

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
COVE SPRINGS NORTH SUBDIVISION**

THIS DECLARATION is made on the date hereinafter set forth by COVE SPRINGS NORTH, LLC, an Idaho limited liability company, hereinafter referred to as "Declarant".

RECITALS:

This Declaration is made in contemplation and furtherance of the following facts and purposes:

- A. Declarant is the owner of certain real property situated in Blaine County, State of Idaho, more particularly described as the Cove Springs North Subdivision, according to the official plat thereof recorded as Instrument No. _____, records of Blaine County, Idaho ("Subdivision").
- B. The Subdivision, and all improvements and structures to be erected and maintained thereon, are governed by the Cove Springs North Subdivision PUD Agreement this Declaration, and applicable zoning, subdivision and land use ordinances of Blaine County.
- C. Vehicular access, utility corridors and drainage easements within the Subdivision have been or may be created by platted easement, this Declaration, or subsequent agreement for the benefit of all or certain of the lots situated therein.
- D. Declarant intends herein to set forth the establishment of an incorporated association of property owners within the Subdivision for the purpose of controlling, managing, maintaining and repairing streets, drainages, water systems, utilities, landscaping, and any related improvements constructed within the Subdivision for the benefit of owners of such association.
- E. It is the intent of the Declarant to herein set forth certain design criteria for all buildings and improvements proposed within the Subdivision, and to provide for the creation of an Architectural Review Committee to review the plans and specifications of all proposed buildings and improvements to determine their compliance with applicable design standards.
- F. It is the intent of the Declarant to develop the Subdivision, and to impose and extend to all lots, and common areas situated therein, and to the owners thereof, the obligations and benefits of this Declaration of Covenants, Conditions and Restrictions.
- G. It is the further intent of the Declarant to assure the development of a quality residential development within the Subdivision, in harmony with the surrounding environment, and to secure said objectives through the Covenants, Conditions and Restrictions hereinafter set forth.

DECLARATION:

Declarant hereby declares that Cove Ranch North Subdivision, and all real property, lots, buildings, improvements, water systems, roads, easements, exterior lighting and landscaping situated, constructed or installed therein shall be developed, held, conveyed, encumbered, leased, maintained and used subject to the following covenants, conditions, restrictions and equitable servitudes hereinafter set forth or provided for, all of which are for the purpose of enhancing and protecting the value, desirability, accessibility and attractiveness of the Subdivision, and which shall run with said real property and be binding upon, and benefit, all parties now or hereafter having or acquiring any right, title or interest therein, or to any part thereof.

ARTICLE I DEFINITIONS

Unless the context otherwise specifies or requires, the following words and phrases, when used herein, shall have the following meanings:

Section 1. "ARCHITECTURAL REVIEW COMMITTEE" (hereinafter "ARC") shall mean the committee created pursuant to Article XI hereof.

Section 2. "ARTICLES" shall mean the Articles of Incorporation of Cove Springs North Homeowners Association, Inc.

Section 3. "ASSESSMENTS" shall mean assessments described in Article X.

Section 4. "ASSOCIATION" shall mean and refer to Cove Springs North Homeowners Association, Inc., a non-profit corporation organized under the laws of the state of Idaho, its successors and assigns.

Section 5. "BOARD" or "BOARD OF DIRECTORS" shall mean and refer to the Board of Directors of the Association.

Section 6. "COMMON AREA" shall mean and refer to Pack Trail Way, those certain accesses, landscape, irrigation, utility and drainage easements, open space and Water Systems shown and denominated on the official plat of Cove Springs North Subdivision, or reserved herein, and any other real property or real property interests that may in the future be acquired by the Association.

Section 7. "LOT" shall mean and refer to any individual lot as depicted in Cove Springs North Subdivision, according to the official plat of said Subdivision.

Section 8. "MEMBER" shall mean a member of the Association, who shall be an Owner and shall qualify for membership in the Association in the manner hereinafter set forth.

Section 9. "OWNER" shall mean and refer to the record Owner of any Lot within Cove Springs North Subdivision as described more particularly on the official plat thereof recorded in the records of Blaine County, Idaho.

Section 10. "PLANNED UNIT DEVELOPMENT AGREEMENT" or "PUD AGREEMENT" shall mean and refer to the Planned Unit Development Agreement for Cove Springs North Subdivision, recorded as Instrument No. _____, records of Blaine County, Idaho, and all duly adopted and recorded amendments thereto.

ARTICLE II GENERAL PROVISIONS

Section 1. Enforcement. The Association, and any Owner shall have the right to enforce, by proceeding at law or in equity, all covenants, conditions and restrictions now or hereafter imposed pursuant to the provisions of this Declaration. Failure of the Association or any Owner to enforce any covenant, condition or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In the event the Association or any Owner shall be required to secure legal services or advice to enforce, or defend against an alleged violation of, any covenant, condition or restriction now or hereafter imposed pursuant to the provisions of this Declaration, whether or not litigation ensues, the prevailing party with respect to such enforcement or defense shall be entitled to recover reasonable attorney fees and costs.

Section 2. Severability. Invalidation of any one of the covenants, conditions or restrictions herein set forth, by court order or judgment, shall in no way affect the validity or effectiveness of any other provisions contained herein.

Section 3. Owner's Acknowledgement. By accepting a deed to any Lot within the Cove Springs North Subdivision, the Owner thereof acknowledges that no water rights or water shares have been conveyed with such Lot, but that the Association alone shall own the water rights that serve the Subdivision.

ARTICLE III LOT USES

Section 1. Applicable Zoning. No building, structure, improvement or use shall be constructed, installed or maintained on any Lot in violation of the official plat of the Subdivision (Blaine County Instrument No. _____) and any amendments thereto; the Cove Ranch North Subdivision PUD Agreement; the applicable provisions of any ordinance, building code or regulation of Blaine County; and the provisions of this Declaration.

Section 2. Land Use and Building Type. No Lot shall be used except for single-family residential purposes. No building may be erected, altered, placed or permitted to remain on any Lot other than one (1) detached single-family dwelling as a principal residence, an accessory dwelling unit ("ADU") a private garage, a storage building or a building to house a shop or recreational vehicle. The Architectural Review Committee ("ARC") described and identified hereinbelow, reserves the right to allow an owner to combine more than one Lot to make a larger Lot. In the event of such combination of Lots, the boundary line between the two original Lots would be eliminated, and the setbacks from such eliminated property boundary would be inapplicable to the restrictions for placement of a building or principal residence. Lot line adjustments may be made by the ARC in their

sole and absolute discretion. Notwithstanding any combination of Lots, an Owner who combines Lots shall remain responsible for the annual assessments and dues associated with each of the original Lots, as if such Lots remained separate.

(a) **Building Type.** No buildings may be constructed on any Lot except one (1) new single-family dwelling of either one (1) or (2) stories in height; an ADU; a private garage; and, outbuildings which must conform in general appearance and character to other buildings within the Subdivision. Except for an ADU, no outbuildings shall ever, at any time, be used as a temporary or permanent dwelling for anyone.

No structure of a temporary character, including, but not limited to, a mobile home, trailer, tiny home on wheels, tent, ~~a~~ basement home, shack or other outbuilding shall be used on any Lot at any time as a temporary or permanent structure. All residential structures must be permanently affixed to an approved foundation as further described herein. Any building upon which construction has commenced upon any Lot within the Subdivision shall be diligently constructed to completion within one (1) year after the start of such building. Construction scrap and debris shall be contained on the owner's Lot, including concrete truck cleanup. No owner, or anyone acting for or on behalf of any owner, shall place or transfer trash or debris onto the Lot of another.

The ARC will control the type and quality of construction on a Lot within the Subdivision. No building, landscaping, fencing, mailboxes or other structures shall be erected or altered on any Lot until construction plans, specifications, location of structure and set backs have been approved **in writing** by the ARC. Plans submitted to the ARC shall contain, at a minimum, the following:

- i. Site plans/grading plans showing storm water retention areas.
- ii. Plan view of home.
- iii. Sectional views of front, rear and both sides of home.
- iv. Siding and roofing materials.
- v. Roof pitch.
- vi. Exterior colors.
- vii. Landscape plan.
- viii. Any other information the builder or owner proposes to submit.

All principal residences and accessory dwelling units must be permanently affixed to a foundation that complies with applicable Blaine County building codes. Prefabricated, modular, and factory-built homes are permitted, provided they are set on such a foundation and otherwise comply with all requirements of this Declaration and applicable building codes. Pole barn construction is permitted for outbuildings, garages, and accessory structures, provided such structures comply with Blaine County building codes and conform in general appearance and exterior materials to the principal residence as approved by the ARC. Pole barn construction is also permitted for principal residences and accessory dwelling units, provided such structures comply with all applicable Blaine County building codes and receive ARC approval. Mobile homes, manufactured homes not placed on a permanent foundation, tiny homes on wheels (THOWs), trailer homes, and any dwelling designed to be moved or transported (other than during initial delivery and installation) are expressly prohibited.

Outbuildings shall conform to the style and exterior materials of the principal residence. No indoor riding arenas with PVC or fabric exteriors will be allowed.

(b) **Dwelling Size.** There is no minimum square footage requirement for principal residences within the Subdivision. All dwellings shall nonetheless comply with applicable Blaine County zoning, building, and health codes, and shall be subject to ARC review to ensure compatibility with the character of the Subdivision.

(c) **Materials.** Owners are encouraged to use quality exterior materials that are harmonious with the natural character of the Subdivision and surrounding environment. All exterior materials are subject to ARC review and approval. Highly reflective materials, including but not limited to unfinished bare metal panels or mirrored surfaces visible from neighboring Lots or streets, are prohibited. Exterior colors shall be harmonious and complementary to the natural landscape; highly contrasting, garish, or visually disruptive color combinations are not permitted.

(d) **Minimum Exterior Requirements.** There is no mandatory roof pitch required percentage of masonry or specific exterior material for principal residences. Owners are encouraged to select designs, materials, and colors that are harmonious with the natural surroundings and compatible with neighboring structures. The exterior finish of any outbuildings must be compatible with that of the principal residential structure. Highly reflective surfaces and highly contrasting or visually disruptive color combinations are not permitted. All exterior design is subject to ARC review and approval.

(e) **Roof Materials and Design.** Roofing materials are not limited to specific types, provided they are of good quality and appropriate to the character of the Subdivision. Highly reflective roofing materials that may cause glare or visual disruption to neighbor Lots are prohibited. All roofing materials and designs are subject to ARC review and approval. The ARC shall consider the visual harmony of the proposed roofing with the structure and surrounding properties.

ARTICLE IV BUILDING AND USE RESTRICTIONS

Section 1. Exterior Changes and Alterations. No changes or alterations to the exterior of any building or other improvement on any Lot may be made or undertaken without the prior approval of the Architectural Review Committee; provided, however, that this provision shall not preclude the repainting of the exterior of any building, nor the replacement or repair of any broken or damaged exterior windows, siding, trim, sidewalks, driveways, fences, or exposed structural members or foundations, if the same does not alter the size of the building or the configuration or architectural features of its exterior, including the size and shape of windows, or the pitch or configuration of the roof lines.

Section 2. Service Facilities. All garbage cans, maintenance tools and similar items shall be screened or enclosed to conceal them from neighboring Lots.

Section 3. Vehicle Parking and Waste Management. No equipment, vehicles, building materials, boats or travel trailers shall be kept or stored on any Lot unless enclosed within an approved building or structure. No rubbish, waste or debris of any kind shall be placed or permitted

to accumulate upon any Lot, and no odor shall be permitted to arise therefrom so as to render any such property, or any portion thereof, unsanitary, unsightly, offensive or detrimental to any other Lot.

Section 4. Exterior Materials. There is no minimum percentage of any specific exterior material required. All exterior materials shall be harmonious with the natural character of the Subdivision, of good quality, and subject to ARC review and approval. Owners are encouraged, but not required, to incorporate natural materials such as stone, wood, or similar elements that complement the surrounding landscape.

Section 5. Landscaping. All landscaping for property within the Subdivision shall conform to the requirements of Blaine County and the Planned Unit Development Agreement which contains a list of planting materials and plant densities. Initial landscaping plans for each Lot must be submitted to and approved by the Architectural Review Committee prior to installation and shall include an adequate irrigation system and maintenance plan. After each Owner's initial installation of such landscaping and irrigation system, which shall occur within 120 days after the completion of the primary building on each Lot, individual plantings shall be replaced, as necessary, without further approval from the Architectural Review Committee.

Section 6. Property Maintenance. Every Owner shall at all times maintain its Lot, and all improvements situated thereon, in good condition and repair and not allow the same to diminish the appearance of the Subdivision. Further, each Owner agrees to promptly make such reasonable repairs and undertake such reasonable maintenance of its Lot and improvements as may, from time to time, be requested by the Association or its Board of Directors, and agrees that the Board and/or the Association shall be entitled to specific performance of this obligation in court against any Owner who fails or refuses to complete such repairs or maintenance when duly requested to do so by the Board.

Section 7. Improvement Completion. Upon commencement of construction of any building or structure, or any remodeling or alteration to the exterior of any existing building or structure, the Owner thereof shall cause all work thereon to be completed within one (1) year after commencement; provided, however, that the ARC, upon a showing of good cause, may, at its option, grant a written extension of said completion for a term not to exceed one (1) additional year.

Section 8. Nuisances. No Owner shall conduct or permit any noxious or offensive activity on any Lot or any part of the Subdivision that may be, or become, a nuisance or interference with quiet enjoyment, or that may increase the cost of insurance for any Owner. In this regard, all noises, sounds and vibrations emanating from a Lot shall be appropriately muffled so as not to be objectionable with respect to intermittent beat, frequency, shrillness or volume. Furthermore, every use shall be operated so that the vibration, heat and glare inherently and recurrently generated from such use are not perceptible beyond the structure in which said use is located. Electrical lighting may be used to illuminate landscaping areas and parking areas, provided that such devices are equipped with the proper lenses which concentrate the light downward on such areas so as to prevent any bright light or illumination being cast onto adjacent Lots, or any street (whether public or private), without the ARC's prior approval to the contrary. All exterior lighting within the Subdivision must comply with Blaine County's Dark Sky Ordinance, as adopted and amended

from time to time, including requirements relating to fixture shielding, color temperature, and light trespass.

Section 9. Storage; Screening. Unless specifically approved in writing by the ARC, no materials, supplies, inventory, equipment or any other personal property shall be stored on any portion of a Lot except inside a structure which has been approved by the ARC. All mechanical equipment, utility meters, fuel storage tanks, air conditioning equipment and similar items shall be screened and located in such a manner so as not to be visible from the various ground levels of the Subdivision or from the street, walkways and driveways within the Subdivision and so as to comply with any architectural and landscaping standards promulgated by the ARC. All roof-mounted mechanical equipment, utility installations, duct work, equipment, radio or television antennas or any other devices that project vertically above the roof or roof parapet, unless otherwise approved by the ARC, shall be screened by a solid visual barrier, or otherwise treated architecturally in a way which, in the reasonable judgment of the ARC, is detailed consistently with the design of the Building.

Section 10. Signs. No signs (whether exterior or interior) of any type which are visible from the neighboring Lots, properties, or street shall be placed or maintained in or on any structure, or any other part of a Lot, unless the ARC shall have first approved the same. In exercising its discretion, the ARC shall consider whether the proposed signage complies with such signage standards respecting design, type and location of signage as the Association may have adopted from time to time. Such signs, and their construction and installation, must also comply with any and all applicable government rules, laws, ordinances, regulations and statutes and any requirements of Blaine County. Notwithstanding anything to the contrary contained herein, the Association shall have the right to remove all signs that have been installed in violation of this section if an Owner fails to remove any such signs within seven (7) days after receipt of written notice of violation by the ARC or the Association. The Owner whose signs were installed in violation of this section shall promptly reimburse the Association for any and all costs incurred by the Association in removing such signs.

Section 11. Modification of Grades. The grade of any Lot shall not be substantially modified, altered or otherwise changed without the ARC's prior written approval. No grade of a Lot may be changed if such new grade would change or impact the drainage of such Lot or that of any other Lots.

Section 12. Further Subdivision. No Lot shall be further subdivided.

Section 13. Unightly Items. All weeds, rubbish, debris, or unsightly materials or objects of any kind shall be regularly removed from each Lot and shall not be allowed to accumulate thereon. Except as the ARC shall have otherwise approved, all refuse containers, trash cans, storage areas, machinery and equipment are prohibited upon any Lots unless contained in an enclosed, fenced side yard in a location approved in writing by the ARC and not visible from the parking areas or street towards which any building located on such Lot faces.

Section 14. Wildlife-Friendly Fencing Standards. In recognition of the wildlife habitat and migration corridors present within and adjacent to the Subdivision, all fences constructed on any Lot shall be designed and maintained to allow for wildlife migration. The following standards shall apply to all fencing within the Subdivision:

(a) The top rail of any fence shall not exceed forty-two inches (42") in height and the bottom rail shall be no less than eighteen inches (18") above the ground to allow for wildlife passage underneath.

(b) All fences shall be constructed, installed, and maintained in good appearance and condition at the expense of the Owner of the Lot on which they are located. Damaged fencing shall be repaired or replaced to the original design, materials, and color within a reasonable time after damage occurs.

(c) No fence shall interfere with the use and enjoyment of any easement shown on the Plat or recorded against the Subdivision.

(d) No fence, wall, hedge, high planting, or barrier shall be allowed that would unreasonably interfere with the use and enjoyment of neighboring Lots or that would constitute a nuisance or noxious effect upon neighboring Lots. All fencing plans are subject to ARC review and approval prior to installation.

Section 15. Excavation and Mining Prohibition. No excavation for stone, sand, gravel, earth, or minerals shall be made upon any Lot unless such excavation is necessary in connection with the construction of a structure approved by the ARC. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon, in, or under any Lot, nor shall oil wells, tanks, tunnels, mineral excavations, or shafts be permitted upon, in, or under any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained, or permitted upon any Lot.

Section 17. Animals and Pets. Animals, birds, insects, and livestock shall only be permitted on any Lot to the extent they do not constitute a nuisance to neighboring Lots or to the Subdivision generally. Chronic dog barking shall be deemed a nuisance for purposes of this Declaration. No animal shall be allowed to run at large within the Subdivision. Owners shall be responsible for ensuring that their animals do not damage neighboring Lots, Common Areas, or Association infrastructure. Any damage caused by an Owner's animal shall be the sole financial responsibility of that Owner and may, at the Association's option, be assessed as a Limited Assessment against such Owner's Lot.

Section 16. Insurance Rates. Nothing shall be done or kept on any Lot which will increase the rate of insurance on any other Lot or on any property owned or managed by the Association, without the prior written approval of the Board of Directors. No Owner shall do or keep anything on any Lot or within the Subdivision that would result in the cancellation of insurance maintained by the Association or that would be in violation of any applicable law, ordinance, or regulation.

Section 17. Board Enforcement and Right of Entry. In the event any Owner permits any improvement, including landscaping, which is the responsibility of such Owner to maintain, to fall into disrepair so as to create a dangerous, unsafe, overgrown, weed-infested, unsightly, or unattractive condition, or causes damage to property or facilities on or adjoining such Owner's Lot that would otherwise be the Association's responsibility to maintain, the Board of Directors, upon twenty (20) days prior written notice to such Owner, shall have the right to correct such condition and to enter upon such Owner's Lot for the purpose of doing so. Such Owner shall promptly reimburse the Association for all costs and expenses incurred in taking such corrective action. All unreimbursed costs shall constitute a Limited Assessment against such Owner's Lot and shall create a lien enforceable in the same manner as other Assessments under this Declaration. The Owner shall be personally liable for all such costs, plus all costs incurred by the Association in collecting the amounts due, including reasonable attorneys' fees.

Section 18. Declarant Development Exemption. Nothing contained in this Article IV shall limit the right of Declarant, so long as any Lot in the Subdivision remains unsold, to: (a) complete excavation, grading, and construction of improvements to and on any portion of the Property owned by Declarant; (b) alter construction plans and designs; (c) erect, construct, and maintain on the Property such structures and displays as may be reasonably necessary for the conduct of Declarant's business of completing development and selling Lots; (d) grant licenses, reserve rights-of-way, and establish easements with respect to the Property in favor of utility companies, public agencies, or others; or (e) assign any of the foregoing rights to a successor-in-interest by express written assignment recorded in the Office of the Blaine County Recorder. This exemption shall terminate automatically upon the sale and closing of the last Lot in the Subdivision.

ARTICLE V WATER SYSTEMS

Section 1. Water System. Declarant shall construct and install, to the boundary of each Lot, a water system for potable water and a second water system for non-potable irrigation water, capable of delivering to said Lots within the Project, its appurtenant allocation of Water Rights Nos. _____, _____, and _____ ("Water System"). The operation and maintenance of said systems shall be as follows:

(a) The title to the Water Systems, including appurtenant water rights, and the pumps, pump house, wells, pipelines and other equipment appurtenant thereto, shall be vested in the Cove Ranch North Owners Association, Inc., an Idaho non-profit corporation ("Association"). The Water Systems shall be transferred by the Declarant to the Association by Bill of Sale and/or Quitclaim Deed, and the Association shall be deemed to have accepted such conveyance upon delivery to it of the Bill of Sale and/or recordation of the deed pertaining thereto. Notwithstanding the foregoing, the pivot irrigation systems situated on the Subdivision are not included in the Water System, and shall not be transferred or conveyed to the Association.

(b) Upon conveyance of the Water System to the Association, the Association shall have the duty of owning, managing and operating the Water Systems, which duties and responsibilities shall include, but not be limited to, the following:

- i. To maintain said system in good and clean condition and to keep all such facilities in good repair and operating condition;
- ii. To pay any real and personal property taxes, assessments and charges when due and not permit the same to become a lien thereon;
- iii. To officially operate, regulate and maintain the Water Systems in a manner calculated to provide reliable water service to all users;
- iv. To maintain a comprehensive policy of public liability insurance covering the operation of the Water System with policy limits to be established by the Association. Any such insurance shall contain a "severability of interest" endorsement, which shall preclude the insurer from denying a claim of any Owner for negligent acts of the Association.

Said insurance policy shall name as a separately protected insured, the Declarant, Cove Ranch North Owners Association, and its officers and Board of Directors and The Association's, employees and agents;

- v. To levy assessments as more specifically set forth in Article X, to defray the costs incurred with respect to the operation, maintenance, repair and ownership of said water system;
- vi. To protect all water rights appurtenant to the Project.

Section 2. Repair and Maintenance. All repair, maintenance, and capital improvement expenses with respect to the potable Water System, including, but not limited to, the pumps, pump house, wells, water lines, and other appurtenant equipment shall be shared equally by Owners through Assessments levied by said Association in the manner hereinafter provided for. All expenses related to the non-potable irrigation Water System shall be based upon metered use of such water as set forth hereinafter in Article X, Section 4.

Section 3. Water Meters; Owner Installation Required. Prior to or at the time any Lot is connected to the potable (domestic) Water System or to the non-potable pressurized irrigation Water System, the Owner of such Lot shall, at the Owner's sole cost and expense, purchase and install a water meter on each such service connection. Unless otherwise approved in writing by the Association, each such meter shall be: (a) for the domestic (potable) water service, a one inch (1") Badger Meter brand residential water meter; and (b) for the pressurized irrigation (non-potable) water service, an appropriately sized Badger Meter brand residential water meter; in each case equipped with an integral ORION Cellular endpoint (or such successor or substitute equipment as the Association may approve) fully compatible with the Association's BEACON remote meter reading and billing system. Each such meter shall be installed at the location and in the manner specified by the Association, and no connection to either Water System shall be made or maintained without the meters required by this Section. Each Owner shall thereafter maintain, repair, and replace such meters as necessary, at the Owner's expense, so that the same remain in accurate working condition at all times, and shall provide the Association reasonable access to such meters as set forth in Article X, Section 4. Water usage measured by such meters shall be used by the Association in the administration of the Water Systems, including the determination of the non-potable irrigation water assessments described in Article X, Section 4.

ARTICLE VI STORAGE UNITS

Section 1. Use of Storage Unit. One (1) storage unit shall be allocated to each Lot at the time of sale and shall be conveyed with the Lot as an appurtenant interest. An Owner may rent or sell their allocated Unit to another Owner of a Lot within the Subdivision; Units may not be rented or sold to any person or entity who is not an Owner of a Lot within the Subdivision. Any transfer or rental of a Unit between Owners shall be documented in writing and a copy provided to the Association within thirty (30) days of such transaction. A Unit shall not be used for any unlawful purpose and shall be kept in good condition by its Owner. Units shall not be used to store any flammable, combustible, explosive, corrosive, chemical, odorous, perishable, noxious, or other inherently dangerous materials. A Unit may not be for residential purposes. The Owner of a Unit shall not use the Unit for manufacturing, fabrication or for use as a maintenance or repair facility.

All items placed in the Unit shall be the Owner's own property or property which the Owner is legally entitled to possess. A Unit must be kept locked. The Owner of a Unit shall not place any property or material outside a Unit. Any property or material found outside the Unit shall be conclusively presumed to be abandoned and may be disposed of by Declarant or the Association, without notice or liability to an Owner of a Unit. The Owner of a Unit shall not make any alterations to the Unit nor post any signs whatsoever without the prior express written consent of the Association, which the Association may grant or withhold in its sole discretion.

Section 2. Risk of Loss or Damage. The Association shall have no liability for damage to or loss of property placed in Owner's Unit caused by heat, cold, theft, vandalism, fire, water, wind, dust, rain, explosion, rodents, insects or any other cause whatsoever. The Association carries no insurance covering damage to or loss of the Owner's property or the Unit. Each Owner of a Unit shall maintain a policy of fire and extended coverage insurance with theft, vandalism and malicious mischief to the extent of 100% of the replacement value of Owner's Unit. Declarant or the Association shall not be deemed to either expressly or impliedly provide any security protection to the Unit or to the property stored in the Unit. Any security devices which Declarant or the Association may maintain are for Declarant's or the Association convenience only. Declarant or the Association may discontinue its use of any security device in whole or in part at any time without notice to an Owner. Declarant or the Association shall not be liable to Owner or Owner's invitees for personal injuries or damage to their property caused by any act or negligence of Declarant or the Association. By accepting ownership of a Unit, each Owner hereby agrees to indemnify and hold harmless Declarant or the Association from any and all claims, including claims for which Declarant or the Association is negligent, or is alleged to be negligent, for damages to property or personal injury and costs, including attorneys' fees, arising from use and/or occupancy of the Unit.

Section 3. Declarant's or Association's Right to Enter. In case of an emergency, Declarant's or the Association's agents may enter an Owner's Unit without notice to or consent from an Owner. For the purpose of this paragraph, the term "emergency" means any sudden, unexpected occurrence or circumstance which demands immediate action, including but not limited to fire or flood.

Section 4. Delivery of Notice. Any notice to be provided to an Owner of a Unit shall be given in writing by mailing the same by certified mail, return receipt requested, first class postage prepaid, to the Owner at his or her respective addresses as provided to Declarant, or the Association, or at such other address or addresses as may hereafter be designated by like notice.

Section 5. Attorneys' Fees and Costs. Owner agrees to pay Declarant or the Association all costs and expenses, including reasonable attorneys' fees and court costs, incurred by Declarant or the Association in enforcing any of the terms or conditions of this Declaration, or any of its rights and remedies under the laws of the state of Idaho.

Section 6. Exclusions of all Warranties. Owner agrees that Declarant, its agents and employees, have not made and make no representations or warranties of any kind or nature, directly or indirectly, expressed or implied, as to any matter whatsoever related to the Unit. Oral statements by Declarant, its agents, or employees do not constitute warranties, and shall not be relied upon by the Owner of any Unit, nor shall any of said statements be considered a part of this Declaration. The entire agreement and understanding of the parties are embodied in this writing together with any other document applicable to the storage Units, and no other warranties are given beyond those

set forth herein. It is further understood and agreed that Owner has been given an opportunity to inspect and has inspected the Unit, and accepts the Unit "AS IS" and with all faults.

Section 7. HOA Exterior Maintenance. The Association shall be responsible for the maintenance, repair, and upkeep of the exterior of all storage units and the storage unit area, including but not limited to the exterior walls, roofs, doors, common lighting, drainage, and landscaping within the storage unit area. The cost of such exterior maintenance shall be included as a common expense of the Association and funded through regular assessments. Interior maintenance and upkeep of each Unit remains the sole responsibility of the Owner of that Unit.

ARTICLE VIII COMMON AREA

Section 1. Common Area. The Subdivision perimeter landscaping installed by the Declarant shall be kept and maintained by the Association at all times. Declarant may, in its sole and absolute discretion, install some portions of the perimeter landscaping prior to sales of Lots to Owners. An easement for such perimeter landscaping maintenance is hereby reserved by Declarant, and granted to the Association, and declared to exist on all such Lots, which easement shall not be impeded in any manner so as to allow for maintenance and replacement of such landscaping by the Association. No fence, division, partition, rail or obstruction of any type or kind shall be placed, permitted or maintained between the Lots in the Subdivision at any point where such landscaping easement exists in locations that are consistent with the Planned Unit Development Agreement for the Subdivision. Pressurized irrigation charges for each Lot will be billed to the Owners by the Association based upon actual water usage as determined by water meters for each Lot, and as more specifically set forth in Article V hereof.

Section 2. Sign Easements. Declarant hereby reserves to itself and to its successors and assigns an easement for the installation and maintenance of monument signs and/or other approved signage identifying the Subdivision in locations determined by the Declarant. Once constructed, such Subdivision signage shall become part of the common area to be kept, maintained, repaired and/or replaced by the Association.

ARTICLE IX THE ASSOCIATION

Section 1. Creation. Declarant has caused to be incorporated, a non-profit property owners' association under the laws of the state of Idaho known as the Cove Ranch North Homeowners Association, Inc.

Section 2. Membership. Every Owner of a Lot in the Subdivision shall be both entitled and required to be a Member of the Association. If title to a Lot is held by more than one person or entity, the membership related to that Lot shall be shared by all such persons or entities in the same proportionate interest and by the same type of tenancy in which title to the Lot is held. Such co-owners of a Lot shall designate one of the co-owners as the Member for the purposes of membership in the Association, voting and representation of the interest of the co-owners in the Association. Only one membership shall be appurtenant to each Lot. No person or entity other than an Owner may be a Member of the Association.

Section 3. Quorum and Voting Rights. A majority of the Members, represented in person or by proxy, shall constitute a quorum at any meeting of the Members of the Association. The total number of votes which may be cast by all Members of the Association shall be one (1) vote per Lot, except for so long as the Declarant shall own any Lot within the Subdivision, Declarant shall be entitled to cast ten (10) votes for each, and every such Lot owned by the Declarant.

Section 4. Cumulative Voting. In any election of the directors of the Board of Directors, each Member entitled to vote at such election shall have the right to cumulative voting for each Director to be elected, and to thereby give one candidate or divide among any number of the candidates a whole number of votes equal to the total number of votes to which that Member is entitled to vote for all Directors to be elected. The candidates receiving the highest number of votes, up to the number of Directors to be elected, shall be deemed elected.

Section 5. Governance. The Association shall be governed by a Board of Directors and officers in accordance with its Articles of Incorporation and Bylaws.

Section 6. Management of the Common Area. The Association shall be responsible for exclusive management and control of any Common Area. All landscaping and other improvements situated on or included in the Common Area of the Subdivision shall be kept in good condition and repair and shall be kept reasonably free of debris and obstructions by the Association.

Section 7. Rules and Regulations and Ability to Impose Fines for Violations. The Association, by and through its Board of Directors, may make reasonable rules and regulations governing the use of Lots, which rules and regulations shall not be inconsistent with the rights and duties established in this Declaration. The Association may also take judicial action against any Owner to enforce compliance with any of its rules and regulations, or the other terms or provisions of this Declaration. Consistent with Idaho Code § 55-3206, as it may be amended from time to time, the Association, acting by and through a majority vote of its Board of Directors, has the express authority to impose a fine on an Owner for a violation of this Declaration, or the above-referenced rules and regulations. No less than thirty (30) days written notice of such violation and the time of a meeting at which a vote to impose a fine on such Owner must be provided to an Owner by personal service or certified mail. All other provisions of Idaho Code § 55-3206(1) – (4) inclusive, as the same may be amended from time to time, are incorporated herein by reference.

Section 8. Implied Rights. The Association may exercise any other right or privilege given to the Association expressly by this Declaration or by law, and every other right or privilege reasonably implied from the existence of any right or privilege given to the Association herein or reasonably necessary to effectuate any such right or privilege.

ARTICLE X ASSESSMENTS

Section 1. Agreement to Pay Assessments. Declarant, for each Lot owned by the Declarant, hereby covenants and agrees, and each subsequent Owner of any Lot, by the acceptance of a deed therefore, whether or not it be so expressed in said deed, shall be deemed to covenant and agree to pay to the Association all assessments duly levied against such Lot and Owner pursuant to this Declaration. Such assessments shall be levied and collected against Lots and their

respective Owners, from time to time in the manner provided in this Article X. In the case of joint or co-ownerships this liability shall be joint and several.

Section 2. Annual Assessments. Annual assessments against all Lots and the Owners thereof are hereby authorized which shall be based upon advance annual estimates of cash requirements by the Association to provide for the payment of all estimated expenses to be incurred in the ensuing twelve-month period in the conduct of the Association's affairs, including the maintenance and operation of the Common Area. Such expenses may include, among other things, those incurred for insurance, legal and accounting services, landscaping installation and maintenance, and the creation of a reasonable contingency reserve, surplus and/or sinking fund for capital improvements, replacements and repair. The Board of Directors shall prepare a budget showing anticipated income and expenses for the forthcoming fiscal year, which duty may, at the discretion of the Board, be delegated to a property management company managing the Association's affairs. The Board of Directors shall present the proposed budget to the Members at the annual meeting of the Members as established pursuant to the Bylaws of the Association. The proposed budget shall be discussed, and the final annual budget shall be voted upon and must be approved by a vote of a majority of the votes cast on that issue at the annual meeting.

Section 3. Special Assessments. In addition to the annual assessments authorized hereinabove, the Association may levy at any time a special assessment payable over such period as the Association may determine for the purpose of defraying in whole or in part the unanticipated cost of any construction, reconstruction, repair or replacement of Common Area improvements, including the potable Water System, or any other expenses duly incurred or to be incurred as provided in this Declaration, but not adequately provided for by the annual assessment. This section shall not be construed as independent authority for the Association to incur expenses, but shall be construed to prescribe an alternative manner of assessing for expenses authorized in other sections hereof, which expenses are of an unanticipated nature, or are of a nature not reasonably capable of being fully paid with funds generated by annual assessments. Any such special assessment equal to or in excess of Five Hundred and No/100 Dollars (\$500.00) for a Lot must be assented to by a vote of not less than sixty percent (60%) of the votes cast on that issue at a meeting duly called for that purpose. Written notice setting forth the purpose of the meeting shall be sent to all Members at least thirty (30) days but not more than sixty (60) days prior to the meeting date. Notwithstanding the foregoing, nothing herein shall be deemed to preclude the Board from incurring indebtedness without a vote of the Association Owners in the event of a reasonably perceived emergency.

Section 4. Non-Potable Water Assessment. The usage of non-potable water for irrigation purposes shall be metered with a flow meter to be installed by the Declarant prior to the sale of any Lot. On November 1 of each calendar year, the Association, acting by and through its designated agent or employee, shall have unfettered and unobstructed access to each flow meter on every Lot to determine the amount of non-potable irrigation water usage on each such Lot within the Subdivision. All expenses related to the non-potable Water System, including, but not limited to, operation, maintenance, repair and capital improvement costs related to the pumps, pump house, wells, water lines and other appurtenant equipment related to the non-potable Water System, shall be equitably and ratably apportioned among the Lot Owners who apply irrigation water to a Lot during such calendar year based upon actual water usage. By way of example, if one Owner applied 5000 gallons of irrigation water to his/her/its Lot in a year, and the total non-potable irrigation water usage in the Subdivision for that same year was 500,000 gallons, the non-potable water assessment attributable to that Lot Owner would be One Percent (1%) of the total

cost and expense for the non-potable Water System usage for that year. Assessments for such irrigation usage shall be due and payable within fifteen (15) days after the Association provides such assessment notice to an Owner. In the event a flow meter on any Lot is found to be defective, inoperable, tampered with, or otherwise unable to accurately measure water usage, the Owner of that Lot shall be charged for a full annual water allocation for that Lot for the applicable calendar year, as determined by the Association in its reasonable discretion. The Association shall provide written notice to the Owner of any such meter deficiency.

Section 5. Apportionment of Assessments. Levies of annual and special assessments shall be apportioned equally among the Lots and the Owners thereof. Assessments for non-potable irrigation water usage shall be in accordance with the preceding paragraph.

Section 6. Notice of Periodic Assessments and Time for Payment Thereof. The Association shall levy an annual assessment each year, the exact date to be determined by its Board of Directors and shall further levy a special assessment whenever circumstances in the opinion of the Board of Directors require it as set forth above. Such assessments shall be payable quarterly unless the Association determines otherwise. The Association shall provide each Owner with notice specifying the amount of the assessment and the date or dates of payment of the same. No payment shall be due less than fifteen (15) days after said written notice has been given and each assessment shall bear interest at the rate of 12% per annum from and after the date it becomes due and payable if not paid within thirty (30) days after such date. Failure of the Association to give notice of the assessment shall not affect the liability of the Owner for such assessment, but the date when payment shall become due in such a case shall be deferred to a date fifteen (15) days after such notice has been given.

Section 7. Lien of Assessment. All sums assessed against any Lot shall be secured by a lien on said Lot in favor of the Association upon recordation of a notice of assessment as herein provided. Such lien shall be superior to all other liens and encumbrances on said Lot, with the exception of: (a) valid tax and assessment liens imposed by governmental entities; (b) the lien of prior mortgages, deeds of trust or other security instruments perfected and recorded in Blaine County, Idaho; and (c) valid prior labor and materialman's liens duly perfected and recorded in Blaine County, Idaho.

To create a lien for sums assessed pursuant to this Declaration, the Association may prepare a written notice of said assessments, setting forth the amount thereof, the date due, the unpaid balance, the name of the record Owner of the Lot and the legal description of said Lot. Such notice shall be signed by an officer of the Association and may be recorded in the office of the County Recorder of Blaine County, Idaho. No such notice of assessment shall be recorded until there is a delinquency in the payment of the assessment to which it relates. The priority date of the lien shall be the date of its recordation, and it may be foreclosed and enforced in the manner permitted for consensual liens by the laws of the state of Idaho. In addition to all other sums which may be due and owing for which a lien is recorded, the Owner shall be obligated to pay all costs and expenses incurred by the Association in preparing, filing, foreclosing said lien, or otherwise collecting the assessment to which it is related, including all costs and attorney fees. All such costs and expenses shall be deemed to be secured by the lien being foreclosed.

Section 8. Personal Obligation of Owner. The amount of any assessment against any Lot shall be the personal obligation of the Owner thereof to the Association. A suit to recover a money judgment for such obligation can be maintained by the Association without foreclosure or

waiver of the lien securing the same, and no Owner may avoid or diminish such personal obligation, or by the sale or abandonment of the Lot.

Section 9. Personal Liability of Purchasers. Subject to the provisions of Section 8 immediately hereinabove, the purchaser of a Lot shall be jointly and severally liable with the seller thereof for all unpaid assessments appurtenant thereto, including any such assessments due and owing prior to said purchaser's acquisition of said Lot.

Section 10. Declarant Reserve Contribution Obligation. Notwithstanding any other provision of this Declaration, the Declarant's obligation to fund the Association's reserve account shall be governed by the following schedule, which is intended to align Declarant's contributions with the maturity of the Subdivision and to satisfy applicable lender and secondary mortgage market requirements:

(a) Pre-Threshold Period (Prior to 85% of Lots Sold). Prior to the sale and closing of eighty-five percent (85%) of the Lots in the Subdivision (i.e., forty two (42) of the fifty (50) Lots), the Declarant shall not be required to make contributions to the Association's reserve account. During this period, Owners of sold Lots shall pay assessments to the Association in the ordinary course pursuant to this Article X. To the extent that the assessments collected from such Owners are insufficient to cover the Association's actual costs of operating and maintaining the Common Areas and any Association infrastructure during such period, the Declarant shall be responsible for funding the shortfall between actual costs incurred and assessments collected, within thirty (30) days of receiving written notice thereof from the Association's Board of Directors. Such shortfall payments by the Declarant shall be made to the Association's operating account and shall not constitute contributions to the reserve account. For the avoidance of doubt, "sold" for purposes of this Section means a Lot for which a deed has been recorded conveying fee title from the Declarant to an Owner.

(b) Initial Reserve Funding Period (85% Through 99% of Lots Sold). Upon the sale and closing of eighty-five percent (85%) of the Lots in the Subdivision, the Declarant shall commence monthly contributions to the Association's reserve account. Such contributions shall be calculated on a per-Lot-per-month basis equal to the then-current regular annual assessment divided by twelve (12), applied to each Lot still owned by the Declarant. The reserve account shall have been established prior to or concurrently with the first Lot closing in the Subdivision, as set forth in the Bylaws, and shall be maintained separately from the Association's operating account at all times. During this period, the reserve account shall be funded to a minimum balance equal to three (3) months of projected annual operating expenses as set forth in the most recently adopted Association budget.

(c) Full Reserve Funding (100% of Lots Sold or End of Declarant Control Period). Upon the the sale and closing of all fifty (50) Lots in the Subdivision; the Declarant shall have no further reserve contribution obligations with respect to unsold Lots, and the Association's reserve funding shall thereafter be governed entirely by the annual assessment process set forth in Section 2 of this Article X. At such time, the Board of Directors shall commission or update a reserve study in accordance with generally accepted accounting principles and shall adopt a funding plan to maintain the reserve account at a level consistent with the long-term capital replacement needs of the Common Areas and Association infrastructure.

ARTICLE XI ARCHITECTURAL REVIEW COMMITTEE

Section 1. Approvals.

(a) No building, structure, fence, sign, or improvement of any kind or character, including landscaping, and no exterior alterations thereof, shall be constructed, reconstructed, placed or altered on a Lot until the final plans and specifications, elevations, a description of landscaping and a description and samples of the exterior building materials and colors to be used, a plot plan showing the precise boundaries of the Lot and the locations of any proposed improvements, a construction schedule and such other information as the ARC may reasonably request (collectively, the "Plans") have been submitted to, and approved in writing by, the ARC or such individuals as may be designated by the ARC. The ARC shall review, and have the right to approve or disapprove, in accordance with Section 3, the style, exterior colors and treatments, architectural and engineering design, size and height of any improvements, quality and type of materials, harmony of external design with existing structures, and location with respect to topography and finished grade elevation. In addition, the ARC shall review, and have the right to approve or disapprove, the configuration and features of parking, signage, walkways, driveways, landscaping, sprinkler systems, external lighting and all other buildings and improvements of every kind and nature. The ARC's right of approval shall also apply to the setback lines and any similar matters.

(b) Preliminary plans may be submitted to the ARC for its tentative approval. All Plans shall be submitted to the ARC digitally via email or such other electronic means as the ARC may designate. A non-refundable review fee of \$300 shall accompany each Plan submission, payable to the Association, prior to ARC review. Physical copies shall not be required unless specifically requested by the ARC.

(c) Neither Declarant, nor the ARC nor any Owner, shall be liable in damages to any person or entity submitting Plans, or to any Owner of any portion of a Lot, by reason of any actual or alleged mistake in judgment, negligence or nonfeasance arising out of, or in connection with, the approval, disapproval, review or failure to approve any such Plans. Every Owner who submits Plans to the ARC for approval agrees, by submission of such Plans, and every Owner of any portion of a Lot agrees, by acquiring title thereto or interest therein, that he will not bring action or suit against Declarant or the ARC to recover any such damages.

Section 2. Timing of Approval. Within thirty (30) days from its receipt of the Plans described above, the ARC shall reasonably approve or disapprove the same. The ARC shall notify the Owner of its decision electronically and shall retain a copy of the Plans in its digital files. An applicant for plan approval may, but need not, be given the opportunity to be heard in support of its application.

Section 3. Standards for Disapproval. The ARC shall have the right to disapprove any Plans if, in the ARC's sole discretion: (i) the Plans do not comply with all of the provisions of the Subdivision, including the PUD Agreement; (ii) the Plans do not comply with any and all requirements of the County; (iii) the design, landscaping, color scheme, building materials or elevations of the proposed building, sign, fence, improvement, or other structure are not in harmony with the general surroundings of the Subdivision or with the adjacent buildings or improvements, whether existing or planned, or are not in harmony with architectural standards and

design criteria adopted by the Board and in effect at the time plans are submitted; (iv) the Plans submitted are incomplete; or (v) the ARC deems the Plans to be contrary to the best interests, welfare or rights of all or any of the other Owners as being inconsistent with the architectural standards and/or design criteria described herein.

Section 4. Defects in Plans. The exercise by the ARC, or any architect or agent of the ARC, if appointed, of its right to review and approve Plans which are submitted, revised or approved in accordance with this Declaration shall not constitute a determination by the ARC or such architect or agent of the ARC, of the engineering or structural design, sufficiency or integrity of the improvements contemplated by such Plans, nor a determination of the compliance of such Plans with any applicable building codes, safety features or standards. Neither the ARC nor any architect or agent thereof shall be responsible or liable in any way for any defects in any Plans submitted, revised or approved in accordance with the foregoing provisions, nor for any structural or other defects in any work done according to such Plans.

Section 5. Standards and Criteria. The Board may adopt and promulgate architectural standards and design criteria from time to time that are consistent herewith.

Section 6. No Modification of Rights or Restrictions. The establishment of the procedures under this Article for architectural approval shall not alter any rights of or restrictions on an Owner to maintain, repair, alter, modify or otherwise control its Lot as may otherwise be specified in this Declaration.

Section 7. Construction. Following the ARC's approval of an Owner's Plans, such Owner shall commence and diligently pursue to completion construction of the Owner's Building and/or Improvements, in full conformance with the Plans, including without limitation, the approved construction schedule contained therein and in compliance with any and all requirements of the County and the Architectural Review Committee. At its discretion, the ARC or the Association shall have the right to inspect the progress of such Owner's construction and to enforce the approved Plans so as to correct any violations of the requirements thereof. Landscaping and signage approved in connection with an Owner's Plans shall be installed prior to the earlier to occur of (i) occupancy or (ii) completion of a building on a Lot.

Section 8. Architectural Review Committee ("ARC"). The Architectural Review Committee shall be appointed by the Association and shall consist of at least two (2) individuals, which the Association shall have the right, in its sole and absolute discretion, to appoint and thereafter to remove or change. Individual members of such Architectural Review Committee need not be Owners.

ARTICLE XII MISCELLANEOUS

Section 1. Compliance. Each Owner shall comply with the provisions of this Declaration, the Articles of Incorporation and Bylaws of the Association, and all rules and regulations duly enacted by the Association or its Board. Failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief, or both, maintainable by the Declarant, the Association, or any Owner.

Section 2. Notice of Meeting and Mailing Address. Not later than ten days prior to the date of any regular or three days prior to the date of a special meeting of the members, notice of said meeting, including the time, place, and purpose of the meeting, shall be given to each member by personal service or by mail; provided, however, that if notice is given by mail, it shall be placed in the U.S. mail, postage prepaid, addressed to the member to whom it is directed at member's last known address, not later than fifteen days prior to the date of the regular meeting or not later than three days prior to the date of a special meeting. Each Owner shall provide the Declarant and the Association with such Owner's mailing address, which address shall be used for the mailing or other service of any and all notices, assessments or communications from the Association. Any notice referred to in this section shall be deemed given by the Association when it has been deposited in the United States mail, postage prepaid, addressed to the Owner at the given address.

Section 3. Number and Gender. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

Section 4. Amendment. This Declaration, and the covenants, conditions and restrictions contained herein, shall run with and bind all real property situated within Cove Springs North Subdivision, and all Lots situated therein, and the Owners thereof, until and unless terminated and revoked by a vote of not less than three-fourths (3/4) of the votes authorized for Lots within the Subdivision as provided in this Declaration. Any amendment, termination or revocation shall be effective only upon recordation.

Section 5. Prevailing Law. The provisions of this Declaration shall be liberally construed to accomplish its purpose of creating a uniform plan for the development of the Subdivision. This Declaration and the obligations of the Owners hereunder shall be interpreted, construed and enforced in accordance with the laws of the state of Idaho.

Section 6. Non-liability of Declarant. To the fullest extent permitted by law, neither Declarant, nor any of its agents, employees, partners, officers, directors, shareholders, members, successors or assigns shall be liable to any Owner for any damage, loss or prejudice suffered or claimed on account of any decision, course of action, act, omission, error, negligence or the like made in good faith and reasonably believed to be within the scope of its duties; provided, however, Declarant shall only be liable for its gross negligence or willful misconduct to the extent not covered by insurance required to be carried by any Owner hereunder. To the fullest extent permitted by law, each and every Owner, by accepting its interest or title to its interest in any Lot, agrees to indemnify, defend and protect Declarant and its members, officers or shareholders against and from all claims arising out of the construction, use, possession and/or operation of the Lot, or building thereon, occupied by, owned by or under the control of such Owner.

Section 7. Constructive Notice and Acceptance. Every Owner who now or hereafter owns or acquires any right, title or interest in or to any portion of the Subdivision is and shall be conclusively deemed to have consented and agreed to every covenant, condition, restriction and easement contained herein, by reference and otherwise, whether or not any reference to this Declaration is contained in the instrument by which such Owner acquired an interest in the Subdivision.

Section 8. Mutuality; Reciprocity; Runs with Land. All restrictions, conditions, covenants and easements contained herein, by reference or otherwise, (i) are made for the direct,

mutual and reciprocal benefit of each and every portion of the Subdivision, (ii) shall create mutual, equitable servitudes upon each portion of the Subdivision in favor of every other portion, (iii) shall create privity of estate between all grantees of said portions or interests therein, their heirs, successors and assigns, (iv) and shall, as to each Owner and the heirs, successors and assigns of said Owner, operate as covenants running with the land for the benefit of all other portions of the Subdivision.

Section 9. Article and Section Headings. The Article and Section headings used herein are inserted for convenience only and are not intended to be a part of this Declaration or in any way to define, limit or describe the scope and intent of the respective Articles and Sections to which they refer.

Section 10. Release. If an Owner shall sell, transfer or assign its entire Lot or its interest therein, it shall, except as provided in this Declaration, be released from its unaccrued obligations hereunder from and after the date of such sale, transfer or assignment. It shall be a condition precedent to the release and discharge of any grantor or assignor Owner from its unaccrued obligations hereunder that the following conditions are satisfied: (a) such grantor or assignor shall pay all monetary sums then owed under the terms of this Declaration, and (b) the transferee shall execute and deliver to the other Owner(s) a written statement in recordable form in which: (i) the name and address of the transferee shall be disclosed; and (ii) the transferee shall acknowledge its obligation hereunder and agree to be bound by this Declaration and perform all obligations hereunder in accordance with the provisions of this Declaration. Failure to deliver any such written statement shall not affect the running of any covenants herein with the land. Anything in this Section to the contrary notwithstanding, it is expressly understood and agreed that no such sale, transfer or assignment or written acknowledgment by the transferee of its obligations hereunder shall effectuate a release of its transferor with respect to obligations which accrued hereunder prior to the subject transfer.

Section 11. Declarant's Right to Amend Plat. Notwithstanding anything in this Declaration to the contrary, subsequent to the recordation of the Plat and/or this Declaration, Declarant shall be entitled, from time to time and in its sole discretion, to unilaterally amend the Subdivision Plat to modify anything depicted thereon; provided, however, that no such amendment shall materially and adversely affect the use by any Owner of its Lot. Declarant's right to amend the Plat shall include, but shall not be limited to, the right to modify the size, design, layout and location of reconfigured Common Area in the Subdivision. Declarant's right to so amend the Plat shall become effective by recording an addendum to this Declaration or the Plat in the official records of Blaine County and causing a copy of the same to be delivered to each Owner. Any such amendment of the Plat by means of such addendum shall not constitute or require an amendment of this Declaration.

Section 12. Notices. Any notice, demand, communication, certification, approval, consent, invoice and/or request (individually referred to as "Notice"), required or allowed hereunder to be given to or by the Association or an Owner shall be made in writing and shall be delivered personally or by reliable, receipted courier service or certified mail (with postage prepaid, return receipt requested). Notice shall be deemed given when actually received or when such delivery is refused.

(a) Notice to the Association shall be delivered to the following addresses or such other addresses as either shall designate by notice properly delivered in accordance with this Section 12:

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