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MARY LOU HANSEN

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Index to: DECLARATION OF COVENANTS

Q. Nelson

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR IRON WOOD, TETON COUNTY, IDAHO**

THIS DECLARATION is made as of the 11 day of June, 2006, by Ironwood Land, LLC, an Idaho limited liability company, as Declarant.

RECITALS:

A. Declarant is the owner of certain real property located in Teton County, Idaho, which is generally described as Iron Wood.

B. The Property contains high scenic and natural values, and Declarant is adopting these covenants, conditions and restrictions to preserve and maintain the character and value of the Property for the benefit of all existing and future owners of the Property, in conjunction with the residential development of the Property, as a first class residential real estate project.

C. The Property is hereby made subject to the covenants, conditions, restrictions, reservations, assessments, charges and liens contained or provided for in this Declaration, all of which shall be enforceable equitable servitudes and shall run with the land.

D. The Property shall generally be known as "Iron Wood", and by such other or additional names as may be designated by Declarant from time to time.

NOW, THEREFORE, Declarant hereby declares that all of the Property shall be held, sold, conveyed, leased, transferred, used and occupied subject to the provisions of this Declaration, including the covenants, restrictions, reservations, assessments, regulations, charges and liens contained or provided for herein, which are for the purpose of protecting the value and desirability of the Property as a first-class residential real estate project, and which shall be construed as covenants of equitable servitude and shall run with the land and be binding on all parties having any right, title or interest in the Property or any part thereof, and their heirs, successors and assigns.

**ARTICLE I
DEFINITIONS**

Section 1. "Association" shall mean Iron Wood Homeowners Association, Inc., an Idaho nonprofit corporation, and its successors and assigns. The Association will be formed once Iron Wood Phase I reaches 50% build out.

Section 2. "Property" shall mean the real property located in Teton County, Idaho, particularly described on Exhibit A attached hereto. In addition, "Property" shall mean all additional real property which may be annexed in accordance with the procedure set forth in Article XVI herein.

Section 3. "Lot" shall refer to each of Parcel 1, Parcel 2 and _____ described on Exhibit A attached hereto and each such parcel shall constitute one (1) Lot. It is anticipated that additional parcels of various shapes and sizes will be annexed in accordance with the procedures set forth in Article XVI set forth herein and each of such parcels shall also constitute a "Lot".

Section 4. "Owner" or "Ownership" shall mean the record owner, whether one or more persons and/or entities, of a fee simple title to each Lot, including contract buyers of record, but excluding mortgagees, contract sellers or others having such interest merely as security for the performance of an obligation unless and until said mortgagee or other holder of a security interest has acquired title to a Lot which is part of the Property pursuant to forfeiture, foreclosure or a proceeding in lieu thereof. An "Owner" shall mean all of the owners of a particular Lot collectively and shall be jointly regarded as a single Owner for purposes of this Declaration. Any owner of an equity interest of record in a Lot, and any partner, officer or shareholder of an entity which is an Owner of record, may be treated by the Association as the representative of all the Ownership of such Lot for purposes of giving notices, voting and other matters.

Section 5. "Members" shall mean the Owners, as described in Article II hereof.

Section 6. "Declarant" shall mean Ironwood Land, LLC, an Idaho limited liability company, and its successors and assigns.

Section 7. "Management Committee" shall mean the Board of Directors of the Association, as described in the articles of incorporation and by-laws of the Association and in this Declaration.

Section 8. "Common Areas" shall mean any real property (including walkways, lighting facilities, easements and improvements) acquired by the Association for the common use and enjoyment of all the Members of the Association. Generally, all utility pipes, lines or systems, roads and streets, walkways, custodial and maintenance buildings and other similar improvements owned by the Association shall be deemed to be Common Areas and operated and maintained as such up to the point, if applicable, where the improvement or facility borders upon a Lot.

ARTICLE II THE ASSOCIATION

Section 1. Membership. Every Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from Ownership of any Lot, and Ownership of a Lot shall be the sole qualification for Membership. Each Ownership shall constitute one (1) Member.

Section 2. Voting. Voting by Members of the Association upon any matter allowing or requiring a vote of Members shall be as follows: If an Owner includes more than one (1) person and/or entity, the vote for said Member shall be cast in such manner as the persons and/or entities constituting the same shall determine, but the decision of the Management Committee as to the authority conferred upon one (1) or more Owners or other representatives by the Ownership in casting the one (1) vote of the Ownership shall be conclusive and binding.

2.1 Class A. Class A members shall be the Owners, with the exception of Declarant, and shall be entitled to one (1) vote for each Lot owned.

2.2 Class B. The Class B member shall be Declarant. Upon the recording hereof, Declarant shall be entitled to two (2) votes for each Lot owned by Declarant.

Section 3. Management Committee.

3.1 The administration of the Property on behalf of the Association shall be conducted by a board of directors, which is referred to herein as the Management Committee.

3.2 The members of the Management Committee shall receive no compensation for their services, other than reimbursement of expenses, unless expressly approved by a majority of a quorum of the Association; provided, however, that any member of the Management Committee may be employed by the Association in another capacity and receive compensation for such employment; and reasonable compensation may be provided without approval of the Association to Management Committee Members during the first thirty-six (36) months following the recording date of this Declaration.

3.3 The Management Committee, for the benefit of the Property and the Association, shall manage the business, property and affairs of the Association and shall enforce the provisions of this Declaration, and may adopt rules and regulations (including without limitation schedules of fines for violations) governing the Property. The

Management Committee shall have the powers, duties and responsibilities with respect to the Property as contained in Article III hereof and the other provisions of this Declaration and its articles of incorporation and by-laws, as well as any other applicable law.

3.4 Notwithstanding anything herein to the contrary, as long as Declarant is the Owner of at least twenty percent (20%) of the Lots, for which the Owner of such Lots qualifies as a Member of the Association, Declarant shall have the option to increase or decrease the number of persons on the Management Committee and to appoint and remove all members of the Management Committee, to appoint and remove all officers of the Association, and to exercise the powers and responsibilities otherwise assigned by the Declaration to the Association. Declarant shall have the option at any time, by an express written declaration, to turn over to the Association the total responsibility for electing and removing members of the Management Committee and the officers. No term of office of a Management Committee member or an Association officer or agent shall expire or otherwise be affected by the expiration of such period during which Declarant may control the Association, and if the number of Management Committee members shall be less than three (3) at the end of such period, the vacancies may be filled in accordance with the Bylaws of the Association.

3.5 Regular or special meetings of the Management Committee shall be held at such places within or without the State of Idaho as all members of the Management Committee shall determine. Otherwise, meetings shall be held at the Property. A simply majority of the members of the Management Committee shall constitute a quorum, and if a quorum is present, unless otherwise required by law or this Declaration, the decision of a majority of the members in attendance at any Management Committee meeting shall be binding on the Management Committee. The Management Committee shall appoint all of the officers of the Association. A meeting for the appointment of officers shall be held at the first meeting of the Management Committee immediately following the annual meeting of the Association.

3.6 Regular meetings of the Management Committee may be held without call or notice; provided, however, that if the meeting is to be held at a place other than as decided at the annual meeting each year, at least ten (10) days prior notice shall be given to all Management Committee members. The person or persons calling a special meeting of the Management Committee shall, at least ten (10) days before the meeting, give notice of the time and place thereof by any usual means of communication. Such notice should specify the general purposes for which the meeting is called.

3.7 Special meetings of the Management Committee may be called by the president of the Association or by any two (2) Management Committee members.

3.8 Any member of the Management Committee may, at any time, waive notice of any meeting of the Management Committee in writing, and such waiver shall be deemed equivalent to the giving of notice to the member. Attendance by a member of the Management Committee at a meeting shall constitute a waiver of notice of such meeting except when a Management Committee member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the members of the Management Committee are present at any meeting of the Management Committee, no notice shall be required and any business may be transacted at such meeting.

Section 4. Meetings of the Association.

4.1 The presence in person or by proxy at any meeting of the Association of at least twenty-five percent (25%) of the Owners shall constitute a quorum. In the event that such quorum is not present in person or by proxy, the meeting shall be adjourned for up to two (2) weeks as designated by the chairman presiding at the meeting, at which time it shall reconvene and any number of Owners present at such subsequent meeting shall constitute a quorum. Unless otherwise expressly provided in the Declaration, any action may be taken at any meeting of the Owners upon a vote of a majority interest of the Owners who are present in person or by proxy.

4.2 At all meetings of the Association, Owners may vote in person or by proxy executed in writing by the Owner or their duly authorized attorney in fact. Proxies shall be filed with the secretary of the Management Committee before or at the time of the meeting.

4.3 There shall be an annual meeting of the Association each year as set by the Management Committee, either at the Property or at such other place as may be designated by the Management Committee. The Management Committee shall give written notice of the time and place of the annual meeting, said notice to be delivered to the Members not less than ten (10) days prior to the date fixed for said meeting.

4.4 Special meetings of the Association may be held at any time at the Property or at some other place to consider matters which, by the terms of this Declaration, law, or the by-laws, require the approval of all or some of the Owners, or for any other reasonable purpose. Special meetings shall be called by written notice, signed by a majority of the Management Committee, or by Members representing at least twenty percent (20%) in interest of all Owners and delivered to all Members not less than fifteen (15) days prior to the date fixed for said meeting. The notice shall specify the date, time and place of the meeting, and the matters to be considered.

Section 5. Officers.

5.1 The Management Committee shall perform its functions and responsibilities through those members of the Management Committee who are elected as officers annually by the Management Committee, and through such agents or employees as the Management Committee may appoint. The primary officers shall consist of a president, a secretary, and a treasurer. The offices of secretary and treasurer may be combined as one (1) office. The Management Committee may appoint such assistant officers as the Management Committee may deem to be necessary or desirable. No officer shall receive compensation for serving as such unless a majority in interest of a quorum of the members of the Management Committee vote otherwise.

5.2 Any officer shall be subject to removal, with or without cause, at any time by the affirmative vote of a majority of the members of the Management Committee then serving.

Section 6. Other Matters. The Association may adopt by-laws containing more detailed provisions governing the internal affairs of the Association, to the extent the Management Committee deems such by-laws to be consistent with this Declaration.

**ARTICLE III
STATUS OF OWNERS; MANAGEMENT COMMITTEE**

Section 1. Legal Status. The Owners do not constitute an association or entity of any kind, and the sole legal entity created hereunder is the Association. The name of the Association shall be the name in which contracts shall be entered into, title to property shall be acquired, held, dealt in and disposed of, bank accounts shall be opened and suit shall be brought and defended by the Association, the Management Committee or officers thereof on behalf of and as agents for the Owners in the manner specified in this Declaration, the articles of incorporation, the by-laws, or by applicable law.

Section 2. Management of Association. The business, property and affairs of the Association shall be managed by a Management Committee as provided in this Declaration and its articles of incorporation and by-laws.

Section 3. Powers and Duties of Management Committee. The Management Committee, acting on behalf of the Association; shall have all the powers, duties and responsibilities which are now or may hereafter be provided by this Declaration, including but not limited to the following:

3.1 To make and enforce all administrative rules and regulations covering the operation and maintenance of the Property.

3.2 To engage the services of a manager or managing company, accountants, attorneys or other employees or agents and to pay said persons a reasonable compensation for their services.

3.3 To operate, maintain, repair, improve and replace the Common Areas, including the entering into of agreements for use and maintenance of the Common Areas and adjacent contiguous property for the benefit of the Association.

3.4 To determine and pay Common Expenses and other expenses of the Association.

3.5 To assess and collect the proportionate shares of Common Expenses and other applicable expenses from the Owners.

3.6 To enter into contracts, deeds, leases, and/or other written instruments or documents and to authorize the execution and delivery thereof by the appropriate officers.

3.7 To open bank accounts on behalf of the Association and to designate the signatures thereof.

3.8 To purchase, hold, sell, convey, mortgage, or lease any one (1) or more Lots in the name of the Association or its designee.

3.9 To bring, prosecute and settle litigation for itself, the Association and the Property.

3.10 To obtain insurance for the Association with respect to the Common Areas, and for the Association's officers, directors and employees, as well as workmen's compensation insurance as needed.

3.11 To repair or restore the Common Areas and any property owned by the Association following damage or destruction or a permanent taking by a power in the nature of eminent domain or by an action or deed in lieu of condemnation.

3.12 To own, purchase or lease, hold, sell or otherwise dispose of on behalf of the Owners, items of personal property necessary to or convenient in the management of the business and affairs of the Association and the Management Committee and in the operation of the Common Areas and any property owned by the Association.

3.13 To keep adequate books and records, which will be available to the Owners for inspection on a reasonable basis.

3.14 To make and enforce rules and regulations pertaining to the usage of the Common Areas. Declarant or the Association shall have the right and authority to grant access easements across the Common Areas to Lot Owners in order to provide access to Lots across the Common Areas.

3.15 To do all other acts necessary for the administration, operation and maintenance of the Common Areas and any property owned by the Association, including the maintenance and repair of any improvements on the Common Areas if the same is necessary or desirable to protect or preserve the Common Areas and any property owned by the Association.

Section 4. Delegation of Powers. The Management Committee may delegate to a manager or managing company all of its foregoing powers, duties and responsibilities referred to in Section 3 above except: the final determination of common expenses, budgets, and assessments based thereon; the promulgation of rules and regulations; the power to purchase, hold, sell, convey, mortgage, or lease any property in the name of the Association; or any other power, duty or responsibility nondelegable by law.

Section 5. Limited Liability of Management Committee, etc. Members of the Management Committee and their officers, assistant officers, agents and employees: (i) shall not be liable to the Owners as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or bad faith; (ii) shall have no personal liability in contract to an Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such; (iii) shall have no personal liability in tort to any Owner or any person or entity, except for their own willful misconduct or bad faith; (iv) shall have no personal liability arising out of the use, misuse or condition of the Property which might in any way be assessed against or imputed to them as a result of or by virtue of their capacity as such.

Section 6. Indemnification. The Association hereby indemnifies and holds harmless any person, their heirs and personal representatives from and against all personal liability and all expenses, including attorney's fees, incurred or imposed or arising out of or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, instituted by any one (1) or more Owners or any other persons or entities to which he shall be or shall be threatened to be made a party by reason of the fact that he or she was a member of the Management Committee or an officer or assistant officer, member, attorney or manager of the Association, other than to the extent, if any, such liability or expense shall be attributable

to his willful misconduct or bad faith; provided, further that in the case of any settlement that the Management Committee shall have approved, the indemnification shall apply only when the Management Committee approves the settlement as being in the best interests of the Association. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement or vote of Owners or of the Management Committee or otherwise. The indemnification by the Owners as contained herein shall be paid by the Management Committee on behalf of the Owners and shall constitute a common expense and shall be assessed and collectable as such.

Section 7. No Amendment Without Consent. The provisions of Section 5 and Section 6 above may not be amended with any retroactive effect so as to limit the rights of any person otherwise entitled to the benefits thereof.

ARTICLE IV OWNERSHIP OF COMMON AREAS

The Association, as a separate entity, shall own the Common Areas.

ARTICLE V ASSESSMENTS

The making and collection of assessments of any nature from Owners for their share of common expenses (determined pursuant to this Article and the other applicable provisions of this Declaration) shall be carried out by the Management Committee in accordance with the following provisions:

Section 1. Shares of Common Expenses including Open Space Maintenance. Each Owner of a Lot shall be responsible for an equal proportionate share of all General Common Expenses. Such "General Common Expenses" include the following services obtained by the Association: road maintenance and snow removal services (including road maintenance and snow removal services for roadways outside the boundaries of the Property which provide access to the Property), landscaping, which will consist of irrigating, mowing, performing weed control and general cleaning and up keep of the Open Space grounds and Common Areas, installation and maintenance of any Common Area walkways, installation and maintenance of Common Area facilities, and the cost of the administration of the Property (including accounting, legal, equipment, insurance, personnel and overhead), including without limitation the cost of liability insurance covering the Association and its directors, officers and employees.

It is anticipated that the installation and management tasks will be contracted to a local landscaping company. The landscaping company will plant locally approve plants

and seed mixes for common and open areas. Noxious and invasive weeds will be eradicated by approved methods. Irrigated areas will be mowed as necessary. All trash and debris will be picked up on a regular basis.

Section 2. Payment of Assessments; Lien Created. Assessments not paid on or before fifteen (15) days after the date due shall bear interest at the rate of eighteen percent (18%) per annum. The Management Committee may also impose a late charge of up to five percent (5%) of any amount remaining unpaid for fifteen (15) days or more. All payments on account shall be first applied to interest or other charges and then to the assessment payments in the order of when due (that is, the oldest unpaid amounts shall be paid first). All annual and special assessments, together with interest, reasonable attorney fees and all costs and expenses incurred by the Management Committee incident to the collection of such assessments, shall be a charge upon the Lot involved and shall be a continuing lien upon the Lot (including all improvements thereon) for which the assessment was made in accordance with Idaho Code §45-810, as well as the personal obligation of each Owner, jointly and severally, who had any interest of record in or to such that at the time the assessment became due or at any time thereafter.

It is expressly understood and agreed that fines for any violations of this Declaration or the rules and regulations of the Management Committee may be assessed against a Lot and against an Owner, for violations by that Owner or by tenants or invitees.

Section 3. Rights to Collect from Tenant. If an Owner shall, at any time, lease their Lot and shall be in default for a period of one (1) month or more in the payment of assessments or other charges, the Management Committee may, at its option, so long as such default shall continue, demand and receive from any tenant or subtenant of the Owner the rent due or becoming due, and the payment of such rent to the Management Committee shall discharge such tenant or subtenant from the obligation for rent to the Owner and the Owner from his obligation to the Association, to the extent of the amount so paid. The Management Committee shall be fully entitled to demand and receive a copy of the applicable lease agreement.

**ARTICLE VI
PURPOSE OF THE PROPERTY, AND
CERTAIN RESTRICTIONS ON USE**

Section 1. General Purpose. The general purpose of this Declaration is to provide for the maintenance, administration and control of the Property as a first class residential community.

Section 2. Right to Develop. Notwithstanding anything herein to the contrary, no provision of this Declaration shall be construed as to prevent or limit Declarant's right to carry out and complete the development of the Property or to construct improvements thereon; nor to prevent or limit Declarant's right to maintain any model homes, construction, sales or leasing offices, or similar facilities, on any Lot; nor to prevent or limit Declarant's right to post signs incidental to construction, sales or leasing of Lots.

Section 3. Application of Federal, State and Local Laws, Ordinances, Rules and Regulations. Notwithstanding anything to the contrary, all building, development and improvements which may be located or constructed upon any Lot, and the use for which any Lot may be made, are governed first and foremost by any and all applicable federal, state, and local laws, statutes, codes, rules, regulations, ordinances and zoning restrictions. The Owner of each Lot is required to comply with any and all applicable federal, state, and local laws, statutes, codes, rules, regulations, ordinances and zoning restrictions. The covenants, conditions and restrictions contained herein are intended to govern the use of the Lot, and the building, development and improvements which may be located or constructed upon any Lot after all applicable laws have been complied with by the Owner of any Lot.

Section 4. No Further Subdividing. No Lot may be further subdivided, provided, however, that nothing herein shall prevent the transfer or sale of any Lot to more than one (1) person to be held by them as tenants in common, joint tenants, tenants by the entirety or as community property.

Section 5. Use as Residences Only. Except as provided below, the Lots may only be occupied and used for residential purposes, and for such incidental purposes as may be approved by the Management Committee. Each Lot shall be occupied in a manner consistent with all Association rules and regulations. Provided, however, notwithstanding anything in such rules and regulations to the contrary, Owners may rent the residences on the Lots to third parties and the usage of the residences by such third party tenants shall be considered as occupancy and use for residential purposes and such usage by tenants under rental agreements with Owners shall not be deemed a violation of the covenants, conditions and restrictions set forth herein, or any rules and regulations of the Association. No structural improvements shall be constructed, placed or maintained

on or under any Lot, except one (1) single family residence, garage facilities and related underground utilities, storage units, all in compliance with the design guidelines of the Management Committee. No Lot shall be used for the conduct of any home occupation, trade, business or professional activity; provided, however, that a home occupation, or trade or professional activity may be carried on within a residence so long as all of the following conditions are satisfied: (i) the Lot is used primarily for single-family residential use; (ii) the Lot Owner first applies for, and obtains, any required approval, permit, conditional use permit, and/or any other approval or permit necessary from any applicable federal, state, county or local municipality or agency; (iii) the Lot Owner first applies in writing to, and obtains, the written approval of the Management Committee for such use; and (iv) that there exists no meaningful external evidence of any such trade, professional or administrative occupation carried on in the residence on any such Lot. At no time shall an Owner of any Lot be required to construct any improvement or dwelling upon any Lot; however, once construction of a dwelling is commenced, the dwelling must be completed within twelve (12) months. The Owner shall be assessed by the Association which is payable to the Association in the amount of \$200.00 per month for each month beyond the initial twelve (12) months after construction of a dwelling is commenced that the dwelling is not completed. Notwithstanding the foregoing, the Management Committee may, in its discretion, after request by an Owner, allow an Owner of a Lot to place additional detached structures upon the Lot that the Management Committee determines to be architecturally and aesthetically compatible with the dwelling on the Lot.

Section 6. Use of Parking Facilities and Roadways; Storage. The Management Committee shall have full power and authority to regulate the parking and storage of cars and any and all motor homes, recreational vehicles, boats, bicycles, motorbikes, motorcycles, trailers and other similar vehicles and equipment, and to regulate the use of roadways by imposing and enforcing speed limits and other restrictions, all with full power and authority to impose and enforce (by special assessments hereunder or otherwise) fines and other penalties for violations of such regulations.

Section 7. Certain Additional Restrictions. The following additional restrictions are applicable to Lots. Each reference to "Owners" includes their tenants and invitees.

7.1 Quality. All dwellings and improvements constructed upon any Lot shall be of high quality workmanship and materials and built in accordance with professional building standards in addition to complying with all applicable building codes. All dwellings shall be of a "stick built" and on-site construction type. No mobile homes, manufactured homes, or modular homes shall be permitted. No mobile homes to be on property during the course of construction.

7.2 Keeping Outside Areas Clean and Sightly. The Owners shall not place or store anything within the Common Areas without the prior written consent of the Management Committee or its designee except in a facility specifically designated or approved for their storage. All Owners shall keep their residences and their Lots in a reasonably clean, safe, sightly and tidy condition, except for reasonable activities permitted by the Management Committee during the construction of an authorized improvement. Refuse, garbage and trash shall be kept at all times in a covered container, and such covered container shall be screened from view at all times.

7.3 Obstructing Common Areas. Owners shall not obstruct Common Areas.

7.4 No Fireworks. The discharge of firearms, firecrackers or fireworks is forbidden without the prior express written consent of the Management Committee.

7.5 Lighting. All outdoor light shall conform to Teton County Subdivision Ordinance section 9-4-12. Flashing light signs shall not be permitted. Any light used to illuminate signs, parking areas or for any other purposes shall be so arranged as to reflect the light away from, and not be obtrusive to, other Lots and away from the vision of passing motorists.

7.6 Limitations on Certain Activities. Owners shall not permit any obnoxious or offensive activity or nuisance to be carried on in or around their Lot or in the Common Areas. No light shall be emitted or reflected from any Lot which is unreasonably bright or causes unreasonable glare for any adjacent Owner. No unreasonably loud or annoying noises, or noxious or offensive odors, shall be emitted from any Lot.

7.7 Repair of Buildings. No improvement upon the Property shall be permitted to fall into disrepair, and each such improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished by the Owner.

7.8 No Hazardous Activities. No activities shall be conducted on any property and no improvements constructed on any property which are or might be unsafe or hazardous to any person or property.

7.9 No Mining and Drilling. No property shall be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing water, oil, gas or other hydrocarbons, minerals, rocks, stones, gravel or earth; provided, however, that the drilling of wells for residential water purposes is permitted

7.10 Storage Tanks and Utility Lines. No fuel tanks are allowed with the exception of propane tanks as a required utility. Water tanks, propane tanks, or similar storage facilities shall either be constructed as an integral part of the main structure of the residence or shall be installed or constructed underground. All utility services, including but not limited to, phone lines, power lines, and water and sewer lines shall be located below ground. Propane storage tanks shall be buried in accordance with any applicable county or city rule, regulation, ordinance or zoning ordinance.

7.11 Antennae and Satellite Receiver. No outside television antennas, radio aerials, satellite dishes, or similar devices or structures shall be installed on any Lot or the exterior of any structure located thereon, except that such devices smaller than ten (10) feet in total perimeter dimension shall be permitted only if located behind the front plane of the dwelling structure (toward the rear of the Lot) not within building set-back areas, and if appropriately screened from view from any direction.

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

7.13 Limitation of Owners' Use. Each Owner's right to the use of Common Areas, shall be restricted to their personal family, tenants, and guests, with the right of the Management Committee to reasonably limit the number of guests which an Owner, tenant or lessee may invite to use such facilities.

7.14 Declarant's Use During Construction and Sale. As part of Declarant's program of development of the Property and to encourage the marketing of Lots, Declarant shall have the right, during the construction and marketing period and as an aid for marketing, without charge, to the reasonable use of Common Areas.

7.15 Dwelling Size Limitations. No one (1) story dwelling shall be constructed on any Lot having an interior ground floor area, exclusive of any basement, porches and garages, of less than 1,650 sqft on 0.31 acre lots, 1,800 sqft on 0.69 acre lots and 2,000 sqft on 1.0 acre lots. No one and a half (1½) story or two (2) story dwelling shall be constructed on any Lot having an interior combined floor area, exclusive of any basement, porches and garages, of less than above ground level square footage of 2,450 sqft for 0.31 acre lots, 2,800 sqft for 0.69 acre lots and 3,200 sqft for 1.0 acre lots. No dwelling shall be constructed higher than two (2) stories and no other structure shall be taller than one (1) story.

7.16 Garage. Each residence constructed on each 1.0 acre lot shall include a garage of sufficient size to shelter at least three (3) full size automobiles. Each residence constructed on each 0.69 acre lot shall include a garage of sufficient size to shelter at least two (2) full size automobiles. Each residence constructed on each 0.31 acre lot shall include a garage of sufficient size to shelter at least two (2) full size automobiles. All garages shall be attached or detached, enclosed structures meeting the requirements of the Iron Wood Design Guidelines.

7.17 Exterior Finish and Driveways. No reflective finishes (other than glass) shall be used on exterior surfaces (other than surfaces of hardware fixtures), including but without limitation, the exterior surfaces of any of the following: roofs, all projections above roofs, retaining walls, doors, trim, fences, pipes, equipment, mailboxes and newspaper tubes. The colors of all exterior surfaces shall be shades of grey or brown or values between black and white or shades of grey-greens or brown-greens (such as russet, citrine, and olive) or values between black and medium. All driveways must be constructed of concrete, asphalt or a compatible material approved by the Management Committee.

7.18 Basement. Basements may be built at the discretion of each Lot Owner, provided that any such basement complies with all applicable laws.

7.19 Roofing. The roof of each residence and each detached structure shall be of thirty-five (35) year or better architectural grade shingle, tile or shake construction, having an overhang of at least eighteen (18) inches and shall have a pitch of at least nine-twelfths (9/12) with any variances from that being approved by the Management Committee. Roof color shall be subject to approval by the Management Committee. The roof fascia shall be a minimum of six (6) inches.

7.20 Mailbox. When a dwelling is constructed upon a Lot, a mailbox and mailbox holder or stand, of standard design, and accepted by the Management Committee, shall be constructed at a location adjacent to the street or otherwise in accordance with applicable U.S. Postal regulations.

7.21 Location and Set-Back Requirements. The dwelling and all improvements which may be constructed or located upon any Lot shall be subject to any front, side, and back yard set-back restrictions and other requirements, limitations or restrictions set forth in any applicable county or city rule, regulation, ordinance or zoning ordinance. All structures and improvements for 1/3 and 3/4 acre lots (other than driveways, utility installations and similar improvements) shall be set back at least thirty (30) feet from the front and back Lot lines and ten (10) feet from the side Lot lines. One acre lots shall be forty (40) feet from the front and back Lot lines and twenty (20) feet from

the side Lot lines. In addition, the location of all improvements on a Lot must be approved by the Management Committee.

7.22 Detached Structures. No detached structure, such as a shed, shall be constructed or located on any Lot unless approved by the Management Committee following a request by the Lot Owner. No detached structure shall be allowed unless such structure is architecturally and aesthetically compatible with the dwelling and any other improvements upon the Lot. All such structures shall be located in accordance with any applicable county or city rule, regulation, ordinance or zoning ordinance.

7.23 Temporary Structures. No structure of a temporary character, and no trailer, tent, shack, garage, shed, or other outbuilding shall be placed or used on any Lot at any time as a residence or living facility either temporarily or permanently.

7.24 Signs. No sign of any kind shall be displayed to the public view of any Lot except one (1) sign of no more than five (5) square feet advertising a Lot for sale or for lease, or signs no more than thirty-five (35) square feet used by a builder or Declarant to advertise any Lot or Lots for sale or lease during the construction and sales period.

7.25 Landscaping, Fences, Hedges and Walls. All landscaping, fences and fence types must be approved by the Management Committee. No fence, hedge, wall, landscaping or screen areas of any kind shall be erected or allowed to continue which constitute a traffic hazard, particularly near corners and street intersections. All perimeter fences and front, side and rear landscaping must be maintained by the applicable Lot Owner and approved by the Management Committee. The Management Committee may establish rules as to acceptable fencing types, heights and materials. Each owner is responsible for landscaping within 12 months of residency.

7.26 Refuse, Storage, Dumping and Disposal and Repair of Damage to Streets. No rubbish, trash, garbage, refuse or debris shall be placed or allowed to remain on any Lot, except trash kept and maintained within the interior of any dwelling or any detached structures in sanitary containers. All equipment for the storage or disposal of such material shall be kept in a clean, neat and sanitary condition and shall be set out only on any such pickup or disposal day by trash collectors. No excavation material, building material, lumber, scrap, grass or yard clippings, refuse pile, junked or inoperable vehicles or parts thereof, underbrush, compost pile, or unsightly growth, weeds or objects shall be allowed to accumulate or remain on any Lot except within an enclosed structure or appropriately screened from view as approved, in writing, by the Management Committee. Screened from view is defined as being concealed, at eye level, from any Lot other than the Lot containing the screened material. During any construction on any Lot, periodic efforts shall be made by the Lot Owner or his contractor to pick up and remove

any such scrap materials or other construction debris, and to dispose of any such materials or debris as may be required by law. Each Owner shall be responsible to pay the cost to repair any damage to streets resulting from construction or other activity on, to or for the benefit of any such Owner's Lot.

7.27 Parking of Vehicles. No boats, trailers, tractors, farm machinery, farm trucks, agricultural equipment, recreational vehicles (including, but not limited to, campers, motor homes, automobile campers or similar vehicles or equipment) dilapidated, un-repaired or unsightly vehicles or similar equipment, or buses (working or non-working) shall regularly be parked or stored on any portion of any Lot (including streets and driveways) unless enclosed by a structure or screened from view in a manner approved, in writing, by the Management Committee. Notwithstanding the foregoing, any boat, camper, trailer or recreational vehicle which is owned by a Lot Owner and is in good repair and working order may be stored on the side yard of a Lot between front and rear yard setbacks and must be screened from view; provided, however, such storage may not be located adjacent to the street on a corner Lot.

7.28 Pets and Animals. No animal, reptile or fowl of any kind shall be raised, bred, or kept on any Lot, except that dogs, cats or other usual household pets may be kept (provided that such animals are not kept, bred or maintained for any commercial purpose, and provided further that no more than one (1) animal per household resident, or three (3) animals (whichever is greater), may be kept or maintained on any Lot. It shall be the obligation of each Lot Owner to maintain all animals and its pens in accordance with any rules which may hereafter be adopted by the Management Committee, and to eliminate any disturbance or annoyance to any other Lot or Lot Owner. All household pets shall be kept under control at all times. All pets shall be maintained in such a way that they shall not become offensively odorous or noisy to any other Lot Owner. No pet which is or becomes an annoyance or nuisance to the neighborhood shall hereafter be kept on any Lot. Without attempting in any way to identify all non-permitted animals or by exclusion to describe any permitted animals, under no circumstance shall any swine, goat, chicken, horse, cows, llama or sheep, be permitted to be kept or maintained on the property. All household pets shall be kept in an enclosure or on a leash, kennel or fenced area that is sufficiently behind the dwelling to be screened from public view. A dog or pet house may be allowed if approved by the Management Committee, and provided that both the dog or pet house and its surroundings are kept in a neat and orderly fashion. Neither dog runs nor kennels shall be permitted unless approved by the Management Committee.

7.29 Drainage swells. As required by engineering for this subdivision and in order to provide adequate drainage, all lots are required to maintain in their front lot, the drainage swell as constructed during development. It is the responsibility of each individual lot owner to maintain this drainage swell with landscaping similar to the rest of

their front lot, and keep it free of weeds, trash and debris of any kind. Owner is responsible to install a culvert providing a single access to their respective lot. Due to the importance of this drainage swell, the Management Committee maintains the right to assess heavy fines for lot owners who violate this regulation.

7.30 Building and Construction. Owners are required to begin construction on their lot no later than three (3) calendar years from the date of purchase. If for any reason the commencement of construction has not begun within the given time of three (3) calendar years, Declarant will be able to buy the lot back at cost.

Section 8. Requirement of Development Approval and Architectural Control. No structure or improvement of any kind shall be erected, placed, altered, added to, reconstructed or permitted to remain on or under the surface of any Lot, and no construction activities shall be commenced, until any such activity has been approved by the Management Committee. Except as otherwise expressly provided herein, no building, fence, wall, driveway, excavation or improvement of any kind shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change or alteration therein be made (including without limitation any closing in of a porch or balcony), by any Owner other than Declarant, until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing by the Management Committee, as to harmony of external design and location in relation to surrounding structures and topography, and in relationship to the quality and appearance of Iron Wood. Duplicate sets of plans and specifications for any proposed Lot improvement or alteration shall be submitted to the Management Committee. Sufficient information shall be submitted to demonstrate compliance with all of the requirements of this Declaration. The Management Committee shall review the complete plans and specifications as soon as practicable, and determine if the proposed use or development conforms to the requirements of this Declaration and the rules and guidelines adopted by the Management Committee. The Management Committee may approve plans and specifications subject to any conditions or modifications which the Management Committee determines to be necessary in order to ensure conformity with the requirements of this Declaration and such rules. The Management Committee shall retain one (1) set of plans and specifications. The Management Committee shall set forth in writing, its reasons for rejecting any proposed structure or other improvement, promptly after written request by the applicable Owner for a statement of such reasons.

Section 9. Conditions on Approval. The Management Committee may condition its approval of proposals or plans and specifications upon such changes therein as it deems appropriate, or upon the agreement of the Lot Owner submitting the same (hereafter "Applicant"), and may require written submission of additional plans and specifications or other information before approving or disapproving material submitted.

Section 10. Management Committee Rules. The Management Committee also may establish, from time to time, rules and/or guidelines setting forth procedures for the required content of the applications and plans submitted for approval. Such rules may require additional factors which it will take into consideration in reviewing submissions.

Such rules and guidelines may establish, without limitation, procedures, specific rules and regulations regarding design and style elements, landscaping and fences and other structures such as animal enclosures, as well as special architectural guidelines applicable to Lots located adjacent to public and/or private open space.

Section 11. Detailed Plans. The Management Committee may require such detail in plans and specifications submitted for its review as it deems proper, including without limitation, floor plans, landscape plans, drainage plans, elevation drawings, specification, and descriptions or samples of exterior materials and colors. Until receipt by the Management Committee of any required plans and specifications, the Management Committee may postpone review of any plan submitted for approval.

Section 12. Management Committee Decisions. Decisions of the Management Committee and the reasons therefore shall be transmitted by the Management Committee to the Applicant in writing at the address set forth in the application for approval within twenty (20) business days after filing all materials required by the Management Committee. Any materials submitted pursuant to this Article shall be deemed approved unless written disapproval by the Management Committee shall have been mailed to the Applicant within twenty (20) business days after the date of the filing of said materials with the Management Committee. The said twenty (20) day period shall only commence to run when an authorized representative of the Management Committee has executed an applicable form acknowledging acceptance of such application and acknowledging that such application is complete.

Section 13. Meetings of the Management Committee. The Management Committee shall meet from time to time as necessary to perform its duties hereunder. The Management Committee may from time to time by resolution unanimously adopted in writing, designate a Management Committee representative (who may, but not need be, one of its members) to take any action or perform any duties for and on behalf of the Management Committee, except the granting of variances pursuant to Section 9 of this Article VI. In the absence of such designation, the vote of any two (2) members of the Management Committee, or the written consent of any two (2) members of the Management Committee taken without a meeting, shall constitute an act of the Management Committee.

Section 14. No Waiver of Future Approvals. The approval by the Management Committee of any proposals or plans, specifications or drawings for any work done or proposed, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matter whatever, subsequently or additionally submitted for approval or consent.

Section 15. Variances. The Management Committee may authorize variances from compliance with any of the architectural provisions of this Declaration, including restrictions upon height, size, floor area or placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental consideration may require. Such variances must be evidenced in writing, must be signed by at least a majority of the members of the Management Committee, and shall become effective upon recordation in the Office of the County Recorder of Teton County, Idaho. If such variances are granted, no violation of the covenants, conditions and restrictions contained in this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance.

ARTICLE VII MAINTENANCE

The maintenance, alteration, replacement and repair of the Common Areas shall be the responsibility of the Management Committee. The Management Committee as part of its responsibility, shall maintain, repair and provide for snow removal and maintenance activities on all roadways constituting part of the Common Areas and when deemed appropriate by the Management Committee of any roadways outside the boundaries of the Property which provides access to the Property. The maintenance, repair and replacement of all improvements on each Lot and the electric, gas, water and sewer systems and facilities on each Lot shall be the responsibility of the Owner of such Lot and not the Management Committee or the Association.

ARTICLE VIII INSURANCE

Each Owner is solely responsible for obtaining their own insurance covering any and all improvements on their Lot.

**ARTICLE IX
DESTRUCTION, DAMAGE OR OBSOLESCENCE**

Each Owner of a Lot is solely responsible for any damage, destruction, obsolescence, condemnation or abandonment of any improvements thereon, and for repair and reconstruction of such Lot and all improvements thereon.

**ARTICLE X
EMINENT DOMAIN**

Whenever any proceeding is instituted that could result in the temporary or permanent taking, injury or destruction of all or part of the Common Areas and facilities by the exercise of the power in the nature of eminent domain or by any action or deed in lieu of condemnation, the Management Committee shall be entitled to timely written notice thereof and the Management Committee shall participate in the proceedings incident thereto.

**ARTICLE XI
LEASING OF LOTS**

The Lots are for residential use only, no storage, no farming, no commercial, etc. All leases of Lots shall be subject in all respects to the provisions of this Declaration and failure of the lessee to comply with the terms of this Declaration shall be a default under the lease and shall be enforceable against the lessee directly by the Association, but without limitation of any other rights of the Association.

**ARTICLE XII
NOTICES**

Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to be delivered forty-eight (48) hours after a copy of the same has been deposited in the U.S. mail, postage prepaid.

**ARTICLE XIII
NO WAIVER**

The failure of the Management Committee or its agents to insist, in one (1) or more instances, upon the strict performance of any of the terms, covenants, conditions, or restrictions of this Declaration, or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a

relinquishment, for the future, of such term, covenant, condition or restriction; but such term, covenant, condition or restriction shall remain in full force and effect. The receipt and acceptance by the Management Committee or its agent of the payment of any assessment from an Owner, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by the Management Committee of any provision hereof shall be deemed to have been made unless expressed in writing and duly signed by or on behalf of the Management Committee.

ARTICLE XIV ENFORCEMENT

Each Owner shall strictly comply with the provisions of the Declaration, and the rules and regulations and decisions issued by the Management Committee. Failure to so comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, or any other remedy allowed by law, maintainable by the Management Committee or its designee on behalf of the Association or by Declarant or, in an appropriate case, by an aggrieved Owner. Any violation of the provisions of the Declaration or any related rules or regulations is declared to be and shall constitute a nuisance and may be abated by Declarant or the Management Committee. The Association shall be entitled to payment of all attorney fees incurred by the Association (or the Management Committee), payable by an Owner or lessee in violation of this Declaration or any such rules or regulations.

In addition, upon any failure of an Owner to pay when due any assessment for common expenses or any other assessment, the Management Committee may seek any remedy provided in this Declaration or otherwise available at law or equity. Unless specifically agreed in writing, liability for payment of assessments shall be joint and several against any and all persons and/or entities holding or claiming any ownership or leasehold interest in the applicable Lot.

ARTICLE XV AMENDMENTS

The provisions of this Declaration, other than this Article, may be amended by an instrument in writing signed and acknowledged by the president and secretary of the Association certifying that such amendment has been approved by the vote or written consent of owners who own at least two-thirds (b) of the Lots and such an amendment shall be effective upon its recordation with the Teton County, Idaho, Recorder. Notwithstanding the foregoing, during the first seven (7) years following the recordation of this Declaration, this Declaration may be modified, amended and changed by the Declarant without the need or necessity of the consent of the then-owners of the Property which is subject to this Declaration.

ARTICLE XVI
ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Right of Annexation. Declarant presently intends to develop other neighboring properties and may, in Declarant's discretion, deem it desirable to annex some or all of such other properties to the Property covered by this Declaration. The annexed properties may, at Declarant's sole discretion, be used and developed for any purpose allowed under appropriate zoning regulations. Such other properties may be annexed to the Property and brought within the provisions of this Declaration by Declarant, its successors or assigns, at any time. Annexation may also occur on the affirmative vote of the Management Committee. As such properties are developed, Declarant or the Management Committee shall, with respect thereto, record a Supplemental Declaration, which shall annex such properties to the Property and which may supplement this Declaration with such additional or different covenants, conditions, restrictions, reservations and easements as Declarant or the Management Committee may deem appropriate for the other properties or portions thereof and may delete or eliminate as to such other properties such covenants, conditions, restrictions, reservations and easements as Declarant deems not appropriate for the other properties.

Section 2. Method of Annexation. Annexation of real property authorized under Section 1 of this Article XVI shall be accomplished by filing of record in the Office of the County Clerk of Teton County, Idaho, a Supplemental Declaration describing the real property to be annexed and extending the plan of this Declaration to such real property.

Section 3. Supplemental Declarations. Each Supplemental Declaration contemplated by Section 2 of this Article XVI may contain such additional or different provisions, covenants, conditions and restrictions not found in the covenants of this Declaration, provided that such shall not be inconsistent with the general plan of this Declaration. Said additional provisions may include, but need not be limited to, provisions for special maintenance, use restrictions, limited common areas, party walls, parking regulations and any other matters of common concern to Owners of any Lots in the annexed property. No provisions, covenants, conditions or restrictions contained in a Supplemental Declaration shall be considered applicable to any real property except real property described in a Supplemental Declaration unless otherwise expressly provided.

Section 4. Effect of Annexation. Upon the recording of a Supplemental Declaration, all the real property described or covered by the Supplemental Declaration shall be deemed subject to all of the covenants contained in this Declaration as if, and to the same effect as, the annexed real property was part of the subject Property (the real property originally specified in and subject to this Declaration) except as specifically

stated in the Supplemental Declaration, and to the additional or different provisions, covenants, conditions and restrictions which may be stated in the Supplemental Declaration, and the Association shall have and shall accept and exercise jurisdiction over such property as a part of the subject Property. In the event of conflict or inconsistency between a Supplemental Declaration and this Declaration, the terms of the Supplemental Declaration shall prevail as to the particular real property described or covered by that Supplemental Declaration.

ARTICLE XVII GENERAL PROVISIONS

Section 1. Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one (1) provision or portion thereof shall not affect the validity or enforceability of any other provision herein.

Section 2. Captions, Gender and Grammar. The captions in this Declaration are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope and intent of this Declaration or any provision hereof. The singular wherever used herein shall be construed to mean the plural whenever applicable or vice versa and necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, etc., shall be assumed in each case as though made.

Section 3. Governing Law. This Declaration shall be governed by and construed in accordance with the laws of the State of Idaho.

Section 4. Right to Farm Act. This Declaration shall be in compliance with the Right to Farm Act – Idaho Code Title 22, Chapter 45, 22-45-01 through 22-45-04 is here by made of this document.

**ARTICLE XVIII
EFFECTIVE DATE**

This Declaration shall take effect when recorded with the Recorder of Teton County, Idaho.

IN WITNESS WHEREOF, the undersigned Declarant has executed this instrument as of the date first above written.

DECLARANT:

Ironwood Land, LLC

JAYSON NEWITT, MGR.
RITCHIE GROUP, MGR.

By: Jayson Newitt

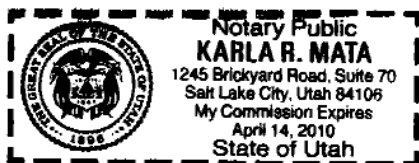
JOHN GIFFORD, MGR. CLIME INVESTMENTS

By: John Gifford

STATE OF ^{UTAH} ~~IDAHO~~)
 Salt Lake) ss.
County of Teton)

On the 28th day of February, 2007, before me the undersigned, a notary public in and for said State, personally appeared Jayson Newitt, known or identified to me to be the member or one of the members in the limited liability company of Ironwood Land, LLC, and the member or one of the members who subscribed said limited liability company name to the foregoing instrument, and acknowledged to me that such member executed the same in said limited liability company name.

Karla R. Mata



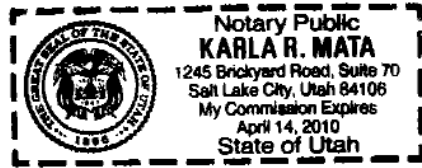
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Karla R. Mata
(seal)

Notary Public for ~~Idaho~~ ^{Utah}
Residing at 1245 Brickyard Rd., # 70
Salt Lake City, UT 84106

My Commission Expires: 4/14/2010

~~IDAHO~~ ^{UTAH}
STATE OF ~~IDAHO~~)
~~Teton~~ ^{SALT LAKE})ss.
County of ~~Teton~~)



On the 28th day of February, 2007, before me the undersigned, a notary public in and for said State, personally appeared John Gifford, known or identified to me to be the member or one of the members in the limited liability company of Ironwood Land, LLC, and the member or one of the members who subscribed said limited liability company name to the foregoing instrument, and acknowledged to me that such member executed the same in said limited liability company name.

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

Karla R. Mata
(seal)

Notary Public for ~~Idaho~~ ^{Utah}
Residing at 1245 Brickyard Road, # 70
Salt Lake City, UT 84106

My Commission Expires: 4/14/2010

