment.

**Certification**


The President and Secretary of the Teton Reserve Master Association, Inc., do hereby certify and attest that the foregoing First Amendment to Master Plan Declaration and First Amendment to Covenants, Conditions and Restrictions for Teton Reserve has been approved by the vote or written consent of at least sixty-seven percent (67%) of the members of the Master Association who would otherwise be able to cast a vote in favor of the amendment.

  
\_\_\_\_\_  
Randall H. Hopkins, President

  
\_\_\_\_\_  
Brian L. Murphy, Secretary

SUBSCRIBED AND SWORN to before me this 29<sup>th</sup> day of April, 2011.

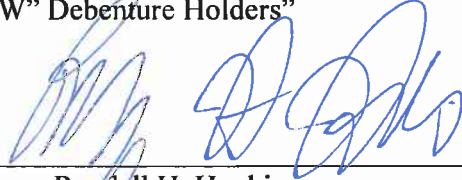


  
\_\_\_\_\_  
Notary Public for Idaho  
Residing At: Meridian, ID  
My Commission Expires: 6/2/14

IN WITNESS WHEREOF, the undersigned executes this First Amendment To Master Declaration and First Amendment To Covenants, Conditions And Restrictions For Teton Reserve, this 29th day of April, 2011.



HOPKINS NORTHWEST FUND  
an Idaho Limited Liability Company,  
“as trustee on a parity for the benefit of all Series  
“NW” Debenture Holders”



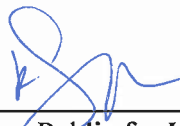
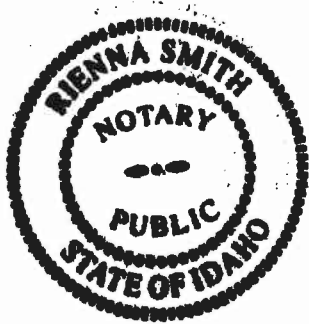
By: Randall H. Hopkins  
Its: Member-Manager

ACKNOWLEDGMENT

STATE OF IDAHO )  
                                  ) : ss.  
County of Ada        )

On this 29th day of April, 2011, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared Randall H. Hopkins, known or identified to me to be a Member-Manager of Hopkins Northwest Fund, LLC, an Idaho Limited Liability Company, that executed the within and foregoing instrument on behalf of said Idaho limited liability company, and acknowledged to me that such Idaho limited liability company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

  
\_\_\_\_\_  
Notary Public for Idaho  
Residing At: Meridian, ID  
My Commission Expires: 6/2/14