

95

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS OF
LANE RANCH NORTH SUBDIVISION,
CITY OF SUN VALLEY,
BLAINE COUNTY, IDAHO**

THIS DECLARATION is made on the date hereunder set forth by **LRN DEVELOPMENT LLC**, an Idaho limited liability company, hereinafter referred to as "Declarant".

RECITALS:

This Declaration, as may be amended from time to time, is made in contemplation and furtherance of the following:

- A. Declarant is the owner of the Lane Ranch North Subdivision, located within the City of Sun Valley, Blaine County, Idaho, hereinafter referred to as "Subdivision", the final plat for which has been recorded in the records of Blaine County, Idaho, as Instrument No. **618904** ("Plat").
- B. Declarant's predecessor, PONASCEA, LLC, an Idaho limited liability company, in connection with the platting and approval of the Subdivision, entered into a Planned Unit Development Agreement dated the 23rd day of April, 2012, with the City of Sun Valley, which was amended pursuant to a Development Agreement Amendment (the "Amendment"), either or both of which may be amended from time to time (collectively, the "Development Agreement"), which Development Agreement contained certain conditions and restrictions on the development of lots within the Subdivision, and further provided for the installation of required infrastructure improvements within said Subdivision by Declarant or succeeding Owners of Lots within the Subdivision.
- C. The Plat for the Subdivision contains plat notes and depictions which regulate certain aspects of any development which may occur on lots within the Subdivision, and imposes certain requirements for the installation and construction of infrastructure improvements, and the timing thereof.
- D. Declarant's predecessor, PONASCEA, LLC, in connection with the platting and approval of the Subdivision, also submitted to the City of Sun Valley a Master Plan which established development criteria.
- E. The Subdivision, and all improvements and structures to be erected and maintained thereon, are, and shall be, subject to the provisions of this Declaration, and all applicable ordinances of the City of Sun Valley, Idaho, including, without limitation, its zoning ordinance and subdivision ordinance.
- F. It is the intent of the Declarant that all uses and improvements hereafter conducted, installed or constructed on each lot within the Subdivision be done in a manner generally consistent with the above-referenced Plat, Master Plan, Development Agreement, and City of Sun

Valley ordinances, for the mutual benefit of all persons or entities owning or leasing property therein, and to achieve that intent through the Covenants, Conditions and Restrictions hereinafter set forth.

DECLARATION

Declarant hereby declares that the Lane Ranch North Subdivision, and all real property parcels and lots situated therein, or created therefrom, shall be held, conveyed, encumbered, leased, used and improved subject to the covenants, conditions, restrictions, and equitable servitudes hereinafter set forth or provided for, which shall run with said real property, and be binding upon, and benefit, all parties presently owning, or hereafter acquiring, any right, title or interest therein, or to any part thereof.

ARTICLE I.

Definitions

Section 1.1. "Architectural Design Guidelines" shall mean and refer collectively to all rules, regulations, restrictions, and requirements imposed upon any structures, improvements, alterations or landscaping constructed within the Subdivision which are contained or provided for in the Plat, Development Agreement and any amendments thereto, and this Declaration, together with those certain "Lane Ranch North Design Guidelines for Homesites" dated March 2012, and any additions or amendments thereto adopted by the Board of Directors of the Association, to guide and control the Architectural Design Committee's approval or denial of plans presented to it pursuant to Article VI hereof.

Section 1.2. "Architectural Design Committee" shall mean the committee created pursuant to Article VI hereof, which committee may hereinafter be referred to as the "ADC".

Section 1.3. "Articles" shall mean the Articles of Incorporation, as may be amended from time to time, of the Lane Ranch North Owners Association, Inc.

Section 1.4. "Assessments" shall mean the assessments described in Article V.

Section 1.5. "Association" shall mean and refer to the Lane Ranch North Owners Association, Inc., a non-profit corporation organized under the laws of the State of Idaho, its successors and assigns.

Section 1.6. "Board of Directors" shall mean and refer to the Board of Directors of the Association.

Section 1.7. "Development Agreement" shall mean and refer to that certain Development Agreement dated the 23rd day of April, 2012, and the Amendment referenced above, either or both of which may be amended from time to time, entered into by and between the City of Sun Valley and PONASCEA, LLC, an Idaho limited liability company, the predecessor in interest to the Declarant.

Section 1.8. "Lot" or "Lots" shall mean and refer to Lots 1 through 4, as shown on the official Plat of the Subdivision.

Section 1.9. "Master Plan" shall mean and refer to that Master Plan for the Subdivision, as may be amended from time to time, presented to, and approved by, the City of Sun Valley, dated April 23, 2012.

Section 1.10. "Member" shall mean a member of the Association, who shall be an owner of a lot and shall qualify for membership in the Association in the manner hereinafter set forth.

Section 1.11. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, including the Declarant; provided, however, that the term "Owner" shall not include those having only a security interest in any Lot through a lien, encumbrance, deed of trust, mortgage, or other similar security instrument.

Section 1.12. "Plat" shall mean and refer to the official plat of the Lane Ranch North Subdivision, as may be amended from time to time, recorded as Instrument No. 618904 in the records of Blaine County, Idaho, including all Plat Notes set forth thereon.

Section 1.13. "Subdivision" shall mean and refer to the Lane Ranch North Subdivision.

ARTICLE II. Project Development

Section 2.1. Development Requirements. All development, structures, and other improvements occurring on any Lot, and all uses made thereof, shall conform in all respects with the provisions of the Plat, Master Plan, the Plat notes, the Architectural Design Guidelines, the Development Agreement, and this Declaration, all of which are hereby incorporated and made a part hereof, and applicable ordinances of the City of Sun Valley.

Section 2.2. ADC Approval. All buildings, structures, landscaping, water features and other exterior improvements, and all subsequent extensions and expansions thereof, and all exterior alterations, attachments, accessories and appurtenances thereto shall be consistent with the provisions of this Declaration and the Architectural Design Guidelines, as may be amended from time to time, and shall not be undertaken, commenced, constructed or installed without the prior written approval of the ADC, unless expressly exempted from such approval by the terms of this Declaration and in a writing from the ADC acknowledging such exemption.

Section 2.3. Exterior Changes and Alterations. Approval of the ADC shall not be required for any remodeling or renovation involving only the interior of any building or structure, nor the repainting, in the same color of the exterior of any building, structure or improvement, the replacement or repair of broken, deteriorated or damaged exterior windows, siding, trim, decking, sidewalks, exposed structural members or foundations, provided such work does not alter the size or color of the structure, or the configuration of architectural features of its exterior, as originally approved by ADC, and is consistent with Architectural Design Guidelines and the provisions of this Declaration.

Section 2.4. Landscaping and Landscape Maintenance. Plans for initial landscaping of each Lot (including irrigation system) shall be subject to the written approval of an initial landscape plan and irrigation plan by the ADC prior to installation. Thereafter, without further approval from the ADC, plantings, landscape elements and the irrigation system may be repaired or maintained, provided it is

consistent with said Architectural Design Guidelines and the provisions of this Declaration. All costs of installation, maintenance and repair of such improvements shall be the sole responsibility of the Owner of a Lot.

Section 2.5. Construction Activities. The covenants, conditions and restrictions contained herein shall not be construed to unreasonably interfere with, or prevent normal construction activities during the installation or construction of approved improvements on any Lot by the Owner thereof, including the Declarant, provided that when completed, such improvement shall in all ways conform to the said covenants, conditions and restrictions. Specifically, no such construction activity shall be deemed to constitute a nuisance or violation of this Declaration by reason of noise, dust, presence of vehicles or construction machinery, erection of temporary construction structures, posting of signs or similar activities, provided that such construction is pursued to completion with reasonable diligence, and conforms to the ADC-approved construction management plan and applicable ordinances of the City of Sun Valley.

Section 2.6. Applicable Restrictions from the Current Development Code.

- (a) Lots 1, 2, 3 and 4 shall be developed in accordance with the standards established by the Development Code for the RA zoning district, unless noted otherwise on the Plat.
- (b) Current Development Code provisions limit the development of each single family residential lot within this subdivision to one (1) single family dwelling unit, together with one (1) accessory dwelling unit, and other permissible accessory structures.

Section 2.7. Plat Restrictions for Lots 1 and 2.

- (a) The combined maximum allowable Building Footprints (as that term is defined in Section 9-1C-1 of the City's Development Code) for a single family residential structure, an accessory dwelling unit, accessory structure and/or any other permitted use shall not exceed 6,000 square feet for each Lot 1 and Lot 2, and the Net Usable Floor Space thereof, as that term is defined in the City's Development Code, shall not exceed 9,000 square feet on each Lot 1 and Lot 2. Certain portions of the perimeter of the Building Envelopes on Lots 1 and 2, as depicted on Exhibits "A" and "B" to the Development Agreement, have cross-hatched areas that are non-buildable and the following restrictions shall apply:
 - (i) No residential structures are allowed in the non-buildable zones.
 - (ii) The integrity of the contoured grading and native landscaping within the non-buildable zones must be protected. There shall be no changes to the contoured grading within the non-buildable zones which would be visible from Elkhorn Road. Furthermore, any enhancement or additions to the native landscaping provided in the non-buildable zones and visible from

Elkhorn Road must be of a type consistent with native planting, and may be subject to design review by both the Declarant, the Association, and/or the City of Sun Valley.

(iii) Only landscaping, terraces, rockery retaining walls not exceeding five (5) feet in height, lawn, trees, shrubs, pools, spas, and barbeques are allowed in the non-buildable zones provided they are not visible from any location on Elkhorn Road and receive design review approval from the City.

- (b) No residential structure shall be built, constructed or placed within ten (10) feet of the external boundary of a platted Building Envelope (as that term is defined in Section 9-1C-1 of the City's Development Code).
- (c) Notwithstanding anything to the contrary in the City's Development Code, no portion of any structure on any lot may be located outside the boundary of a platted Building Envelope. Driveways, hardscape, retaining walls and landscape shall be allowed outside the Building Envelope.
- (d) Paragraph 4 of the Development Agreement sets forth certain parameters regarding height and locational standards for structures within the building envelopes on Lots 1 and 2 which are more restrictive than City Code requirements and mandatory in nature.

Section 2.8. Plat Restrictions for Lots 3 and 4.

- (a) Lots 3 and 4 shall be developed in accordance with the Development Agreement and the standards established by the City for the RA zoning district, unless noted otherwise on the subdivision plat for Lane Ranch North.
- (b) The combined maximum allowable Building Footprints (as that term is defined in Section 9-1C-1 of the City's Development Code) for all structures on each such lot shall not exceed 30% of Building Envelope coverage.
- (c) No residential structure shall be built, constructed or placed within ten (10) feet of the external boundary of a platted Building Envelope (as that term is defined in Section 9-1C-1 of the City's Development Code).
- (d) Notwithstanding anything to the contrary in the City's Development Code, no portion of any structure on any lot may be located outside the boundary of a platted Building Envelope. Driveways, hardscape, retaining walls and landscape shall be allowed outside the Building Envelope.

Section 2.9. Irrigation. The potable domestic water source for irrigation of landscaped areas shall not exceed one-half (1/2) acre.

Section 2.10. Lighting. All exterior lights shall comply with the City's lighting ordinances, including down-cast lighting and shielding.

Section 2.11. Weed Control. Weed control for all lots shall be the responsibility of the Declarant until the lot is sold, and thereafter the responsibility of the owners of the individual lots. The weed control program to be implemented by the responsible party will target those species designated on

the Idaho Noxious Weed List. Mowing and manual removal are recommended, although biological control has been shown to be effective in eradicating knapweed.

Section 2.12. Fencing. No perimeter fencing shall be permitted around any lot or any building envelope. Privacy fencing adjacent to residences will be considered under the Design Guidelines. The only type of wire fencing that will be allowed is for a dog run which must meet the requirements of SVDC section 9-3G-6.

Section 2.13. Utilities. All utilities shall be placed underground.

Section 2.14. Building Construction. Disturbance of natural and existing vegetation shall be limited to the extent possible to areas within the platted building envelopes, except that which is necessary to construct the street, access driveways, utilities, and the installation of plant materials and landscaping.

Section 2.15. Wildlife.

- (a) Big game and other wildlife depredation on ornamental plants and gardens are anticipated. All responsibility for controlling wildlife depredation will belong to each property owner. Any actions taken to alleviate depredation will be those as may be prescribed by the Idaho Department of Fish and Game ("IDFG"). Harassment of wildlife will not be tolerated.
- (b) Native plant communities support the most stable and diverse wildlife populations. Removal of native vegetation should be minimized and restricted to what is necessary to construct roadways and residences. Vegetation and soil disturbance by contractors and utility companies should be limited to roads and improvement envelopes only.
- (c) Burning of refuse (household garbage, landscaping trimmings, etc.) is strictly prohibited. A wildfire in this area would have severe consequences for wildlife.
- (d) Domestic pets, including cats, shall be kept indoors, in kennels, or under the control of their owners and not allowed to run at large.
- (e) IDFG recommends all outside pet kennels be completely enclosed, including a roof, to prevent mountain lion depredation.
- (f) All pet food shall be stored and fed in a manner that does not attract "nuisance" wildlife (e.g., skunks, raccoons, magpies, red fox, etc.). All responsibility for controlling nuisance wildlife problems will be those as may be prescribed by the IDFG.

Section 2.16. Private Street. The private street shown on the Plat will be owned and maintained by a homeowners' association for the Lane Ranch North Subdivision.

ARTICLE III.

Infrastructure Improvements

Section 3.1. Required Improvements. As set forth in the Recitals hereinabove, certain improvements are required to be constructed in connection with the development and improvement

of the Subdivision and Lots therein by the terms and provisions of the Utility Master Plan and the Development Agreement. The provisions of this Article III specifically identify certain of said improvements. By acquiring a deed to any Lot, or an ownership interest in any portion thereof, the person or entity so acquiring shall be deemed to accept the obligations set forth in this Article III.

Section 3.2. Development Agreement Improvements. Each Owner of a Lot, or of any interest therein, shall, in connection with said real property interest, be subject to all of the terms and conditions of the Development Agreement, and shall use, develop and improve said Lot or other real property interest therein in conformance with the Development Agreement, and shall be deemed to be successors to the Declarant.

Section 3.3 Private Roadway, Utility Improvements and Entry Landscaping. Regardless of the Lot upon which the private roadway known as Pete's Lane, the utility improvement (including, without limitation, sewer, electric/water/cable/telephone lines), and the entry landscaping shall be regarded as infrastructure to be maintained, repaired and replaced by the appropriate utility provider or the Association, and an easement therefor for all such purposes is hereby declared to exist. All subsequent Owners of Lots within the Subdivision, by accepting a deed therefor, are deemed to acknowledge, agree and consent to the validity and existence of such easement as if the same were expressly set forth in a reservation or grant of such easement in favor of the Association.

ARTICLE IV Association

Section 4.1. Establishment. Prior to or upon the execution and recordation of this Declaration, the Declarant shall have created or shall also create an owners association, to be incorporated under the laws of the State of Idaho as a non-profit membership corporation, the name of which shall be Lane Ranch North Owners Association, Inc. All references herein to the Association shall be to said corporation.

Section 4.2. Articles and Bylaws. Declarant shall adopt Articles of Incorporation and Bylaws for the Association, and appoint an initial Board of Directors to provide for the administration and governance of the Association consistent with this Declaration. In the event of conflict between this Declaration and the Articles and/or Bylaws of the Association, the provisions of this Declaration shall prevail.

Section 4.3. Annual Meeting. The Articles and/or Bylaws shall provide for an annual meeting of the Members, and shall further provide for the method by which other meetings of the Members of the Association and the Board of Directors may call for further special meetings.

Section 4.4. Board of Directors. The Association shall be managed by a Board of Directors, all of whom shall be members of the Association after the time that all Lots have been sold by the Declarant. The number of directors, their terms of office, and the manner by which they are to be elected and function, shall be set forth in the Articles and/or Bylaws of the Association.

Section 4.5. Membership. Every Owner shall be entitled and required to be a member of the Association. Should title to a Lot be 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 proportion of interest and by the same type of tenancy in which title to the Lot is held. An Owner shall be entitled to one (1)

membership for each Lot owned by that Owner. No person or entity other than an Owner may be a Member of the Association.

Section 4.6. Voting Rights. The Association shall have two (2) classes of membership as follows:

(A) Class A Membership. Class A Members shall be all Owners except the Declarant, and each Class A Member shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all of such persons shall be Members, but the vote appurtenant to the Lot owned by them shall be exercised as the joint Owners may decide amongst themselves, but in no event shall more than one vote be cast with respect to any Lot.

(B) Class B Membership. Class B Members shall be limited to the Declarant, who shall be entitled to four (4) votes for each Lot owned by it. Class B membership shall cease to exist, and be converted to Class A memberships at such time as all Lots have been sold by the Declarant.

(C) Majority. Unless otherwise provided herein with respect to particular matters, all decisions to be made by a vote of the Members shall be determined by a simple majority of the votes cast by Members voting, in person or by proxy, at a duly constituted meeting of the Members.

Section 4.7. Cumulative Voting. In any election for Directors of the Association, 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 candidates, the 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 4.8. Transfer of Membership. The Association membership of each Owner, including the Declarant, shall be appurtenant to the Lot giving rise to such membership, and shall not be transferred in any way except upon the transfer of title to the Lot, and then only to the transferee of title to said Lot. Any attempt to make a prohibited transfer shall be void, and any transfer of title to a Lot shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner thereof.

Section 4.9. Duties of the Association. The power, duties and obligations of the Association, to be exercised and undertaken for the mutual benefit of the Owners, shall be as follows:

(A) Subdivision Improvements. The Association shall contract for, supervise, and manage the maintenance, repair and replacement of Subdivision infrastructure improvements, including the private roadway, the roadway shoulders, private road retaining walls, signs, utilities, entry landscaping, and any and all other facilities identified in the provisions of Article III hereinabove, and shall be entitled to recover all costs incurred therefor through special assessments as authorized in Article V herein.

Section 4.10. Rules and Regulations. The Declarant and/or Association may promulgate reasonable rules and regulations governing the use of any portions of the Subdivision, which rules and regulations shall be consistent with the rights and duties established in this Declaration and the Development Agreement. The Association may also take such judicial action as it may deem necessary or

appropriate to enforce compliance with any of its rules or regulations, or the other terms and provisions of this Declaration over which it has jurisdiction.

Section 4.11. Services. The Association shall obtain and pay for a professional manager or management company to manage the business affairs of the Association. The Association may obtain and pay for the services of any other person or entity which it determines to be necessary or desirable for the proper operation of its purposes, duties and obligations, whether such persons or entities are furnished or employed directly by the Association, or by any third party or entity with whom the Association contracts. The Association may obtain and pay for any legal or accounting services necessary or desirable in connection with the exercise of its powers or duties hereunder, or in connection with the enforcement of this Declaration, or any of its terms or provisions. The Association may also arrange with others to furnish insurance, utilities, snow removal, trash collection, landscape installation or maintenance, and other similar services as may be necessary or appropriate to assist the Association in carrying out its duties pursuant to this Declaration.

Section 4.12. Implied Rights. The Association may exercise any other right, privilege or power expressly given to the Association by this Declaration, the Development Agreement, or by law, and every other right, power or privilege reasonably to be implied therefrom or otherwise necessary.

Section 4.13. Books and Records. The Board shall cause to be kept complete, detailed and accurate books and records of the receipts and expenditures of the Association, in a form which complies with generally accepted accounting principles. The Board, or a majority of the Owners, may at any time require an audit prepared by an independent certified public accountant, which shall be paid for by the Association.

Section 4.14. Inspection of Association Documents, Books and Records. The Association shall make available to the Owners, mortgagees, prospective purchasers and their prospective mortgagees, and the agents or attorneys of any of them, current copies of this Declaration, the Articles, Bylaws, and other rules, books, records, and financial statements of the Association. The Association may require the requesting party to pay a reasonable charge for the reproduction of any such documents and records desired.

ARTICLE V Assessments

Section 5.1. 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 therefor, whether or not it be so expressed in said deed, shall be deemed to covenant and agree with each other and with the Association, to pay to the Association the assessments provided for in this Declaration. In the case of joint or co-ownerships of any Lot or Lots, this liability shall be joint and several. Such assessments shall be levied against Lots and collected from time-to-time in the manner provided in this Article V.

Section 5.2. Annual Assessments. Annual Assessments against all Lots 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 ordinary and recurring annual expenses to be incurred in the ensuing twelve-month period in the conduct of the Association's affairs, including the performance of all obligations and duties imposed on the Association by this Declaration. Such expenses may include,

among other things, those incurred for utilities; taxes; insurance; legal and accounting services; and the creation of reasonable capital reserve or contingency reserve accounts.

Section 5.3. Special Assessments. In addition to the Annual Assessments authorized hereinabove, the Association may levy at anytime a Special Assessment payable over such a period as the Association may determine for the purpose of defraying in whole or in part the cost of any construction, reconstruction, repair or replacement the Association may be required to undertake, or for any other similarly unanticipated or emergency expenses duly incurred or to be incurred by the Association pursuant to this Declaration, which cannot be, or were not, adequately provided for by the Annual Assessment.

Section 5.4. Apportionment of Assessments. Annual Assessments shall be levied and assessed equally against all Lots. All other Annual Assessment amounts, and all Special Assessments shall be levied and assessed only against those Lots which receive benefit therefrom, in the manner set forth elsewhere herein.

Section 5.5. Notice of Periodic Assessments and Time for Payment Thereof. The Association shall establish an Annual Assessment each year, the exact date to be determined by its Board of Directors, and shall further establish a Special Assessment whenever circumstances, in the opinion of the Board of Directors, require it. Such Assessments shall be payable in the manner and on the dates determined by the Association from time-to-time. The Association shall provide each Owner with notice specifying the amount of the Assessment levied against its Lot and the date or dates of payment of the same. No payment shall be due and payable less than 30 days after said written notice has been given and each Assessment shall bear interest at the rate of 18% per annum from and after the date it becomes due and payable if not paid by 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 and payable in such a case shall be deferred to a date 30 days after such notice has been given.

Section 5.6. Lien of Assessment. All sums levied against any Lot shall be secured by a lien on said Lot in favor of the Association upon recordation of a notice of Assessment lien as herein provided. Such lien shall be superior to all other liens and encumbrances on said Lot, with 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 duly 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 perfect 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 attorney's fees. All such costs and expenses shall be deemed to be secured by the lien being foreclosed.

Unless sooner satisfied and released, or the enforcement initiated as provided earlier in this section, any lien created pursuant to this section shall expire and be of no further force or effect two (2) years from the date of recordation of said notice of Assessment; provided, however, said period may be extended by the Association for an additional period not to exceed two (2) years by a written extension signed by an officer of the Association and recorded in the office of County Recorder of Blaine County, Idaho, prior to the expiration of the initial two (2) year period.

Section 5.7. Personal Obligation of Owner. The amount of any Assessment levied by the Association against any Lot shall be the personal obligation of the Owner thereof. 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 by the sale or abandonment of the Lot. In such a suit, the Association shall be entitled to recover reasonable costs and attorney fees incurred in prosecuting the same, in addition to all delinquent Assessments and accrued interest thereon.

Section 5.8. Personal Liability of Purchasers. Subject to the provisions of Section 5.7 immediately hereinabove, the purchaser of a Lot shall be jointly and severally liable with the seller for all unpaid Assessments appurtenant thereto including any such Assessments due and owing prior to said purchaser's acquisition of said Lot, together with accrued interest thereon and, should legal action be instituted by the Association to collect the same, all costs, including attorney fees reasonably incurred in the prosecution of said action.

ARTICLE VI Architectural Design Committee

Section 6.1. Architectural Review and Approval. Neither any landscaping on any Lot, nor any building, structure or improvement, or any alteration or change to the exterior of any building, structure or improvement, or any appurtenant exterior appurtenances, including, but not limited to, decks, fences, patios, exterior antennas, solar panels, skylights, or signs shall be constructed, installed or completed until the plans and specifications therefor have been submitted to, and approved in writing by, the Architectural Design Committee ("ADC"). All plans and specifications shall be evaluated by the ADC, and approved only if they comply with the provisions of the then current Architectural Design Guidelines and all other documents that pertain to the Subdivision or any Lot therein. Approval by the ADC does not obviate the necessity of receiving all applicable permits and approvals from the City of Sun Valley for any proposed construction, excavation, improvements, alterations or repairs.

Section 6.2. Architectural Design Committee. The ADC initially will be composed of up to three (3) individuals appointed to the ADC by the Declarant. Appointments will be limited to three (3) consecutive two-year terms. For the first ten (10) years or until all Lots are sold by the Declarant, whichever shall first occur, individuals will be appointed by the Declarant. Thereafter, for a period of two (2) additional years, one of the positions on the ADC will be appointed by the Declarant. After those additional two years, ADC members shall be appointed by the Association.

Section 6.3. Pre-Application Meeting. Prior to submitting a formal application to the ADC, a prospective applicant may, upon request, schedule a pre-application meeting with the ADC (or representatives designated by the ADC) to discuss preliminary design concepts, potential

construction issues, Architectural Design Guideline provisions, and similar preliminary matters relating to the proposed project; provided, however, that no formal actions binding the ADC shall be taken at any such pre-application meeting.

Section 6.4. Application for Design Review. All plans and specifications for the construction or installation of any improvements within the Subdivision which are subject to the Architectural Design Guidelines and the City of Sun Valley design review must be submitted to, and approved in writing by, the ADC **prior** to submittal to the City of Sun Valley.

Section 6.5. Limitations on ADC Review. The ADC has no authority to review, approve or disapprove any plans or specifications on the basis of engineering design or structural engineering and safety, nor for compliance with applicable zoning, building, or other city, county, state or federal laws, ordinances, codes or policies.

Section 6.6. Related Approvals. Along with obtaining all necessary written approvals from the ADC as set forth in the Architectural Design Guidelines, each Owner is obligated to obtain all necessary governmental approvals. Plans and specifications are to be prepared in accordance with all applicable governmental laws and regulations affecting the use of the Lots and improvements thereon.

Section 6.7. Plan Submittal Package. Unless otherwise agreed in writing by the ADC, any application submitted to the ADC shall include a Letter of Application requesting a meeting with the ADC, together with the following, if applicable:

- Site Utilization Map/Plan
- Vicinity Map
- Landscape Plan
- Building Envelope and Building Footprint Survey and Contour Map
- Architectural Plans
- Architectural Exterior Elevations
- Architectural Sections
- Architectural Rendering
- Exterior Lighting Plan
- Exterior Color Boards
- Construction Schedule
- Construction Management Plan

Section 6.8. Fee Schedule. A review fee is required upon submittal of the plan package and prior to any review meeting and, after approval and before commencement of construction, the applicant shall submit a refundable construction mitigation payment which will be refunded in full, if and when construction is completed in conformance with the approved design review submittal. The amount of said review fee and construction mitigation payment shall be established, and may from time to time be amended, by the Board of Directors.

Section 6.9. Variance Procedure. Variances and exceptions to the Architectural Design Guidelines may be granted by special review of the ADC, and concurrence by the Board of Directors. This does not exempt applicants from the City of Sun Valley requirements.

Section 6.10. Term of Design Review Approvals. Applications to the City of Sun Valley must be made for a building permit within six (6) months from the date of ADC approval. If not, the ADC approval will expire unless extended in writing by the ADC.

ARTICLE VII Revocation or Amendment

Section 7.1 Method of Revocation or Amendment. This Declaration may be amended or revoked, in whole or in part, by an instrument duly adopted and executed by the record Owners of not less than 75% of the total votes entitled to be cast by all Members of the Association on the effective date of the amendment or revocation, and recorded in the official records of Blaine County, Idaho. Any such revocation or amendment duly adopted and executed shall be binding upon every Owner and Lot, whether the burdens thereon are increased or decreased by any such amendment or revocation, and whether or not the Owner consents thereto.

ARTICLE VIII Miscellaneous

Section 8.1 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. Failure to comply shall be grounds for an action to recover sums for damages, or injunctive relief, or both, maintainable by the Association or any Owner.

Section 8.2 Mailing Address. Each Owner shall provide 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. Each Owner may, at its discretion, also provide the Association with such Owner's email address and phone numbers in order to facilitate communications from the Association.

Section 8.3 Transfer of Rights. Any right or interest reserved hereby to the Declarant may be transferred or assigned by the Declarant to any person or entity.

Section 8.4 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 8.5 Severability. If any of the provisions of this Declaration, or any clause, paragraph, sentence, phrase or word or the application thereof in any circumstance shall be invalidated, such invalidity shall not affect the validity of the remainder of this Declaration, and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstance shall not be affected thereby.

Section 8.6 Construction by Declarant. Nothing in this Declaration or any action taken by the Association shall limit the right of the Declarant, or its successor, to complete construction of any improvement on any Lot in the Subdivision required of it pursuant to the Plat, Development

Agreement or Master Plan, provided it is done in a manner consistent with the plans and specifications approved by the City of Sun Valley.

Section 8.7 Prevailing Law. The provisions of this Declaration shall be construed and enforced pursuant to the laws of the State of Idaho, and all applicable statutes of the City of Sun Valley, Idaho.

This Declaration is executed this 28th day of April, 2014.

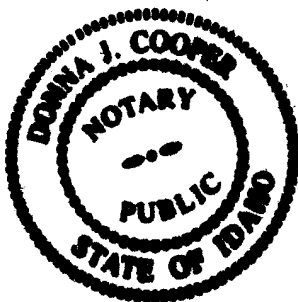
"DECLARANT"
LRN DEVELOPMENT LLC

By: Peter S. O'Neill
Peter S. O'Neill
Its: Manager

STATE OF IDAHO)
)ss.
County of Ada)

On this 28th day of April, 2014, before me, a Notary Public for said County and State, personally appeared Peter S. O'Neill, known or identified to me to be the person whose name is subscribed to the within instrument as the Manager of LRN Development, LLC, and acknowledged to me that he executed the same in his capacity as Manager of LRN Development LLC

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



Donna J. Cooper
NOTARY PUBLIC FOR IDAHO
Residing at: Borise, ID
My commission expires: 4-5-18
lrim\realest\CCRs\LRN KP 4 16 14_clean