

**AMENDED AND RESTATED DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS  
FOR LUCY MEADOWS**

This Amended and Restated Declaration of Covenants, Conditions and Restrictions (“Declaration”) is made to be effective the 24<sup>th</sup> day of April, 2025, by Cliffrose Management, LLC (“Declarant”).

WHEREAS, Declarant is the owner of certain real property in Teton County, Idaho, known as **Lucy Meadows**, more particularly described as all that real property shown and described on **Exhibit A** attached hereto and made a part hereof as though set forth in full herein (hereinafter referred to as the “Subject Property”); and

WHEREAS, Declarant desires to provide for the preservation of the desirability and attractiveness of the Subject Property, and any real property which may be annexed thereto pursuant to this Declaration, through the covenants, conditions, restrictions and provisions as hereinafter set forth; and

WHEREAS, Declarant desires to subject the Subject Property to Negative Covenants (as defined in Article I herein) to preserve scenic and recreational values on Subject Property.

NOW, THEREFORE, The Declarant hereby declares that the Subject Property, and any real property which may be annexed thereto pursuant to the provisions of the Declaration, shall be held, conveyed, divided, encumbered, hypothecated, bonded, rented, used, occupied and improved in accordance with and subject to the following provisions, covenants, conditions and restrictions (hereinafter sometimes collectively referred to as “Covenants”), all of which are for the purpose of enhancing and protecting the character, values, desirability and attractiveness of said real property. The covenants shall run with said real property and shall be binding on all parties having or acquiring any right, title or interest in said real property, or any part thereof, their heirs, personal representatives, successors and assigns, and shall inure to the benefit of the Declarant, and each Owner (as hereinafter defined) or person or entity deriving rights from an Owner. Any conveyance, transfer, sale, assignment, lease of sublease of said real property will be and hereby is deemed to incorporate by reference the provisions of this Declaration and the covenants herein contained.

**ARTICLE I**

Definitions

As used herein, the following terms shall be defined as in this Article provided:

Section 1. Articles. The term “Articles” shall mean the Articles of Incorporation of the Association, as the same may from time to time be amended.

Section 2. Assessment The term “Assessments” shall mean and refer to any Assessment duly made and levied pursuant to Article VIII hereof.



Section 3. Association. The term "Association" shall mean and refer to the homeowners association formed and incorporated to be and constitute the Association to which reference is made in this Declaration, and its successors and assigns, whether by way of merger, consolidation, transfer or otherwise. The Association shall include, when the context requires, its board of directors, officers and duly authorized representatives and agents as the same, or any of them, may from time to time be constituted.

Section 4. Board. The term "Board" shall mean and refer to the Board of Directors of the Association as the same may from time to time be constituted.

Section 5. Bylaws. The term "Bylaws" shall mean and refer to the duly adopted bylaws of the Association, as the same may from time to time be amended.

Section 6. Common Area. The term "Common Area" shall mean and refer to all real property, if any, which has been or is hereafter conveyed in fee to the Association together with all improvements existing or from time to time constructed thereon.

Section 7. Covenants. The term "Covenants" shall refer to this Declaration of Covenants, Conditions and Restrictions or to Supplemental Declarations.

Section 8. Declarant. The term "Declarant" shall mean and refer to Cliffrose Management LLC its successors and assigns, under an instrument specifically designating such successor or assign as a successor or assign under this Declaration.

Section 9. Design Committee. The term "Design Committee" shall mean and refer to the committee created pursuant to Article III hereof.

Section 10. Design Committee Criteria. The term "Design Committee Criteria" shall mean and refer to the criteria adopted by the Design Committee pursuant to Article IV, Section 4 hereof.

Section 11. Excavation. The term "Excavation" shall mean and refer to any disturbance of the land (except to the extent reasonably necessary for planting) which results in the removal of earth, rock, trees or other substances from a depth of more than twelve (12) inches below the natural surface of such land.

Section 12. Fill. The term "Fill" shall mean and refer to any addition of rock or earth materials to the surface of land which increases the natural elevation of such surface by more than twelve (12) inches.

Section 13. Improvements. The term "Improvements" shall include but not be limited to any buildings, roads, driveways, parking areas, fences, bridges, retaining walls, stairs, decks, hedges, windbreaks, patios, poles, signs, and any other structures of type or kind.



Section 14. Residential Lot. The term “Residential Lot” shall mean and refer to any parcel of real property comprising a part of the Subject Property shown on a recorded plat or map, or otherwise described in a recorded instrument, which is clearly identified as an individual lot to be used as a residential building site.

Section 15. Other Lot. The term “Other Lot” shall mean and refer to any parcel of real property comprising a part of the Subject Property shown on a recorded plat or map, or otherwise described in a recorded instrument, which is identified as a lot to be used for the fire pond, open space, trails, Common Area, or any other applications the Declarant may deem necessary or appropriate for the orderly development of the PUD.

Section 16. Member. The term “Member” shall mean and refer to every person or entity which holds membership in the Association.

Section 17. Mortgage. The term “Mortgage” shall mean and refer to any security instrument encumbering all or any portion of the Subject Property and as used herein the term “mortgage” shall include a deed of trust.

Section 18. Mortgagee. The term “Mortgagee” shall mean and refer to the record owner of a beneficial interest under a Mortgage.

Section 19. Negative Covenant. The term “Negative Covenant” shall mean and refer to any provision, covenant, condition or restriction set forth in this Declaration limiting, restraining, prohibiting or otherwise negating any rights, activities, or omissions, of any person or entity.

Section 20. Owner. The term “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to a Lot, including contract sellers, but excluding those having an interest in the Subject Property merely as security for the performance of an obligation.

Section 21. Open Space. The term “Open Space” shall mean and refer to all that real property within the Subject Property as set forth on a recorded plat or map, or not clearly identified on a recorded plat or map, or in a recorded instrument, as a (i) Lot, (ii) Road, or (iii) other specifically designated land use classification. The Open Space shall be managed and controlled by the Board.

Section 22. Perimeter Fences. The term “Perimeter Fences” shall mean and refer to the fences and other forms of dividers constructed along any or all of the borders of the Subject Property or Common Area in accordance with a fencing plan approved by the Design Committee.

Section 23. Record; Recorded. The term “record” or “recorded” shall mean, with respect to any document, that said documents shall have been recorded in the Office of the County Clerk of Teton County, State of Idaho.



Section 24. Recreation Facility. The term “Recreation Facility” shall mean and refer to any Improvement that the Declarant shall designate as a recreational or social facility,

Section 25. Residence. The term “Residence” shall mean a residence structure, but does not include such other improvements and structures as may be customarily incident thereto, on a Lot.

Section 26. Road. The term “Road” shall mean and refer to any graded and improved vehicular way now or hereafter located or constructed within or upon a portion of the Subject Property or the Common Area and designated as a private roadway on any recorded plat or map, or described in a recorded instrument, and shall include roads, drives, lanes, courts, circles and places, all of which shall be dedicated to the Association for repair and maintenance responsibility.

Section 27. Structure. The term “Structure” shall mean and refer to anything constructed or erected on real property, the use of which requires location on the ground or attachment to something having location on the ground.

## ARTICLE II

### Provisions Applicable to Lots and Owners

Section 1. Lot Restrictions. Each Lot shall be used exclusively for dwelling purposes and such purposes as are customarily incident thereto, including the leasing thereof. Furthermore, unless otherwise specified on a recorded plat or map, or in a Supplemental Declaration covering the Lot, the following shall apply to each Lot:

- (a) Improvement. No Residential Lot shall be improved except with a Residence;
- (b) Construction. Unless otherwise expressly approved in writing by the Design Committee, no used Structure or Improvement constructed or erected upon other real property shall be moved from another location to any Residential Lot or Other Lot, and all construction on any Residential Lot or Other Lot shall be first approved by the Design Committee, with new materials and shall be prosecuted diligently and continuously from the commencement thereof until completion. Construction shall not take longer than 24 months to complete once lot improvement begins.
- (c) Guest Houses. Detached guest houses shall be permitted on all Residential Lots. Teton County processes each residential building permit. If the Primary Unit is constructed first, the second permit submitted per parcel will need to follow size requirements for an accessory dwelling unit. If the Accessory Dwelling Unit is constructed first, the second permit submitted per parcel will need to follow size requirements for a Primary Residence. or other structures may be eligible for residential space, but this requires approval from Teton County Building Department. Each parcel may have no more than two residential dwelling units. Guest Houses (Accessory Dwelling Units ) shall be allowed to be occupied prior to the construction and Certificate of Occupancy of the Primary Residence. If a Guest



House is built before the Primary Residence, there shall be a site plan and plans and specifications for a Primary Residence approved by the Design Committee and a building permit for the Primary Residence shall be issued within three (3) years of the commencement of construction of the Guest House and a certificate of occupancy shall be issued for the Primary Residence within four (4) years of commencement of construction of the Guest House. Site plan shall reflect that the Primary Residence is the main visual element from the primary street and the Guest House is subsidiary or complimentary to it. The site plan shall be reviewed and approved by the design committee prior to commencing construction. Any owner of Residential Property not complying with the terms of this Paragraph shall be assessed a penalty of One Thousand Dollars (\$1,000) for each day or partial day of non-compliance.

- (d) Detached Structures. No Structures or aboveground Improvements shall be permitted on any Residential Lot or Other Lot which are detached or separated from the principal Residence unless designed as a single visual element, connected or related visually with the principal Residence by fencing or other architectural features, and unless approved by the Design Committee;
- (e) Parking. No Residence shall be constructed on a Residential Lot unless provision is made on that Residential Lot for not less than one enclosed garage stall and required guest parking spaces and constructed and located in such a manner as shall theretofore be approved by the Design Committee.
- (h) Setback Requirements. All aboveground Improvements, except landscaping and necessary crossings by access driveways, bridges or paths, shall be set back at the distance from the boundaries of each Residential Lot in compliance with Teton County Standards.
- (i) Grading and Landscaping. No on-site excavation or fill shall be allowed until approved in writing by the Design Committee, and grading, excavation or fill shall reflect the natural topography of the site and shall be replanted with plant materials which shall blend with the native vegetation in accordance with a landscaping plan approved by the Design Committee. All landscaping shall be completed as quickly as possible but in no event later than eighteen (18) months after commencement thereof. Each lot will be required to plant twelve (12) trees, minimum of two (2) inches in caliper, when the first structure is erected as part of the landscaping requirements. Six (6) of the trees shall be coniferous and six (6) shall be deciduous. No trees that tend to have suckers or runners shall be allowed within thirty (30) feet of the paved pathways or roadways.
- (j) Subdivision. No Residential Lot may be divided or subdivided. Notwithstanding the foregoing, Owners of adjoining Residential Lots may, with the prior written approval of the Design Committee, sell, lease or purchase adjoining property in any manner permitted by law to accomplish relocation of the boundary line between such Residential Lots if such sale and purchase will not cause or result in a violation of any setback, building or other restriction herein contained or shown on a recorded plat, map, or other applicable law.



(k) Combining Residential Lots. Provided that the Owner elects to do so in writing and receives permission from the Design Committee as to any structures to be built on such lots, and duly records same in the Office of the County Clerk, Teton County, Idaho, two or more adjoining Residential Lots owned by a single Owner may be combined and developed as one Residential Lot but shall thereafter be deemed one Residential Lot, and may not thereafter be split and developed separately.

(l) Maintenance. Each Owner shall keep all Residential Lots and Other Lots and the exteriors of Improvements thereon and the exteriors, landscaping and surrounding areas of all structures in good order and repair, and in a clean, safe, attractive and slightly condition. Maintenance should include adequate septic tank maintenance per current DEQ and EIPH recommendations.

(m) No Temporary Structures. All temporary Structures on any Residential Lot during construction must be promptly approved by the Design Committee and must be removed when construction is completed; provided, however, that the provisions of this subparagraph shall not apply to temporary construction shelters used exclusively in connection with the construction of the main structure or to the guest house.

(n) Drainage. The established drainage pattern from, on or over any Residential Lot or Other Lot shall not be obstructed, altered or in any way modified, unless previous written consent is obtained from the Design Committee. In addition, all Lots shall be subject to a drainage easement which shall be in gross in favor of the Developer. This easement shall give the Developer the right to dictate the overall drainage plan for the Subject Property and each individual Lot, as well as the right to create drainage ditches and any other drainage infrastructure on the Subject Property and each individual Lot. This easement shall also be reciprocal and appurtenant to each Lot to the extent that the Developers drainage plans require certain Lots to drain from one to another.

(o) Livestock and Pets. No domestic animals or fowl totaling more than three (3) generally recognized house or yard pets shall be maintained on any Lot and lots allowing horses shall allow up to one (1) horse per acre however, each lot is allowed up to a maximum of ten (10) chickens. Roosters are not allowed. Beekeeping is not allowed. If an Owner chooses to keep house or yard pets, said Owner shall at all times have them under his or her control, whether within the Owner's Lot or Dwelling Unit or in any other location within the Property. Dogs shall at all times be restrained or leashed. Animals shall not be permitted to roam at will, and at the option of the Declarant, the Design Committee, or the Association, steps may be taken to control any animals not under immediate control of their owners, including the right to impound animals not under such control and charge substantial fees to their owner for their return. The Declarant, the Design Committee, and Association shall have the right to adopt further rules and regulations to enforce this provision.

No horses shall be kept or otherwise maintained within Lots, except those lots as designated by the Declarant as suitable for private stables. This includes Lots 17, and 18. Such stables



shall be built as approved by the Design Committee. All horses shall be ridden in conformity with and only in those areas designated by the Board.

(p) Unsightliness. No unsightliness shall be permitted on any Residential Lot or on the exterior or other portions of a Residence visible from elsewhere on the Subject Property, Common Area, or any adjacent property. Without limiting the generality of the foregoing: (1) all unsightly Structures, facilities, equipment, objects and conditions shall be enclosed within an approved Structure or appropriately screened from view; (2) trailers, boats, tractors, vehicles, automobiles, campers whether or not on a truck, snow removal equipment and garden or maintenance equipment shall be kept at all times screened from view of the main road, except when in actual use; (3) refuse, garbage and trash shall be kept at all times in a covered, noiseless container and any such container shall be kept within an enclosed structure or appropriately screened from view; (4) service areas, storage piles, compost piles and facilities for hanging, drying or airing clothing or household fabrics shall be appropriately screened from view of the main road; (5) pipes for water, gas, sewer, drainage or other purposes and wires, poles, antennae and other facilities for the transmission or reception of audio or visual signals or electricity, and utility meters or other utility facilities and gas, oil, water or other tanks, and sewage disposal systems or devices shall be kept and maintained within an enclosed Structure or below the surface of the ground; (6) no lumber, grass, shrub or tree clippings or plant waste, metals, bulk materials or scrap or refuse or trash shall be kept, stored or allowed to accumulate unless in compliance with Item (4) of this paragraph; and (7) all rubbish, trash and garbage shall be regularly removed from each Lot and shall not be allowed to accumulate thereon. Notwithstanding the foregoing, if at the time of the occupancy of any approved structure, connections to a nearby underground electricity line or telephone line are not available, then temporary poles or wires for electricity, or telephone service, as the case may be, may be installed to a reasonable necessary height provided that they shall be promptly removed at the expense of the Owner after the availability of connections to nearby underground lines or cables, which in all events shall be within 120 days after such connections become available (unless said period is extended by the Design Committee). If, at the time of the occupancy of any approved Structure, a connection to a nearby television cable is not available, and if a signal from a booster or translator is not being produced into the area, an Owner may install a temporary antennae inside the Structure, or small satellite dish approved by the Design Committee, or otherwise not visible from adjacent property. If at any time a connection to a nearby television cable becomes available, each Owner shall remove promptly at his expense all television antennae previously installed.

(q) Motor Vehicles. All motor vehicles, including, without limitation, automobiles, trucks, motorcycles, dune buggies, all-terrain vehicles, snowmobiles and other types of recreational vehicles must have mufflers on their exhaust systems and shall be driven in conformity with and only in places as designated by the Board.

(r) No Noxious or Offensive Activity. No noxious or offensive activity shall be carried on upon any Residential Lot nor shall anything be done, made or suffered or placed thereon which is or may become a nuisance or cause embarrassment, disturbance or annoyance to others. Without limiting any of the foregoing, no exterior speakers, horns, whistles, bells,



or other sound devices except security devices used exclusively to protect the security of any Lot, shall be placed thereon.

(s) No Annoying Lights, Sounds or Odors. No light shall be emitted from any Lot which is unreasonably bright or causes unreasonable glare; this includes without limitation, lights that direct light toward other residences, and ranch-type lights such as Halogen or iodine gas. In addition, the Design Committee shall approve the lighting schematics of all improvements prior to being constructed. All exterior lighting shall be in compliance with Teton County ordinance 9-4-12. No sound shall be emitted on any Residential Lot which is unreasonably loud or annoying; and no odor shall be emitted on any Residential Lot which is noxious or offensive to others. Construction and other loud noise shall be restricted to between the hours of 8:00 a.m. and 8:00 p.m. MST Monday through Friday and from 9:00 a.m. to 6:00 p.m. on Saturday and Sunday.

(t) No Hazardous Activities. No activities shall be done, made, suffered, or conducted on any Lot and no Improvements constructed thereon which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms, or fireworks shall be discharged upon any Residential Lot, and no open fires shall be lighted or permitted on any Lot or Multiple Unit Parcel except in a contained unit while attended and in use or within a safe and well-designed interior fireplace, or as otherwise specifically scheduled or approved by the Board.

(u) Fences. All interior fences shall be approved by the HOA. A wire mesh may be added to the fence for smaller animals. No fence, hedge, wall or other dividing Structure shall be permitted on any Lot unless approved by the Design Committee.

(v) Signs. No signs or advertising devices of any nature shall be erected or maintained on any Lot except (1) as necessary to identify the ownership thereof and its address; (2) not more than one "for sale" or "for rent" sign, having a maximum face area per side of four square feet per Lot, (3) as shall be necessary or desirable to give direction, advise of rules and regulations, or caution or warn of danger; and (4) such signs as may be otherwise required by law. Any signs which are permitted under the foregoing restrictions shall be erected or maintained on a Lot only with the prior written approval of the Design Committee which approval shall be given only if such signs shall be of attractive design in keeping with the scenic and rustic nature of the area and shall be a small in size as is reasonably possible and shall be placed or located as directed or approved by the Design Committee.

(w) No Mining and Drilling. No Residential Lot shall be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing oil, gas, or other hydrocarbons, minerals, rocks, stones, gravel or earth.

(x) No motorcycles, trail bikes or snowmobiles shall be used on any of the property covered by the Covenants except strictly in accordance with rules promulgated by the Board.



(y) Residential Area; Uses; Restrictions. Each Residential Lot shall be used exclusively for residential purposes. Long term and short-term rentals (less than 30 days) shall be allowed. Short term rentals shall require a short-term rental permit through Teton County.

(z) Weed Control. All Lots, Common Areas, and Open Space shall be in compliance with Teton County Weed control standards. (HOA can hire someone to do this and lien the property of up to 125% of the cost, if not done.)

Section 2. Roads. Roads shall be used for roadway and street purposes subject to the rules and regulations of the Design Committee and the Association and shall be maintained by the Association as hereinafter provided. This includes all street signs and subdivision signs.

Section 3. Irrigation Water. Trail Creek Irrigation Shares shall be owned by the HOA and the lots shall have access to them but the shares shall also be used to water landscaping on HOA land and can be used for the pond. An all-community irrigation water system shall be maintained by the Association for use by all Lots.

Section 4. Open Space Management Plan. The HOA shall be responsible for the maintenance and upkeep for all designated common lots and open space designated on the Final Plat.

- (a) Weed Control. All Common Areas, and Open Space shall be in compliance with Teton County Weed control standards.
- (b) Fire Pond. The HOA shall have the fire pond inspected on a yearly basis and shall be responsible for any necessary repairs to keep the fire pond operational.
- (c) Community Mailboxes. The HOA shall be responsible for bi-yearly inspections of the mailbox facilities. Any necessary repairs shall be the responsibility of the HOA.
- (d) Internal Pathways. This does not include the pathway along 1000 West which will be maintained by the county. Internal pathways shall be kept in good repair by the HOA. Yearly inspection shall be performed to ensure that the pathway is clear of any obstruction and in good repair. The HOA will be responsible for any repairs for the pathway unless it was caused by the negligence of a property owner in which case said property owner shall be responsible for the damages.

### ARTICLE III

#### Design Committee

Section 1. Members. The Design Committee shall consist of three (3) members. Members of the Design Committee shall be appointed by, may be removed upon notice by, and shall serve at the pleasure of the Board. Upon the removal, resignation or other unavailability of a member,



the Board shall promptly appoint a new member and shall promptly furnish the names and addresses of the current members of the Design Committee to any interested person and the name and address to which all notices and communications to the Design Committee should be directed. All members of the Design Committee shall be indemnified and held harmless by the Association from liability, damage and expenses for any decision or action they may make while acting within the scope and course of their duties.

**Section 2. Design Guidelines:** The primary residential building shall have a minimum main level footprint of 2500 square feet not including the garage. The Guest House or Accessory Dwelling Unit shall have a maximum footprint of 900 square feet. All other design guidelines shall be created in a separate document and approved by the Declarant or the Board of Directors once the Homeowner's Association takes over control of the subdivision.

**Section 3. Term.** Each of the persons designated as a member of the Design Committee shall serve until such time as he or she has resigned by giving written notice of his or her resignation to the Board, or until he or she has been removed or a successor has been appointed.

**Section 4. Duties.** It shall be the duty of the Design Committee to consider and act upon all proposed changes on the existing state of property, to formulate Design Committee Criteria, to enforce the Negative Covenants set forth in this Declaration, to cooperate with the Declarant, and to perform such other duties as are delegated to it hereunder or under any Supplemental Declaration.

**Section 5. Meeting.** The Design Committee shall meet from time to time as necessary to perform its duties properly in such place and according to rules from time to time established by the Design Committee.

**Section 6. Action by Design Committee.** The vote or written consent of any two members shall constitute action of the Design Committee. The Design Committee shall report in writing all approvals and disapprovals of any changes in the existing state of the Subject Property to the Board and the Board shall keep a permanent record of all such reported action.

**Section 7. Limitation on Liability.** Neither the Design Committee nor any member thereof, nor the Declarant, or the Association, nor any partner, director, officer, agent, employee of any of the foregoing shall be liable to any party for any action or for any failure to act under or pursuant to or with respect to any provision of this Declaration provided only that the person or entity sought to be charged with any liability shall have acted in good faith. The Design Committee may obtain insurance, if available, to insure the members and the Design Committee against errors and omissions.

## **ARTICLE IV**

### **Required Approval of all Changes**



Section 1. Change in the Existing State of Property. “Change in the Existing State of Property” shall mean and include, without limitation, the construction or reconstruction of any building, structure or other improvement, including utility facilities, the making or creation of any excavation, fill or similar disturbance of the surface of land including, without limitation, change of grade, stream bed, ground level or drainage pattern; the clearing, marring, defacing or damaging of trees, shrubs or other growing things; the landscaping or planting of trees, shrubs, lawns or plants; or any change, alteration or refinishing, including without limitation, any change of color, texture or exterior appearance, of any previously approved change in the existing state of the property, insofar as the same shall apply to any Residential Lot of Subject Property, but in no event with respect to the Common Area.

Section 2. Approval of Change in Existing State Required. No Change in the Existing State of Property shall be made or permitted, except by Declarant, without the prior written approval of the Design Committee and without compliance with this Article IV. The following paragraphs of this Article IV shall not be applicable to any Change in the Existing State of Property undertaken by Declarant, or any duly authorized agent or representative of Declarant.

Section 3. Design Committee Approval. The Design Committee shall have complete discretion to approve or disapprove any Change in the Existing State of Property; except by Declarant. The Design Committee shall exercise such discretion with the following objectives in mind: to carry out the general purposes expressed in this Declaration; to prevent violation of any specific provision of this Declaration or any Supplemental Declaration; to prevent any change which would be unsafe or hazardous to any persons or property; to minimize, as in the sole discretion of the Design Committee is reasonable under circumstances, obstruction or diminution of the view of others; to preserve visual continuity of the area and to prevent a marked or unnecessary transition between improved and unimproved areas and any sharp definition of boundaries of property ownership; to assure that any change will be of good and attractive design and in harmony with the rustic and natural setting of the area and will serve to preserve and enhance existing features of natural beauty; to avoid duplication; to assure that materials and workmanship for all improvements are of high quality comparable to other improvements in the area; and to assure that any change will require as little maintenance as possible so as to assure a better appearing area under all conditions.

Section 4. Design Committee Criteria. All Improvements shall be required to be built with materials of the highest qualities and to be natural materials whenever possible and effective, and to use earth tones and textures.

Section 5. Conditions Precedent to Approval. Prior to expenditures of any substantial time or funds in the planning of any proposed Change in the Existing State of Property, the Owner proposing to make the change shall advise the Design Committee in writing of the general nature of the proposed change; shall, if requested by the Design Committee, meet with a member or members of the Design Committee to discuss the proposed Change in the Existing State of Property; shall read or become familiar with the Design Committee Criteria formulated by the Design Committee; and shall, if requested by the Design Committee, furnish the Design Committee with preliminary plans and specifications for comment and review. After the nature and scope of a proposed Change in Existing State of Property is determined and prior to the



commencement of work to accomplish it, the Design Committee shall be furnished in triplicate by such Owner, with a complete and full description of the proposed change in the existing state of property, in writing and with a plot plan covering the particular Lot drawn to such scale as may be reasonably required by the Design Committee, showing all boundaries, showing existing and proposed contour lines and elevations at reasonably detailed intervals, showing all existing and proposed Improvements, showing the existing and proposed drainage pattern, showing the existing and proposed utility and sanitation facilities, showing the existing or proposed substantial trees or shrubs, and setting forth the proposed schedule for completion. There shall also be furnished to the Design Committee any and all further information with respect to the Proposed Change in the Existing State of the Property which the Design Committee may reasonably require to permit it to make an informed decision on whether or not to grant approval to the change in the existing state of property. If the drainage pattern will be affected by any change in the existing state of property, the Design Committee may require submission of a report on the effect by a qualified engineer or geologist. With respect to all Structures, the Design Committee may require submission, in duplicate, of floor plans, elevation drawings, and final working drawings, all drawn to scale as may be reasonably required by the Design Committee; descriptions of exterior materials and colors and samples of the same; and final construction specifications. Where buildings or Structures or other Improvements which reasonably require plans and specifications are proposed to be constructed or built, the Design Committee may require that the plans and specifications be prepared by a practicing licensed architect and that a fee of up to \$300.00 be paid to the Association or authorized agent to cover costs and expenses of review. No Proposed Change in the Existing State of Property shall be deemed to have been approved by the Design Committee unless its approval is in writing executed by at least two members of the Design Committee provided that approval shall be deemed given if the Design Committee fails to approve or disapprove a proposed change in the existing state of property or to make additional requirements or request additional information within 45 days after a full and complete description of the Proposed Change in the Existing State of Property has been furnished in writing to the Design Committee with a written and specific request for approval.

Section 6. Prosecution of Work After Approval. After approval by the Design Committee, any Proposed Change in the Existing State of Property shall be accomplished as promptly and diligently as possible and in substantial conformity with the description of the proposed Change in the Existing State of Property and with any plans and specifications therefor given to the Design Committee. Failure to commence the Change in the Existing State of Property within one (1) year after the date of approval or to complete the proposed Change in the Existing State of Property (including completion of the landscaping) substantially in conformity with the description thereof and plans and specifications therefore within a reasonable period of time (not to exceed two (2) years after commencement of construction) shall operate to automatically revoke the approval of the proposed Change in the Existing State of Property, and, upon demand by the Design Committee, the Property shall be restored as nearly as possible to its state existing prior to any work in connection with the proposed Change in the Existing State of Property. If an Improvement is destroyed (whether totally or partially), the debris shall be removed promptly and the remainder of the Improvement shall either be removed within ninety (90) days or restoration commenced within said ninety (90) day period commencing on the date the destruction occurred. The Design Committee and its duly appointed agents may enter upon any property at any reasonable time or



times to inspect the progress or status of any Change in the Existing State of Property being made or which may have been made.

Section 7. Failure to Comply. If the Design Committee shall find that any change in the existing State of Property shall have been undertaken without the approval of the Design Committee in violation of the provisions of this Article IV, it shall immediately notify the Declarant and the Association, any of which shall have the right to remove any such Change in the Existing State of Property at the sole cost and expense of the Owner or Owners of the Lot.

If the Design Committee shall find that a Change in the Existing State of Property was not completed in substantial conformity with the description thereof and any plans and specifications therefor as approved by the Design Committee, the Design Committee shall notify the Owner or Owners of such noncompliance and require remedy of such noncompliance. If within sixty (60) days from the date of such notification, the Owner or Owners shall have failed to remedy the noncompliance, the Design Committee shall notify the Declarant and the Association, any of which shall have the right, at its option, to remove the Change in the Existing State of Property or to remedy the noncompliance, in either case at the sole cost and expense of the Owner or Owners of the Lot.

Section 8. Certificates and Notices. Upon request of the Owner, the Design Committee shall record a certificate of completion and compliance upon completion of the Change in Existing State of Property after having inspected the Change in the Existing State of Property and satisfied itself that the Change in Existing State of Property was completed strictly in accordance with the description thereof and the plans and specifications therefor. The Design Committee shall have the right and authority to record a notice to show that any particular Change in the Existing State of Property has not been approved or that any approval given has been automatically revoked as provided in Section 6.

Section 9. Waiver. The approval of the Design Committee of the plans and specifications for any Change in the existing State of Property shall not be deemed to be a waiver by the Design Committee of its rights to object to any of the features or elements embodied in any other plans and specifications for another change in the Existing State of Property, nor shall such approval be construed as in any manner modifying, altering or waiving any of the Covenants of this Declaration or any Covenants, Conditions, Restrictions or provisions in any Supplemental Declaration.

Section 10. Presumption of Compliance. All of the Changes in the Existing State of Property heretofore or hereafter undertaken by Declarant or his agents or representatives on any Lot shall be conclusively presumed in compliance with the provisions of this Article IV.

Section 11. Association Action. If any Owner is obligated to pay for or perform some act in accordance with the terms hereof, or with the terms of any By-Laws or rules promulgated pursuant to these Covenants, and such Owner fails to do so, the Association may cure such failure (but in on event whatsoever shall be obligated to do so) and may recover from the Owner all costs of such cure in addition to any other rights or remedies it may have hereunder. In no event, however, shall the Association or any of its officers, employees or Committee members be liable in any way for its decision to cure same or not to cure same or for the partial or faulty cure of same.



## ARTICLE V

### Variances

Section 1. Variances by Design Committee. The design Committee may authorize variances from compliance with any of the Covenants contained in this Declaration or any Supplemental Declaration when circumstances such as topography, natural obstructions or hardship may require; provided, however, that such variances shall be authorized in conformity with the intent and purposes of this Declaration and provided further that in every instance such variance will not be materially detrimental or injurious to the other property covered by this Declaration. Such variations must be evidenced in writing.

Section 2. Effect of Variances. If a variance is granted by the Design Committee, no violation of the Covenants contained in this Declaration or the provisions, covenants, conditions and restrictions contained in any Supplemental Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted if the action or improvement complies with the variance. The granting of such a variance shall not operate to waive any of the covenants contained in this Declaration or the provision, covenants, conditions and restrictions contained in any Supplemental Declaration for any purpose except as to the particular property and particular provision covered by the variance.

## ARTICLE VI

### Association

Section 1. General Purposes and Powers. The Association has been formed by Declarant as a nonprofit Idaho corporation by the filing of the Articles. Its affairs shall be governed by the Articles and By-Laws. The Association shall be obligated and shall assume and perform all functions and obligations imposed on it or contemplated for it under this Declaration and any similar functions or obligations imposed on it or contemplated for it under any Supplemental Declaration. The Association shall have all powers necessary or desirable to effectuate these purposes.

Section 2. Duties of Association. The Association shall, in addition to such obligations, duties and functions as are assigned to it by other provisions of this Declaration and any Supplemental Declarations, have the obligations, duties and functions to do and perform each of the following for the benefit of the Owners, and members, and for the maintenance, administration and improvement of the Subject Property, and other property owned by the Association, the Recreational Facilities and Common Areas or any other property as may be required or appropriate.



Section 3. Powers and Authorities of Association. The Association shall have all of the powers of a nonprofit corporation organized under the laws of the state of Idaho, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, By-Laws or this Declaration. The Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done hereunder, or by the Articles and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of its express powers, including the following which are listed without intent to limit the foregoing articulation:

- (a) Assessments. To levy Assessments, charges, fines and penalties on the Owners, and to enforce the payment of the same, all in accordance with the provisions of this Declaration and its Supplements, the Articles, By-Laws, rules and regulations of the Association.
- (b) Easements and Rights of Way. To grant and convey to any third party easements and rights of way in, on, over or under the Association's property or common areas owned by the Association for the purpose of constructing, erecting, generating or maintaining any Improvements, utilities or other facilities, subject to the prior written approval of the Design Committee.
- (c) Employment of Manager and Employees. To employ the service of any person or firm as manager, together with employees, to manage, conduct and perform the business, obligations and duties of the Association as may be directed by the Board and to enter into contracts for such purposes. To obtain, and pay for, legal, accounting, engineering, management and other professional services as may be necessary or desirable.
- (d) Mortgagee Protective Agreements. To execute and cause to be recorded from time to time agreements in favor of holders or insurers of mortgages secured by portions of the Subject Property. Such agreements may condition specified action relevant to this Declaration or the activities of the Association upon approval by a specified group or number of such mortgage holders or insurers.
- (e) Right to Make Rules and Regulations. The Association shall be authorized to and shall have the power to adopt and enforce rules and regulations to regulate use of any and all facilities and property of the Association to assure fullest enjoyment and use by the persons entitled to enjoy and use the same, provided that such rules and regulations shall not be in conflict with this Declaration or any Supplemental Declaration. The Association may provide for enforcement of any such rules and regulations through reasonable and uniformly applied fines and penalties, through exclusion of violators from property and facilities of the Association or otherwise. Each Owner, members of his family and his tenants, guests and invitees shall be obligated to comply with and abide by any such rules and regulations.
- (f) Right to Prosecute Actions. The Association shall have the power and authority from time to time, in its own name, on its own behalf or on behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits in law and in equity to



restrain any breach or threatened breach of this Declaration or any supplemental Declaration and to enforce, by mandatory injunction or otherwise, all of the provisions of this Declaration or any Supplemental Declaration.

(g) Insurance. To obtain, maintain and pay for such insurance policies or bonds, whether or not required by any provision of the Declaration, or any By-Laws, as the Association shall deem to be appropriate for the protection or benefit of the Owners, their tenants or guests, including, but without limitation, fire and extended coverage insurance covering the Association Property, liability insurance, workmen's compensation insurance, malicious mischief insurance, automobile non-ownership insurance, and performance and fidelity bonds.

(h) Utility Service. To contract and pay for, or otherwise provide for, utility services, including, but without limitation, water, sewer, garbage, electrical, telephone and gas services over any of the Subject Property owned by the Association.

(i) Road Maintenance. To contract and pay for, or otherwise provide for, the construction, reconstruction, repair, maintenance, snow removal, replacement or refinishing of any roads, drives or other paved areas upon any portion of the Subject Property owned by the Association.

(j) Protective Services. To contract and pay for, or otherwise provide for, fire and such other protective services as the Association shall from time to time deem appropriate for the benefit of the Owners, their tenants and guests.

(k) General Contracts. To contract and pay for, or otherwise provide for, such materials, supplies, furniture, equipment and labor as and to the extent the Association deems necessary.

(l) Liens. To pay and to discharge any and all liens from time to time placed or imposed upon any common area owned by the Association on account of any work done or performed by the Association in the fulfillment of any of its obligations and duties of maintenance, repair, operation or administration.

(m) Implied Rights of Association. The Association shall have and may exercise any right or privilege given to it expressly in this Declaration or any Supplemental Declaration, its Articles and By-Laws or, except to the extent limited by the terms and provisions of this Declaration, given to it by law, and shall have and may exercise every other right or privilege or power and authority necessary or desirable to fulfill its obligations, including, without limiting the generality of the foregoing.

(n) Right to Enter Upon Any Lot. The Association, or its duly authorized agents, shall have the right at any time, and from time to time, without liability to any Owner for trespass or otherwise, to enter upon any Lot of the Subject Property, or any structure or improvement thereon, for the purpose of (1) maintaining same in the event of default on the part of the Owner or Owners thereof, in the maintenance thereof; (2) removing any



Change in Existing State of Property in violation of the provisions of Article IV hereof; and (3) otherwise enforcing the Covenants contained in this Declaration or any provisions, Covenants Conditions or Restrictions contained in any Supplemental Declaration; provided however, any entry into any structure shall require 24 hours advance notice by personal delivery or posting conspicuously on such structure.

## ARTICLE VII

### Association-Member and Management

Section 1. Regular Membership. There shall be one (1) Regular Membership in the Association and one (1) vote for each Lot regardless of the size of such Lot, and regardless of the differences in the size or scope of Improvements thereon. Such Membership in the Association shall be mandatory. Each such membership shall be appurtenant to the fee simple title to such Lot. The Owner or Owners (including Declarant) for the Lot, shall be deemed the Owner or Owners of the Membership appurtenant to that property and title to and ownership of the Membership for that property shall automatically pass upon transfer of fee simple title or long-term lease to that property. Each Owner or Owners of a Lot aforesaid shall be at all times entitled to the benefits and subject to the burdens relating to the Membership for such property. For purposes hereof, if an Owner has entered into a lease for the property with an original term of twenty-five (25) years or more, such Owner may give such lessee his proxy to exercise rights of membership as to such property and shall file such proxy with the Association. If fee simple title or long-term lease to a Lot of property as aforesaid, is held by more than one person or entity the membership appurtenant to that property shall be shared by all such persons or entities in the same proportionate interest and by the same type of ownership in which fee simple title to that property is held.

Section 2. Board of Directors. The affairs of the Association shall be managed by a Board of Directors consisting of five (5) persons.

In all events, the Board of Directors may, however, delegate any portion of its authority, by resolution, or to an Executive Committee, or to an Executive Manager or Director for the Association. Members of the Board of Directors, shall be elected annually by the members. Vacancies in the Board may be filled by the action of a majority of the remaining Board Members.

Members of the Board and their officers, assistant officers, agents and employees acting in good faith on behalf of the Association:

- a) shall not be liable to the Owners 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;



- 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; and
- d) shall have no personal liability arising out of the use, misuse or condition of the Property which might in any way be assessed against or imputed to them as a result of or by virtue of their official capacity.

Section 4. Voting of Members. Each Member shall have one vote for each Lot as provided in Section 1 herein above, in the election of members of the Board of Directors of the Association, and in all other matters submitted to the vote of Members. In all voting by Members, voting by proxy shall be allowed and permitted, and in all voting for members of the Board cumulative voting shall be allowed and permitted. When one or more persons hold an interest or interests in any Lot the vote shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. Until December 31, 2027, or until 75% of the Lots have been sold and title transferred to Owners other than Declarant, whichever occurs first, the Declarant reserves the right to appoint and remove all members of the Board and to exercise the powers and responsibilities otherwise assigned by the Declaration to the Association. Notwithstanding the foregoing, by express written declaration, Declarant shall have the option to at any time turn over to the Association, and its members, the total responsibility for electing and removing members of the Board..

Section 5. Notices of Meetings. A member shall be entitled to at least thirty (30) days' notice of all meetings in which a vote of the Members is to be taken and when the amount of all Assessments which the members are obligated to pay will be determined. Notice shall be considered given when written notice is mailed or telegraphed to a Member addressed to the Member under the name and address for the Member furnished by the Member to the Association and, in any event shall be deemed given on the earlier of actual receipt or three (3) days after mailing or electronic delivery. If a Member fails to furnish a name or address to the Association to which notices may be mailed, the Association shall be entitled to give notice by mail, electronic delivery or deliver of a written notice to the address of such member's property, addressed "Care of Owners".

Section 6. Quorum. A quorum shall consist of fifty-one percent (51%) of the Members.

## **ARTICLE VIII**

### **Assessments**

Section 1. Operating Fund. The Association, acting by and through the Board, shall collect and deposit to an account in the name of the Association all moneys paid to it by way of assessment, by way of fees or charges for the use of the Common Area and the Recreation Facilities, or otherwise and from which the Association shall make disbursements in performing the functions which the Association performs under this Declaration.



Section 2. Maintenance Assessment. Not later than thirty (30) days prior to the commencement of each calendar year, the Association shall estimate the costs and expenses to be incurred by it during such year in performing its function, including reasonable provisions for defraying expenses attributable to ownership, maintenance, operation and furnishing of Common Area and the Improvements thereon and for contingencies, reconstruction and replacements and for alterations, modifications and improvements thereto, including but not limited to the payment of taxes of the Association, the payment of taxes levied on or with respect to the property owned by the Association, the payment of utility charges, maintenance expenses for the utility installations and Roads and snow removal therefore, Board expenses, expenses of the Design Committee, expenses of enforcement of this Declaration and professional fees. In so estimating, the Association shall take into consideration the anticipated balance in the operating fund as of the start of such year and the estimated receipts of all assessments, charges, fees, and other payments to be collected during the year. The net estimate determined by the Association as being necessary and required shall be divided and assessed by it as of January 1 of each year as an assessment for such year against all Owners of Lots (each Lot being treated the same as all other Lots regardless of differences in size, regardless of whether improved or unimproved, and regardless of differences in size, degree or nature of the Improvements) in proportion to the number of Lots owned by each Owner.

Section 3. Supplemental Assessment. If at any time and from time to time during any year it shall appear that the assessment is or will be inadequate for any reason, including nonpayment by any Owner of his share, the Association may levy a further assessment to all Owners in the amount of such actual or estimated inadequacy.

Section 4. Payment of Maintenance Assessment. The assessments shall be due and payable by the Owners to the Association in equal quarterly installments in advance on or before the thirtieth (30th) day of each January, April, July and October, or in such other manner as the Association shall designate, but not in advance in an amount in excess of the estimate for the full year.

Section 5. Special Assessments. The Association may also levy a special assessment against any Owner where, as a direct result of said Owner's acts or failure or refusal to act or otherwise to comply with this Declaration the By-Laws, the Covenants, and any rules prescribed by the Board of Directors of the Design Committee, moneys were or will have to be expended from the fund by the Association in performing its functions or enforcing the Covenants under this Declaration, the By-Laws, the Covenants, or any rules prescribed by the Board of Directors or the Design Committee. Such special assessment shall be in the amount to be expended or so expended therefor and shall be due and payable to the Association when levied and shall include without limitation, engineers', architects', attorneys' and accountants' fees reasonably incurred by the Association.

Section 6. Special Assessments for Capital Improvements. In addition to the annual assessments the Association may levy a special assessment for the purpose of paying part or all of the costs of construction, re-construction or replacement of any capital improvements located upon the Common Area, including necessary fixtures or personal property related thereto. Any special assessment shall apply only to the year in which it is set. Any special assessments shall require



the prior approval of two-thirds (2/3) of the members. There shall be a development fund into which the Association shall deposit all monies paid to it as special or capital development assessments and income and profits attributable to investment of the development fund and from which Association shall make disbursements in performing the functions for which such assessments are levied.

Section 7. Exempt Parties. Anything herein to the contrary notwithstanding, it is understood that the following parties and their Lots shall be exempt, in whole or in part, from assessments under this Article as follows:

- (a) With respect to any Lot owned by Declarant on which a residence has not been built or is uncompleted, Declarant shall be exempt for assessments made with respect to such Lot under Sections 2 and 3 hereof except to the extent of Declarant's share of real property taxes levied on the Common Area and except to the extent of Declarant's share of twenty percent (20%) of the costs of maintaining the Roads, until such time as Declarant shall have completed any residence (other than a model home for display purposes) on such Lot, current assessments to be prorated as of the date of such completion. The balance of the costs of maintaining the Roads shall be borne by the other Owners, each Owner to bear the fraction thereof derived by dividing said balance by the number of the Owners other than Declarant. Completion shall be deemed to have taken place on the earlier of (1) the date on which the residence becomes habitable, or (2) the date which in two (2) years after construction thereof has commenced. Declarant's share of such Road maintenance and property taxes shall be a pro rata share based on the total number of lots.

Section 8. Obligation of Payment. Each assessment (maintenance, supplemental, special or development) shall be a separate, distinct and personal debt and obligation of the Owner against whom it is assessed, at the time the assessments is made, and each Owner of any Lot, by acceptance of a deed therefor, whether or not it be so expressed in such deed, is deemed to covenant and agree to timely pay the same to the Association. If the Owner does not pay such assessment, or any installment thereof, when due, the Owner shall be deemed in default, and the amount of the assessment not paid, plus interest at on and one-half percent (1 1/2%) per month (not to exceed, however, the highest rate permitted under Idaho law) and costs, including reasonable attorneys' fees, shall be and become a lien upon the Lot or Lots of such Owner, effective upon and as of the recordation of a notice of default. Such notice of default shall set forth the amount of the delinquent assessment and other charges, a description of the Lot against which the same has been assessed and the name of the record holder thereof, and shall be signed by any officer of the Association, and shall be mailed to Owner at least ten (10) days prior to the recording of a lien. Such lien shall be prior to all other liens filed except that it shall be subject and subordinate to the Lien of any previously filed Mortgage on such Lot of such Owner, and the sale or transfer of any Lot in foreclosure of such Mortgage, whether by judicial proceedings or pursuant to a power of sale contained in such Mortgage. Such lien may be foreclosed by the Association in like manner as a Mortgage of real property, and the Association shall have the power to bid on the Lot at a foreclosure sale and to acquire and thereafter hold, lease, mortgage and convey the same. The foregoing remedies shall be in addition to any other remedies provided by law for the enforcement of such assessment obligation. Upon payment of any such delinquent assessment, interest and charges in connection with which such notice of default has been so filed, or other satisfaction



thereof, the Association shall cause to be filed a further notice stating the satisfaction and release of the lien thereof.

Section 9. Estoppel Certificate. On request by any proposed purchaser, Mortgagee or transferee of a Lot, the Association shall execute and acknowledge a certificate stating the amount of the assessment secured by any lien upon such Lot, or that there is no outstanding assessment, as the case may be. Such certificate shall be conclusive upon the Association and the Owners in favor of all persons who rely thereon in good faith as of the amount of such indebtedness or the absence of any indebtedness as of the date of the certificate. The Association may charge a reasonable fee for the issuance of such certificate.

Section 10. No Owner subject to assessment, charges, fines, or penalties hereunder may exempt himself from liability for same, nor release his Lot or any portion thereof from the liens thereof, by waivers of the use and enjoyment of the property and facilities promoted by such assessments, charges, fines and penalties or by abandonment of his Lot or any portion thereof.

## ARTICLE IX

### Property Rights

Section 1. Access. Each Owner of a Lot, as well as Declarant, and the Owner of the Common Area, shall have a non-exclusive easement appurtenant to his property of ingress and egress over and on all Roads. Each Owner may delegate his right under said non-exclusive easement for the benefit of his family, his tenants, servants, employees, agents, guests and invitees, and any transferee by way of lease assignment or contract for purchase of the property to which said non-exclusive easement is appurtenant.

Section 2. Roads. All Roads on the Subject Property shall be privately owned by the Association. The Association may not grant use to the public of such privately owned Roads.

Section 3. Members' Easements of Enjoyment. Subject to (i) the applicable rules and regulations (ii) existing easements and reservations of rights, and (iii) requirements of applicable law, every member of the Association shall as Owner of one or more Lots, together with Declarant, have a right and non-exclusive easement of use and enjoyment in and to all property owned by the Association, property interest, and Recreational Facilities owned or held by the Association. Such right and easement shall be appurtenant to and shall pass with the title to every Lot subject to the following limitations:

- (a) The right of the Association to limit the number of guests, and to adopt Association Rules regulating the use and enjoyment of the same.

Section 4. Delegation of Use. The Owner of any Lot may delegate to any occupant of the same the right to the use and enjoyment of the said facilities and any privilege appurtenant to such Lot on which the same is located to use and enjoy any Common Areas.



Section 5. Parking Rights. The use of parking areas (if any) within the Association's properties, Common Area, together with the terms and conditions with regard to such use, shall be subject to and at all times governed by the Association's rules as the same are in effect from time to time.

## **ARTICLE X**

### **Miscellaneous**

Section 1. Duration of Declaration. Any provision, covenant, condition or restriction contained in this Declaration or any Supplemental Declaration shall be Covenants running with the land for the use and benefit of the Lots, Association's Property and Common Area, and shall continue and remain in full force and effect for the period of forty (40) years following the date of recording after which time they shall continue automatically for successive periods of ten (10) years, unless, at least one year prior to the expiration of any such period, this Declaration is terminated by recorded instrument directing termination signed by the Owners of not less than two-thirds (2/3)) of the aggregate number of Lots.

Section 2. Effect of Provisions of Declaration. Each provision, covenant, condition and restriction contained in this Declaration:

(a) shall be deemed incorporated in each deed or other instrument by which any right, title or interest in any real property subject to this Declaration is granted, devised or conveyed, whether or not set forth or referred to in such deed or other instrument;

(b) shall, by virtue of any person's or entity's acceptance of any right, title or interest in any parcel of property subject to this Declaration, be deemed accepted, ratified, adopted and declared as a personal covenant of such person or entity and, as a personal covenant of such person or entity shall be binding on such person or entity and such person's or entity's heirs, personal representatives, successors and assigns and, if a personal covenant of a person or entity other than the Association or Declarant shall be deemed a personal covenant to, with and for the benefit of Declarant and to, with and for the benefit of the Association and, if a personal covenant of the Association, shall be deemed a personal covenant to, with and for the benefit of Declarant and to, with and for the benefit of each Owner of Property subject to this Declaration;

(c) shall be deemed a real covenant by Declarant, for itself, its successors and assigns, and also an equitable servitude running, in each case, as a burden with the title to each parcel of property now or hereafter subject to this Declaration and, both as a real covenant and an equitable servitude, shall be a burden upon and binding on each such parcel of property and upon each person or entity owning any right, title or interest in such parcel of property for so long as such person or entity owns any such right, title or interest, and, with respect to any property of a person or entity other than the Association, or Declarant, shall, both as



a real covenant and an equitable servitude, be deemed a covenant and servitude for the benefit of any property now or hereafter owned by Declarant subject to this Declaration, and for the benefit of any property now or hereafter owned by the Association which is subject to this Declaration and for the benefit of any and all property which is subject to this Declaration;

(d) shall be deemed a covenant, secured by alien binding, burdening and encumbering the title to each parcel of property which is subject to this Declaration and, with respect to any property or entity other than the Association of Declarant, shall, as a lien, be deemed a lien in favor of Declarant and the Association and, with respect to any property owned by the Association, shall, as a lien, be deemed a lien in favor of Declarant; and

(e) shall be deemed a condition subject to which title to each parcel of property which is subject to this Declaration is and shall at all times be held.

Section 3. Enforcement and Remedies. The covenants contained in this Declaration and the provisions, covenants, conditions and restrictions contained in any Supplemental Declaration with respect to the Subject Property, the Association or property of the Association shall be enforceable by Declarant, by the Association, or by any Owner of property subject to this Declaration by a proceeding for a prohibitive or mandatory injunction. The covenants contained in this Declaration and the provisions, covenants, conditions and restrictions contained in any Supplemental Declaration with respect to a person or entity or property of a person or entity or the Association or Declarant shall be enforceable by the Declarant or the Association by a proceeding for prohibitive or mandatory injunction or by a suit or action to recover damages or to recover any amount due or unpaid or, in the discretion of the Association or the Declarant, for so long as any person or entity fails to comply with any such provision, covenant, condition or restriction, by exclusion of such person or entity and such person's or entity's guests or invitees from use of any property or facility owned or held by the Association and from enjoyment of any function undertaken by the Association. In addition to the remedies stated above, if, with respect to any property subject to this Declaration, conveyed to the Association or to any other person or entity by Declarant, there is a violation or breach of or failure to comply with, any of the provisions, covenants, conditions or restrictions contained in this Declaration or the provisions, covenants, conditions and restrictions contained in any Supplemental Declaration, then Declarant shall be deemed to have and shall have a power of termination and the right immediately or at any time during the continuation of any such violation, breach, or failure to re-enter and take possession of the real property and, upon exercise of this right of re-entry, title to the property shall thereupon vest in Declarant. This right of re-entry and for re-vesting of title shall be subject to the provisions of Article IV, Section 7. If court proceedings are instituted in connection with the rights of enforcement and remedies provided in this Declaration, the prevailing party shall be entitled to recover its costs and expenses in connection therewith, including reasonable attorneys' fees.

Section 4. Protection of Mortgagee. No violation or breach of any of the provisions, covenants, conditions or restrictions contained in this Declaration or any provision, covenant, condition or restriction contained in any Supplemental Declaration and no action to enforce the same shall defeat, render invalid or impair the lien of any Mortgage taken in good faith and for value and perfected by recording prior to the time of recording of an instrument giving notice of



such violation or breach, or the title or interest of the holder thereof or the title acquired by any purchaser upon foreclosure of any such Mortgage. Any such purchase shall, however, take subject to this Declaration except only that violations or breaches which occur prior to such foreclosure shall not be deemed breaches or violations hereof with respect to such purchaser, his heirs, personal representatives, successors or assigns.

Section 5. Limited Liability. Neither Declarant, the Association, the Board of Directors of the Association, the Design Committee nor any member, agent or employee of any of the same shall be liable to any party for any action or for any failure to act with respect to any matter if the action taken or failure to act was in good faith.

Section 6. Successors and Assigns. This Declaration and any Supplemental Declaration shall be binding upon and inure to the benefit of the heirs, successors, assigns, and personal representatives of the Association, Declarant, Owners, lessees, guests, invitees, and all other persons or entities deriving rights therefrom, whether voluntary or involuntary by operation of law or otherwise.

Section 7. Severability. Invalidity or unenforceability of any provision of this Declaration or of any Supplemental Declaration in whole or in part shall not affect the validity or enforceability of any other provision or valid and enforceable part of a provision of this Declaration or of any Supplemental Declaration.

Section 8. Captions. The captions and headings in this instrument are for convenience only and shall not be considered in construing any covenant contained in this Declaration.

Section 9. No Waiver. Failure to enforce any covenant in this Declaration or in any Supplemental Declaration shall not operate as a waiver of any such covenant or of any other provision, restriction, covenant or condition.

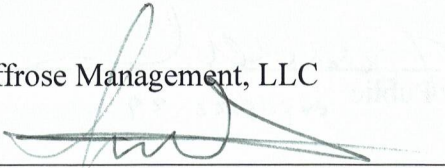
Section 10. Notice. Except as otherwise provided, any notice permitted or required to be delivered may be done so either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered four (4) days after a copy of same has been deposited in the United States Mail, postage prepaid, addressed to the person at the address given by such person to the Board of Directors of the Association for the purpose of service of such notice, or to the property of such person which is subject to this Declaration or any Supplemental Declaration if no address has been given to the Board of Directors. Such address may be changed from time to time by notice in writing to the Board of Directors of the Association.



Section 11. Amendment. The provisions of this Declaration may be amended by the vote of those holding at least two-thirds (2/3) of the votes of the members in the Association. Any amendment so authorized shall be accomplished by recordation of an instrument executed by the Secretary of the Board.

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

Cliffrose Management, LLC

By   
Manuel Garcia Santo, its managing member



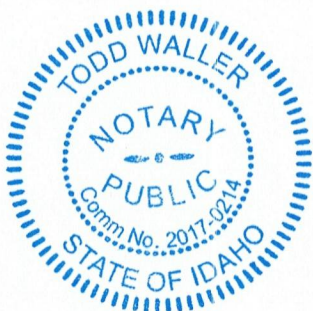


COUNTY OF TETON

) SS.

Witness my hand and official seal.

SEAL



Notary Public

exp. 8-22-29