



“Local Brokerage, National Results.”

Maps & Documents

Teton Valley Realty or this website makes no representation regarding sufficiency, completeness, or any other matters referred to any documents herein, or information provided on this web site. Teton Valley Realty advises you consult with independent legal counsel regarding these documents. When purchasing real estate, it is advised that you obtain full and complete documents, and not rely on these pages.

Phone: 208.354.2439
Email : info@tetonvalleyrealty.com

253 S. Main St. Box 604, Driggs ID 83422
57 S Main St. # 210 Victor, ID 83455





ALLIANCE

TITLE & ESCROW CORP.

Yes, it matters where you close.

Plat Maps and/or CC&R's

A complete list of our locations and contact information can be found at:

www.alliancetitle.com



Instrument # 177869

DRIGGS, TETON, IDAHO

2006-06-19 11:56:37 No. of Pages: 21

Recorded for : A W ENGINEERING

NOLAN G. BOYLE

Ex-Officio Recorder Deputy

Index to: DECLARATION OF COVENANTS

177869

RECEIVED

JUN 19 2006

TETON CO., ID
CLERK RECORDER

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
HORSESHOE MEADOWS PLANNED UNIT DEVELOPMENT

This Declaration of Covenants, Conditions and Restrictions regulating and controlling the use and development of Horseshoe Meadows Planned Unit Development, (herein referred to as "Horseshoe Meadows" or the "Property"), which Property is more particularly described in Exhibit A attached hereto and made a part hereof, is made effective this 25th day of April, 2006, by JLC Holdings LLC, an Idaho limited liability company (herein referred to as "Declarant"). Horseshoe Meadows is of high scenic, agricultural and natural value, and Declarant is adopting the following Covenants, Conditions and Restrictions (which are sometimes referred to herein as the "Covenants") to preserve and maintain the natural character and value of the Property for the benefit of all owners of the Property.

NOW, THEREFORE, Declarant hereby declares that the Property, and any part thereof, shall be owned, held, sold, conveyed, encumbered, leased, used, occupied and developed subject to the following easements, restrictions, covenants and conditions, which shall run with the Property and shall be binding upon all parties having or acquiring any legal or equitable interest in or title to the Property or any part thereof, their heirs, successors and assigns, and including parties in future areas of annexation by Declarant, and shall inure to the benefit of every owner of any part of the Property.

ARTICLE I - DEFINITIONS

The following terms and phrases used in these Covenants shall be defined as follows:

- a. "Association" shall mean the Horseshoe Meadows Homeowners Association, an Idaho nonprofit corporation, composed of all Owners of Lots, established to administer and enforce the terms and conditions of these Covenants.
- b. "Board" shall mean the Board of Directors of the Association.
- c. "Building Envelope" shall be defined as the outlined area within a Lot, set forth on the plat of the Property attached hereto as Exhibit B, within which all buildings shall be constructed.
- d. "Common Road and Pathways" shall mean the private roadways and pedestrian or equestrian pathways or trails within the Property that are depicted on the Subdivision Plat or described herein which provide access to or are utilized by more than one Lot.
- e. "Common Services" shall mean roadway maintenance and snow removal services for the Common Roads and Pathways, common landscape and facility care and operations, utility line maintenance and repair, maintenance of common ponds including fire flow storage ponds, common fencing maintenance, farming operations on the Open Space Land

177869

including maintenance, repair and replacement of the common irrigation system, weed control of the Open Space Land and the maintenance and operation of all other common areas and facilities.

f. "Development" shall mean any alterations of the natural land surface, and all buildings, structures or other site improvements placed on the land to accommodate the use of a Lot.

g. "Lot" shall mean the single family residential plots of land which comprise the Property as set forth on the Subdivision Plat.

h. "Open Space Land" shall mean land that is deed restricted on each lot's deed and depicted upon the Subdivision Plat, currently in agricultural use, and limited to agricultural, recreational (including equestrian) or such other uses permitted under the open space regulations contained in the Teton County Subdivision Ordinance, now or as amended. Open Space Land shall be maintained by the Association and, notwithstanding its being a portion of an Owner's Lot, be subject to an easement permitting common usage for these agricultural, recreational or other permissible open space uses by other Owners of Lots, their guests and invitees.

i. "Owner" shall mean the record owner of a Lot, including a contract purchaser, but excluding anyone having an interest in a Lot as security for the performance of an obligation.

j. "Principal Residence" shall mean the single-family residential structure, constructed on any Building Envelope within the property, which is the principle use of such Lot, and to which other authorized structures on such site are accessory.

k. "Property" shall mean the real property described in Exhibit "A" attached hereto and made a part hereof, and shall also include any other real property subjected to these Covenants by the annexation of any future phases as provided for in this Declaration.

l. "Structure" shall mean anything built or placed on the ground, not including landscaping or underground installations

m. "Subdivision Plat" shall mean the map or plat of Horseshoe Meadows Planned Unit Development as recorded in the Office of the Clerk of Teton County, as it may be amended from time to time, and including any future phases of Horseshoe Meadows Planned Unit Development.

n. "Teton County" shall mean Teton County, Idaho.

ARTICLE II - HOMEOWNERS ASSOCIATION

2.1 Formation. A nonprofit homeowners association created by the Declarant shall have as its members all Owners of Lots. The rights, duties, assessments and other obligations of the Association and its members and Board shall be governed by these Covenants and by any Articles of Organization or Bylaws adopted as part of its formation. The Association is the sole

legal entity created by these Covenants and the Owners do not otherwise constitute an association or entity of any kind. 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, through the Board on behalf of and as agents for the Owners.

2.2 Voting Rights. The Association shall have one class of voting membership. The members shall be the Owners with the exception of the Declarant and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. If there is more than one person owning a Lot, the vote of such members shall be cast as determined by the owners of such Lot. In the event of any dispute among joint owners of a Lot, the Board shall have the right to disqualify such members from voting unless or until the joint owners have reached agreement as to such members' vote.

2.3 Association Board. The management of the business and affairs of the Association, and the management and maintenance of the Property and the providing of Common Services, shall be the sole responsibility of the Board of Directors.

2.4 Election of the Board. The Association Board shall be composed of a minimum of three (3) members, each of whom shall be an Owner (or a duly authorized representative of an Owner which is an entity). In order to assure a high quality project and establish suitable and compatible development design review and uses strictly in conformity with these Covenants, initially until a date which is three (3) years from the date of conveyance of the first Lot to an Owner, Declarant may appoint and remove the members and officers of the Association and may exercise the powers and responsibilities otherwise assigned by this Declaration to the Association and Board. During this initial three-year period only, appointees of the Declarant to the Board need not be Owners. Declarant shall have the option at any time to turn over to the Association the responsibility for electing and removing members and officers of the Board after providing thirty (30) days written notice.

2.5 Limited Liability of the Board. Members of the Board and the officers, agents and employees acting in good faith on behalf of the Association: 1) shall not be liable to the Owners as a result of their activities for any mistake of judgment, negligent or otherwise, except for their own willful misconduct or bad faith; 2) 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; 3) shall have no personal liability in tort to any Owner or any person or entity, except for their own willful misconduct or bad faith; and 4) shall have no personal liability arising out of the use, misuse or condition of the Property which might in any way be assessed against them or imputed to them as a result of or by virtue of their capacity as Board members.

2.6 Duties of the Board. The Board shall have the full power and authority to manage the business and affairs of the Association pursuant to the powers and authority vested in it by this Declaration and the laws of Idaho and in accordance with the Articles of Organization and Bylaws of the Association. Such powers and duties of the Board shall include, but shall not be

limited to, the following, all of which shall be done for and on behalf of the Owners of Lots:

(a) To administer and enforce these Covenants and the restrictions, easements, conditions, uses, limitations, obligations and all other provisions set forth in this Declaration.

(b) To provide or procure the providing of all Common Services benefiting the Property and the Lot Owners. The Board may engage the services of a Farm Manager or such other contractors as it deems necessary or desirable to provide such Common Services. The Board may establish, make and enforce compliance with such rules and regulations (including, without limitation, enforcement provisions such as fines) as may be necessary for the operation and use and enjoyment of the Common Services, with the right to amend the rules and regulations from time to time.

(c) To receive, hold and maintain property. The Board on behalf of the Association shall be obligated to and shall accept title to any real property or interest therein, including improvements thereon, or to any personal property or equipment existing on the Property when, as and if granted or furnished by Declarant. The Board on behalf of the Association shall also be obligated to and shall accept the benefits and burdens associated with any licenses, easements or other instruments conveying rights in and appurtenant to real property made by Declarant. In each and every instance, the Association shall hold the title, interest or rights granted, furnished or conveyed for the benefit of its members and shall maintain and preserve same for the benefit of its members. With respect to any such property or rights, and any other property or rights acquired or held by the Association, the Board shall be obligated to pay on behalf of the Association all rents, fees, taxes and assessments relating to, and necessary to preserve therein, and provide for the best and highest quality care, operation, management, maintenance, repair and placement of the same, including but not limited to all roads, pathways, fences, gates, farm buildings, irrigation systems and fire protection systems.

(e) To obtain and maintain insurance. The Board shall be obligated to and shall obtain and keep in full force and effect at all times casualty insurance with respect to all insurable property of the Association and comprehensive public liability insurance. All insurance shall name the Association and the Declarant as insureds and shall, to the extent reasonably possible, cover each Owner of a Lot without such Owner necessarily being specifically named. The Board shall provide Declarant, upon request, with certificates evidencing such insurance coverage.

(f) To pay taxes. To the extent not assessed to or paid by Owners, the Board shall pay all real property taxes and assessments levied on the Association property.

(g) To enter into contracts, agreements and undertaking as agent for the Association and Owners to carry out their duties and powers as Board members. Each Owner by purchase of a Lot agrees that, if the Board determines in good faith that it is in the best interest of the Association and Owners to do so, it may enter into certain agreements and undertakings and grant approvals for and on behalf of the Owners individually and as a group. Each Owner individually grants the Board or officers of the Association thereof an irrevocable power of

attorney to approve, vote for, enter into and to sign as agent on their behalf and deliver any instrument, petition or other document necessary to effect any of the foregoing as if it had been done by the Owner.

2.7 Meetings. The members of the Association and the Board shall hold annual meetings, as set forth in the Bylaws of the Association. All matters pertaining to all such meetings, including notices thereof, quorums and provisions for voting in person or by proxy, shall be set forth in the Bylaws of the Association.

ARTICLE III – RESERVED EASEMENTS

3.1 Open Space Easement.

Lots are configured within the Property in such a manner as to comply with the requirements of Teton County that significant open space land be created in planned unit developments to protect and preserve certain open space, agricultural, scenic, natural and aesthetic values of the Property.

Declarant hereby reserves for itself, its successors and assigns, and grants to the Association for the benefit of all Owners, a perpetual easement over and across all lands within the Open Space Land, including portions within an Owner's Lot, which shall pass with the title to that Lot, and the exclusive right to conduct agricultural, recreational and such other activities permitted under the open space regulations in the Teton County Subdivision Ordinance, now or as amended, on such Open Space Land.

By purchase of a Lot and acceptance of a deed of conveyance therefore, an Owner agrees to accept and be bound by the terms of said Open Space Easement, as well as the related easements set forth below in this Article or contained upon the Subdivision Plat, reserved by Declarant for the enjoyment, use and benefit of the Association and all Lot Owners.

3.2 Common Road and Pathways Easement. Declarant hereby reserves for itself, its successors and assigns, and grants for the benefit of all the Owners and the Association, a perpetual easement across all private roadways and pedestrian or equestrian pathways or trails within the Property for access to Lots and the Open Space Land.

3.3 Easement for General Association Operations. The Association shall have the right of access over and across each Lot from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of utility extensions, roads and pathways, fences, irrigation systems and to conduct agricultural or other open space activities within the Open Space Land, and at any time for the making of emergency repairs, and shall have a non-exclusive easement as may be appropriate to perform the duties and functions which it is permitted to perform pursuant to these Covenants.

3.4 Temporary Farming Easement. The Property is currently in farming use. To promote this ongoing, established farming program, the Declarant or Association shall have the right to farm those areas of the Property not Open Space Land and subject to the Open Space

Easement set forth above, including those areas within Building Envelopes, until such time as residential construction activity commences.

ARTICLE IV – MEMBER’S ASSESSMENTS

4.1 Purpose of Assessments. In order to provide the Common Services and properly operate, manage and maintain the Property for the benefit of all Lot Owners, the Association, by and through the Board, shall have the authority to levy assessments and each Lot Owner, by acceptance of a deed to the Property, shall be deemed to have granted a lien to the Association to secure payment of the assessments.

The assessments levied by the Board shall be used exclusively to promote the recreation, safety and welfare of the Owners of the Property, for the administration and operation of the Association, and for providing the Common Services and meeting all expenses of the management, operation, and maintenance of the Property and enforcement of these Covenants.

4.2 Creation of the Lien and Personal Obligation for Assessments. Each Owner of any Lot, by acceptance of a deed therefore or by contract for deed, whether or not it shall be so expressed in such deed or contract for deed, is deemed to have consented to be subject to these Covenants and agrees to pay the Association: (i) annual assessments or charges; (ii) special assessments for capital improvements, and (iii) any fines, charges or damages lawfully assessed by the Board pursuant to these Covenants.

(a) The annual and special assessments, charges and fines, together with interest, costs and reasonable attorney’s fees, shall constitute a continuing lien against each Lot superior to all other liens and encumbrances except: (i) liens and encumbrances recorded before the recordation of this Declaration; (ii) a security interest on the Lot which has priority over all other security interests on the Lot and which was recorded before the date on which the assessment sought to be enforced became delinquent; and (iii) liens for real estate taxes and other governmental assessments or charges against the Lot.

(b) This section does not affect the priority of mechanics’ or materialmen’s liens or the priority of liens for other assessments made by the Association.

(c) Recording of the lien constitutes record notice and perfection of the lien. No further recordation is required.

(d) The Association’s lien may be foreclosed in like manner as a mortgage on real estate.

(e) Assessments shall be a personal obligation of each Owner, and suit to recover money judgment shall be maintainable without waiving the lien securing it.

4.3 Annual Budget. The Board shall prepare an annual budget estimate for Common Services and the administration of the association and fix the amount of the annual assessment based upon this estimate. The budget estimate may include a reserve for future contingencies.

This annual budget shall be prepared and approved by the Board at least thirty (30) days in advance of each annual assessment period.

4.4 Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Board may levy, in any assessment year, a special assessment applicable to that year for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any improvement upon the Property; provided that any special assessment shall have the assent of a majority of the Lot Owners who are voting in person or by proxy at a meeting duly called for this purpose.

4.5 Notice of Quorum for Special Assessments. Written notice of any meeting called for the purpose of taking any action authorized under the forgoing paragraph shall be sent to all Lot Owners not less than thirty (30) days and not more than (60) days in advance of the meeting. Each Lot shall be entitled to one (1) vote. At the first meeting, the presence of Lot Owners or of proxies entitled to cast a majority of all votes of the Association shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one half (1/2) of the required quorum at the preceding meeting.

4.6 Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots with the exception of Lots owned by Declarant, which will not be assessed until sold. Assessments may be collected on a monthly, quarterly or annual basis at the discretion of the Board.

4.7 Date of Commencement of Annual Assessment and Due Date. Annual assessments shall commence as to all Lots subject to assessment on the first day of the month following the conveyance of the first Lot. The Board shall operate on a calendar year basis. The Board shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period and written notice of the annual assessment shall be sent to every Owner or purchaser, and for a reasonable charge, shall furnish a certificate signed by a member of the Board setting forth whether the assessments on a specified Lot have been paid.

4.8 Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date therefore shall bear interest from the due date at the rate of eighteen percent (18%) per annum. The Board may bring an action on behalf of the Association against the Owner personally obligated to pay the same or may foreclose any lien filed by it against the Lot.

ARTICLE V – ARCHITECTURAL CONTROL

5.1 Architectural Design Committee. There shall be an Architectural Design Committee (“ADC”) established to assure fair and equitable implementation of the design and development standards and restrictions standards set forth in these Covenants and encourage development quality that will enhance both the natural and built environments of the Property. The ADC will consist of three (3) members. The initial members of the ADC have been

177869

appointed by the Declarant and are John Grabow, Laura Grabow and Joanne LaBelle. Subsequent appointments shall be made by the Board. Each of said ADC members shall hold office until such time as that person has resigned or until a successor has been appointed by the Board. The vote or written consent of any two (2) members shall constitute an act by the ADC. The ADC shall keep a written record of all action taken by it.

5.2 ADC Duties. The ADC is responsible for administering the design standards set forth in these Covenants. No building, structure, road, fence or improvement of any kind shall be erected, placed, altered, added to, reconstructed or permitted to remain on any Lot, and no construction activities or disturbance of any Lot or vegetation shall be commenced until written approval has been issued by the ADC.

5.3 Plans and Specifications. Duplicate sets of plans and specifications for any building or other Lot improvement or alteration, driveway or disturbance of any Lot or vegetation shall be submitted to the ADC. The plans shall include a plot plan indicating the location of the Building Envelope on the Lot and the location of the proposed development or improvements within the Building Envelope. All plans for any building or structure must be prepared or reviewed, approved and signed by an architect or qualified designer. Sufficient information shall be submitted to demonstrate compliance with all of the requirements of this Declaration. Such information shall include scaled floor plans, exterior elevations showing all external features and materials, a list of all exterior materials with samples and color selections. Site plans shall show existing and finished grades and the locations of all buildings, driveways, fences, utilities, landscaping and plantings. A fee of One Hundred Dollars (\$100.00) shall accompany the plans and be paid to the ADC for their processing and review. This fee may be changed, from time to time, as determined by the Board.

5.4 Plan Review and Approval. The ADC shall review the plans and specifications within thirty (30) days from their submission, and determine if the proposed location, design of structures, landscaping and screening conform to the requirements of these Covenants. If the ADC fails to review the plans and specifications within thirty (30) days from their submission and inform the Owner of the ADC's approval or disapproval, the Owner may give written notice to the Board of its intention to proceed with the plans as submitted. If the ADC fails to respond to the written notice from the Owner within fifteen (15) days from the date of receipt, the Owner may proceed to commence development, and plans as submitted shall be deemed to have been approved.

5.5 Estoppel Certificate. Within thirty (30) days of written demand delivered to the ADC by any Owner, and upon payment to the Association of a reasonable fee from time to time to be fixed by the ADC, the ADC shall record an estoppel certificate executed by any two (2) of its members, certifying that either all improvements or other work made or done on the Lot by the Owner comply with these Covenants or that such improvements or other work do not comply, in which event the certificate shall identify with particularity the noncompliant improvements or other work. Any purchaser from the Owner, or mortgagee or other encumbrancer, shall be entitled to rely on the Estoppel Certificate with respect to the matters therein set forth, such matters being conclusive between the Association, Declarants and all Owners and such purchaser, mortgagee or other encumbrancer.

177869

5.6 Non-Warranty/Waiver. The approval by the ADC shall not constitute a warranty, express or implied, of compliance with any applicable building or safety codes, or for any purposes other than that the plans conform with these Covenants. The approval by the ADC of any plans, or in connection with any other matter requiring the approval of the ADC under these Covenants, shall not be deemed to constitute a waiver of any right to withhold approval as to any other plan or matter submitted for approval.

5.7 Liability. Neither the ADC, Board nor any member thereof shall be liable to the Association, the Declarant, any Owner, subsequent purchaser, mortgagee or other encumbancer for any loss, cost, expense, damage or prejudice suffered or claimed by any individual or entity on account of (a) the approval, or lack thereof, of any plans, drawings and specifications, whether or not defective, (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications, (c) the development, or manner of development, of any property within Horseshoe Meadows, (d) the execution and filing of an Estoppel Certificate pursuant to Article 5.5 of this Declaration, whether or not the facts therein are correct; provided that such member has acted in good faith.

5.8 Completion of Work After Approval. Failure to accomplish Development within eighteen (18) months after approval by the ADC, or to complete Development substantially in conformity with the approved plans and specifications, shall operate to automatically revoke the approval of the Development, and upon demand by the Association, the Property shall be restored as nearly as possible to its state existing prior to any work in connection with the Development. The Board, ADC and their duly appointed agents may enter upon any Lot at any reasonable time to inspect the progress or status of any Development on such Lot.

5.9 Failure to Comply. If the ADC shall find that any Development shall have been undertaken without its approval in violation of the provisions of this Article, the Association shall have the right to remove any such Development at the sole cost and expense of the Owner of the Lot. If the ADC shall find that a Development was not completed in substantial conformity with the plans and specifications approved by it, it shall notify the Owner of such noncompliance and require remedy of such noncompliance at the sole cost and expense of the Owner of the Lot. If within sixty (60) days from the date of such notification, the Owner shall have failed to remedy the noncompliance, the ADC shall notify the Association which shall have the right, at its option, to remove the Development or to abate or remedy the noncompliance, in either case at the sole cost and expense of the Owner.

5.10 Variations. The ADC may authorize variations from compliance with any of these Covenants, including the time constraints provided herein; provided that such variations shall be authorized in conformity with the intent and purposes of the Covenants and provided further that in every instance such variance will not be materially detrimental or injurious to other Lot Owners. All variations must be evidenced in writing and signed by at least two (2) members of the ADC. If a variance is granted, no violation of the provisions contained in these Covenants shall be deemed to have occurred with respect to the matter for which the variance was granted; provided that the granting of a variance shall not operate to waive any of the Covenants for any purpose except as to the particular Lot and particular provision covered by the variance.

ARTICLE VI – DESIGN AND DEVELOPMENT STANDARDS

6.1 General Standards.

The following standards and restrictions in this Declaration are applicable to all Development, including construction, remodeling, alteration and exterior refinishing of any and all building improvements and site preparation, alteration or landscaping upon each Lot – none of which may be commenced on any Lot prior to receiving the written approval of the ADC. However, interior modifications and improvements that do not alter the exterior appearance of a building shall not require the approval of the ADC.

The intent of the Declarant in establishing these Covenants is to create and maintain a residential neighborhood of high quality homes compatible with its rural, agricultural setting and natural environment, and further to safeguard and protect the interests of all Owners and the desirability and compatibility of buildings in Horseshoe Meadows.

6.2 Design Character.

(a) The type of design of all improvements shall be traditional, western or farm-type and shall not be of modern, dome, A-frame or other incompatible design.

(b) All improvements shall be of new construction. Pre-built, component, uniform turned log, or modular construction shall not be permitted, unless it cannot be distinguished from conventional construction, which determination shall be in the sole discretion of the ADC. No used materials, except for architectural detailing, may be utilized except with the approval of the ADC.

(c) Exterior finishes shall be of planed natural wood, peeled log, stone or other similar material, semi-transparent or heavy bodied stains, or pigmented or clear non-glossy preservatives. Glossy painted finishes shall not be permitted. All exposed metals shall have a dull colored finish, or shall be flat color anodized or painted. Chimneys and chases must be enclosed by stone, brick or such other similar materials as may be approved by the ADC.

(d) Exterior siding, fascia and trim shall be secured with non-bleeding fasteners or nails, and shall be maintained in a manner as to not show signs of aging, fading, bleaching, cupping or deteriorating. All steps and risers shall be backed and all porch or deck foundation overhangs shall be enclosed.

(d) Exterior colors shall be subdued and in the earth tone range so as to emphasize the natural tones of the surrounding natural environment. Color samples, on pieces of all exterior materials and roofing materials to be used, shall be submitted to the ADC for approval.

6.3 Building Design.

(a) Not more than one Principal Residence shall be built on each Lot. The minimum floor area of the Principal Residence at or above ground level shall be 2,000 square feet exclusive of the garage and un-enclosed porches or decks. Each Principal Residence shall have as a minimum an attached or detached two-car garage. Unless otherwise approved by the ADC, the maximum floor area of the Principal Residence shall be 8,000 square feet. The maximum floor area of any Guest House shall be 1,800 square feet. As with the Principal Residence, garage and guest house, any storage building, barn, loafing shed or corral shall be approved by the ADC for design style, placement and size.

(b) The maximum building height of any structure shall not exceed thirty (30) feet. Height shall be measured from the highest roof ridge to the lowest adjacent grade. Minor projections such as chimneys, cupolas or other structures not enclosing habitable space shall be excluded in determining the maximum height.

(c) Roofs shall have a minimum pitch of six (6) feet in twelve (12) feet. All primary roofs shall have a minimum overhang of two (2) feet. Roofs shall be wood shake or shingle, ceramic tile, slate, heavy-weight asphalt shingles, metal roofing of acceptable non-glare materials and muted colors or similar non-glare materials which may be considered by the ADC. Solar collectors shall not be considered roofs, but shall be integrated into the overall roof design and shall be placed flush with the slope of the roof or wall of the building.

(d) Exposed foundations of concrete or masonry construction shall not have an exposed surface which exceeds a height of eight (8) inches above finished grade, and shall otherwise be sheathed in stone or wood.

6.4 Site Design.

(a) Building Envelopes are designated on each of the Lots, as set forth on the plat of the Property attached hereto as Exhibit B. No structure of any kind shall be constructed outside of the Building Envelope. The ADC must approve the placement of each structure within the Building Envelope to ensure that all natural and obvious view corridors are not unnecessarily or substantially obstructed from other Lots.

(b) Finish grading on all buildings sites shall assure drainage of surface water from the buildings and avoid concentrating runoff onto adjacent properties.

(c) Fencing shall be of wood post and pole, wood split rail or other wood fence approved by the ADC. Chain link dog runs and barbless wire in conjunction with wood post and rail fencing may be approved by the ADC at its sole discretion. No portion of the Open Space Land on any Lot may be fenced except by the Association in accordance with the open space regulations contained in the Teton County Subdivision Ordinance, and fencing layout and alignments on a Lot are subject to the approval of the ADC to ensure compatibility with the

existing farming, irrigation and other Open Space objectives which have been established for the benefit and enhancement of the entire development.

(d) Exterior lighting shall be approved by the ADC in order to reduce the amount of light pollution and to be unobtrusive to neighboring Lots. Exterior lighting shall be subdued, understated and indirect and all bulbs shall be shrouded so as to project light down and not to radiate out from the Lot in accordance with the Outdoor Lighting section of the Teton County Subdivision Ordinance

(e) Satellite dishes should be those of smaller size of the most recent technology and shall be screened from adjoining Lots and roads.

(f) Electrical and telephone utility lines have been installed underground in the easements and in the rights-of-ways of the Common Roads. Connections from the Lots to the underground utility lines shall be completed at the expense of the Owner and shall be underground.

(g) No propane or storage tanks of any kind shall be erected, placed or permitted upon any Lot unless buried or, if located above ground, the location and screening shall be approved by the ADC.

(h) Each residential building shall be connected to a private water well system which conforms to the adopted safe water standards and rules as established by the Idaho Department of Water Resources. Owners may jointly develop common or shared wells and distributions systems. Each residential building shall be connected to a private septic waste disposal system which conforms to the standards established by Idaho District Seven Health Department.

(i) Driveways and parking areas shall be graveled, asphalted or of concrete. Gravel surfaces shall include both base gravel or pit run of a minimum of six (6) inches and a minimum of three (3) inches crushed finish gravel sized at one (1) inch minus or less. All base gravel shall be completely covered by finish gravel and crowned to insure proper drainage.

ARTICLE VII- DEVELOPMENT AND USE RESTRICTIONS

7.1 Provisions in Addition to County Land Use Regulations. Conformity with any and all applicable land use regulations of Teton County shall be required in addition to the requirements of this Declaration. In case of any conflict, the more stringent requirements shall govern.

7.2 Residential Use. Each Lot shall be used exclusively for residential purposes and no more than one family, including their domestic employees and transient guests, shall occupy such residence; provided that nothing in these paragraphs shall be deemed to prevent the following:

(a) Construction of a guest house which shall not be inhabited by a second family, only by transient guests and domestic employees, and rental of which shall be prohibited separate from the Principle Residence.

(b) Any artist, artisan or craftsman ("artist") from pursuing their artistic calling upon the Lot or dwelling unit owned and occupied for residential purposes by the artist, and the artist is self-employed and has no employees working on such Lot or in such dwelling unit and does not advertise any work of art or other product for sale to the public upon such Lot or dwelling unit.

(c) A home office for business or professional use which is not advertised on ghe site and where customers or clients do not visit the site; that does not generate any substantial additional delivery or other traffic; and does not require the employment of labor other than the Owner or occupant, except for not more than one secretarial or clerical employee, subject to any permits or licenses required by Teton County.

(d) The leasing of any Principal Residence, from time to time, by the Owner exclusively for residential purposes and to not more than one family, provided that the lease for the premises contains a clause that the lessee agrees to be bound by this Declaration.

7.3 Lot Splitting; Consolidation

(a) Two or more contiguous Lots may be combined provided appropriate instruments are filed with Teton County. Such consolidated Lots will thereafter be treated as one Lot, and such Lot will be subjected to these restrictions as a single Lot, including for the purpose of levying and collecting the Owner's assessments. Consolidated Lots may not thereafter be split and developed separately.

(b) No Lot may be split or divided or subdivided, unless such Lot as split is then consolidated with a contiguous Lot and the resulting area to be built upon is larger than one Lot.

(c) Any change in Lot configuration shall be approved by the ADC and Teton County.

7.4 Authorized Structures. No building or structure shall be constructed, placed or maintained on any Lot except one Principal Residence, one guest house, one garage, storage facilities, one barn, one loafing shed and one corral.

7.5 Prohibited Structures. No trailer home, motor home, recreational vehicle, camper, tent, yurt or other temporary or mobile structure shall be used for a residence or habitation either temporarily or permanently at any time except (a) during construction and as authorized by the ADC, and (b) guests of the Owner may do so for a period of not more than seven (7) days during any thirty (30) day period.

7.6 Principle Residence Constructed First. No accessory structure, building, guest house, garage or shed shall be constructed or placed upon any Lot until after commencement of construction of the Principal Residence.

7.7 Storage of Equipment. All horse trailers, recreational vehicles, campers, motor homes, equipment, boats, trucks, trailers, snowmobiles, motorcycles, and other possessions shall be kept stored within the garage or approved storage building or shall be kept screened by adequate planting or fencing, approved by the ADC, so as to conceal them from the view of neighboring Lots and Common Roads and Pathways.

7.8 Maintenance. Each Lot and all improvements thereon shall be maintained in a neat, clean and safe condition, free of refuse, trash and other unsightliness. Service areas, storage piles, compost piles and facilities for hanging laundry shall be appropriately screened from view. No haystacks or hay bales, troughs, unstacked firewood, lumber, grass, shrub or tree clippings or plant waste, bulk materials, scraps or other refuse shall be kept, stored or allowed to accumulate on any Lot. Corral areas are to be well maintained and manure is to be removed from the Property on a regular basis. All garbage and trash shall be placed and kept in covered containers which shall be maintained so as not to be visible from neighboring Lots and Common Roads and Pathways. Firewood must be neatly stacked in such a way to be substantially screened from view of the other Lots.

7.9 Parking and Traffic Control. All vehicles shall be parked and stored within the garage or upon the parking area designated within the Building Envelope in the approved site development plan. Owners shall not permit the designated parking area to be used for purposes other than to park vehicles. Owners and their guests shall not obstruct or park on Common Roadways. The Board shall have full power and authority to regulate the use of roadways by imposing and enforcing speed limits and other restrictions.

7.10 Road Damage. Each Owner of a Lot is responsible for any damage caused to the Common Roads and Pathways during the construction of improvements upon such Owner's Lot or otherwise by the actions of the Owner or any other person or entity using the Common Roads while engaging in any activity on behalf of the Owner.

7.11 Control of Noxious Weeds. Owners shall take all actions necessary to control noxious weeds as defined by the Teton County Weed Control Board and the Association Board. Both unimproved and improved Lots shall be kept free of noxious weeds. Because the timing for effective control of noxious weeds is critical, if any Owner fails to respond immediately to a written request for weed control from the Board, the Board shall have the right to contract for such control services and the company so contracted shall have the right to enter upon any such Lot to treat noxious weeds without any liability for trespass. In the event that the Board provides for such noxious weed treatment, the Owner shall pay all costs incurred by the Board. Noxious weed treatment shall be strictly limited to herbicides approved by the Teton County Weed Control Board. Under no circumstances shall materials or methods be utilized which would endanger wildlife or adjacent lands. Control of noxious weeds on the Open Space Land portions of an Owner's Lot will be the responsibility of the Association.

177869

7.12 Farming. It is the intent of the Declarant to continue the farming on the Open Space Land for the purposes of maintaining, to the greatest extent possible, the agricultural heritage of the area of Teton Valley where Horseshoe Meadows is situated and to provide and maintain a weed free, aesthetic landscape for the benefit of all Lot Owners. The Board has the power to contract to a farm manager or otherwise farm the Open Space Land. Any net proceeds from such farming operations will go to the Association to offset the costs of providing Common Services, and not to the individual Lot Owners. To the extent that the Board decides that economic or other considerations in the best interests of the Lot Owners requires a change in use of all or a substantial part of the Open Space from the current farming operations to such other open space uses which may be permitted by the open space regulations of the Teton County Subdivision Ordinance at that time, the Board will provide at least sixty (60) days notice to all Lot Owners to give Lot Owners the opportunity to comment on the proposed change of use before a final decision is made by the Board.

7.13 Irrigation System. There are irrigation pipelines, wheel lines and other irrigation devices which are located on the Property. It is essential to keep these irrigation devices operating, and the owner of any Lot upon which any irrigation device is located shall not take any action to affect or impede the flow of such device.

7.14 Irrigation Water Control. In order to provide for the orderly use of irrigation water and maintenance of the irrigation system that produces and delivers water for irrigation purposes to the Open Space Land and individual lots, the Board will appoint one of its members to serve as Water Stewart. The Water Stewart will work with the Lot Owners and the Farm Manager in establishing an orderly system to provide the water needed for irrigation of the Property, and will also serve as the representative of the Association in dealing with landowners outside the Property, and others, concerning the Association's water use and irrigation practices.

7.15 Pets and Livestock. No livestock or pets shall be kept or maintained on any lot except as provided herein. Any animals or livestock permitted to be kept on a Lot shall be restrained and controlled at all times so that they do not cause a nuisance to neighboring Lot owners or harass or endanger wildlife. Not more than three (3) dogs may be kept on any Lot; provided that a litter of puppies born to a dog owned by a Lot Owner may be kept or maintained upon any Lot for a period not to exceed six (6) months so long as the puppies are maintained and restrained in accordance with the provisions of this Declaration. Cats or other domestic animals which are normally kept or maintained indoors shall be permitted on any Lot. Not more than three (3) horses, pleasure riding or pack animals shall be kept or maintained on any Lot; provided that this limitation of three (3) horses shall not apply to Lots 5-9 of Phase I of Horseshoe Meadows, or similarly configured perimeter Lots in future Phases, unless overgrazing results or if the number of horses is otherwise determined by the Board to be a nuisance to neighboring Lots. If any animal is identified chasing or harassing wildlife, animals, livestock or people, or with respect to dogs being a nuisance due to constant barking, the Board shall have the authority to have such animal impounded and shall assess a penalty against the Owner of the animal of not more than one hundred dollars (\$100.00) plus all costs of impoundment; if, thereafter, such behavior continues, the Board shall have the authority to have such animal impounded and permanently removed from the Property, and shall assess a penalty against the

Owner of the animal of not more than two hundred dollars (\$200.00) plus all costs of impoundment. No Owner of any animal impounded shall have a right of action against the Board or any member thereof for the impoundment of such animal.

7.16 Wildlife Protection. To protect, preserve and maintain the existing wildlife habitat on the Property and to minimize the adverse effects of development on wildlife habitat: (i) absolutely no hunting or shooting of guns will be allowed on any Lot; (ii) dogs, horses and other domestic animals shall be controlled and restrained at all times; and (iii) no artificial feeding of elk, deer, moose or other wildlife shall be allowed on any Lot or the Open Space Land.

7.17 Snowmobile, Motorcycle and ATV Use. No snowmobile, motorcycle, all-terrain vehicle or other similar recreational vehicle shall be operated on any Lot or the Open Space Land for recreational purposes; provided that such vehicles may be used for access to and from residential structures.

7.18 Fire Abatement. A fire flow storage pond has been designed and installed within the Property for the purposes of providing an emergency water supply for fire suppression and protection. This fire system is to be maintained by the Association in accordance with the Fire Protections Resolution adopted by Teton County. All Lot owners must provide adequate access routes to their Primary Residence and other structures for the Teton County Fire District. In addition, Owners agree to use the utmost care in installing, using and maintaining wood stoves, fireplace and barbecue facilities, and no other burning or exterior fires are permitted on Lots other than with the approval of the ADC.

7.19 Mineral Activities Prohibited. No mining or other mineral extraction or development activities shall be permitted on any Lot, including the removal of gravel; provided that excavation for landscape purposes may be permitted with the prior written approval of the ADC.

7.20 Signs. No signs or advertising devices shall be erected or maintained on any lot except for (i) a sign not greater than four (4) square feet in area which identifies the Owner and street address, (ii) one temporary "for sale" sign while the Lot is held for sale and (iii) notices required by law.

7.21 Nuisances, Noxious or Offensive Activities. No nuisance and no noxious, illegal or offensive activity shall be allowed to exist or continue to exist on any Lot, nor may anything be permitted on any Lot or the Property which shall create a disturbance, embarrassment or annoyance to any Lot owner in their enjoyment of their Lot or any other portions of the Property. No unreasonably loud or annoying noises, or noxious or offensive odors shall be emitted beyond the Lot lines of any Lot.

ARTICLE VIII-GENERAL PROVISIONS.

8.1 Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction of this Declaration shall in no event be deemed a waiver of the right to do so hereafter.

8.2 Indemnification. The Association shall indemnify and hold harmless Declarant, its members, officers, employees, successors and assigns, and the officers, directors and employees of the Association, from and against any and all claims, suits, actions, damages and/or causes of action arising from any personal injury, loss of life and/or damage to property sustained on or about the Property or any building or Development thereon or any appurtenances thereto or arising out of their existence, construction, installation, alteration, repair or their operation or maintenance, or out of the providing of any Common Services, as well as from or against all costs, counsel fees, expenses and liabilities incurred in and about any such claim, the investigation thereof or the defense at any levels of any action or proceedings brought thereon, and from and against any orders, judgments and/or decrees which may be entered therein. Included in the foregoing provision for indemnification are any expenses that Declarant, its successors or assigns may be compelled to incur in bring suit for the purpose of enforcing rights hereunder, or for the purpose of compelling the specific enforcement of the provisions, conditions, covenants and restrictions contained in this Declaration to be kept and performed by Association, Board and/or the Owners.

The costs to the Association of indemnifying the members of the Board and ADC shall include all costs and expenses whatsoever incurred in the pursuance of their duties, obligations and functions hereunder and in any legal defense of such actions including, without limitation, counsel fees.

8.3 Violations, Enforcement, Liens and Costs . The limitations, restrictions, and requirements for land use and development set forth in these Covenants shall be enforceable by the Declarant, by the Board or by any Owner of a Lot within the Subdivision. Every Owner hereby consents to the entry of an injunction against him or her or against his/or her guests or tenants to terminate and restrain any violation of these Covenants. Any Owner who uses or allows his or her Lot to be used or developed or neglected in violation of these Covenants further agrees to pay all costs incurred by the Board or the Declarant or other Lot Owner in enforcing these Covenants including, without limitation, reasonable attorney fees. The Board shall have a lien against each Lot and the improvements thereon to secure the payment of any billing for common services, special assessments, charges, damages, penalties or other sums due and payable by any Owner to the Association under these Covenants which are not paid at the time provided by these Covenants, plus interest from the date of demand for payment at the rate of eighteen percent (18%) . The Board is authorized to record a lien in the office of the Clerk of Teton County which shall include all items required for the filing of a lien under the laws of the State of Idaho. A copy of the recorded lien shall be sent to the Owner by certified mail. Any lien may be foreclosed in the manner provided for foreclosures of mortgages by the laws of the State of Idaho. In addition to the principal amount and interest due under the lien, the Board shall be

entitled to the payment of all costs incurred in the establishment or enforcement of any lien, including attorney's costs and filing fees.

8.4 Duration of Covenants. All of the Covenants set forth herein shall continue and remain in full force and effect at all times against the Property and the Owners and purchasers of any portion thereof, subject to the right of amendment as set forth herein. If required by law, these Covenants shall be deemed to remain in full force and effect for twenty-year periods, and shall be automatically renewed for additional consecutive twenty year periods.

8.5 Severability. Any decision by a court of competent jurisdiction invalidating any article, part or paragraph of these Covenants shall be limited to the article, part or paragraph affected by the decision of the court, and the remainder of these Covenants shall remain in full force and effect.

8.6 Acceptance of the Covenants. Every Owner or purchaser of a Lot within the Property shall be bound by and subject to all the provisions of these Covenants, and every Lot Owner or purchaser, through his or her purchase or ownership, expressly accepts and consents to the operation and enforcement of all the provisions of these Covenants.

8.7 Amendment. Except to the extent requiring the consent or approval of the Teton County Board of Commissioners, this Declaration may be amended during the first twenty year period by an instrument upon a vote of consent of at least ninety percent (90%) of the Lot Owners, and thereafter by an instrument upon a vote of consent by not less than seventy-five percent (75%) of the Lot Owners, which instrument must be recorded in the Office of the County Clerk of Teton County Idaho. Such amendments shall be duly executed by the Declarant and placed of record in the Office of the County Clerk of Teton County. Notwithstanding the foregoing, during the first five (5) years following the recordation of this Declaration, or until fifty percent (50%) of the Lots which are the subject of this Declaration are sold, whichever comes last, this Declaration may be modified, amended and changed by the Declarant without the need or necessity of the consent of the then-Lot Owners of the Property.

8.8 Declarant's Right To Annex Additional Phases. Declarant reserves the right to subject additional real property, in future phases, to the terms, conditions and restrictions of these Covenants, thereby making the Owners of Lots in such annexed property additional members of the Association and making such additional lands, fences, roads, utilities and other property and facilities the subject of the responsibility of the Association to provide Common Services. Such inclusion may be accomplished, in the sole discretion of the Declarant, its successors and assigns, by the recording of a Supplemental Declaration describing the property annexed and adopting these Covenants. Upon such recordation, the additional properties shall be incorporated into Horseshoe Meadows and shall be subject to these Covenants as if the same were originally set forth in full in this Declaration.

8.9 Assignment of Powers. Any and all of the rights and powers vested in the Declarant pursuant to these Covenants may be delegated, transferred, assigned, conveyed or released by Declarant to the Association, and the Association shall accept the same, effective upon sixty (60) days written notice by the Declarant to the Board.

8.9 No Waiver. The failure of the Board or its agents to insist, in one 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 relinquishment, for the future, of such term, covenant, condition or restriction, and such term, covenant, condition or restriction shall remain in full force and effect. The receipt and acceptance by the Board 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 Board of any provision hereof shall be deemed to have been made unless expressed in writing and duly signed by or on behalf of the Board.

8.10 Runs With Land. All covenants, conditions and agreements contained in this Declaration are made for the direct, mutual and reciprocal benefit of each and every Lot of the Property and Lots within future annexation areas; shall create equitable servitude upon each Lot in favor of every other Lot; shall create reciprocal rights and obligations between respective Owners of all Lots and privity of contract and estate between all grantees of said Lots, their heirs, successors and assigns; and shall, as to the Owner of each Lot, his or her heirs, successors and assigns, operate as covenants running with the land, for the benefit of all other Lots, except as otherwise provided in this Declaration.

IN WITNESS WHEREOF, Declarant has executed this Declaration of Covenants, conditions and Restrictions effective the date set forth above.

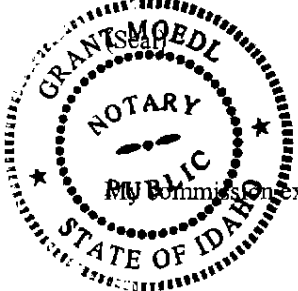
**JLC Holdings LLC,
An Idaho limited Liability Company**

BY: 
Managing Member

STATE OF IDAHO)
) ss.
COUNTY OF TETON)

The forgoing Instrument was acknowledged before me by John Grabow as Managing Member of and on behalf of JLC Holdings, LLC, an Idaho limited liability company, this 25th day of April, 2006.

Witness my hand and official seal




Notary Public

My Commission expires: 8-2-2010

177869

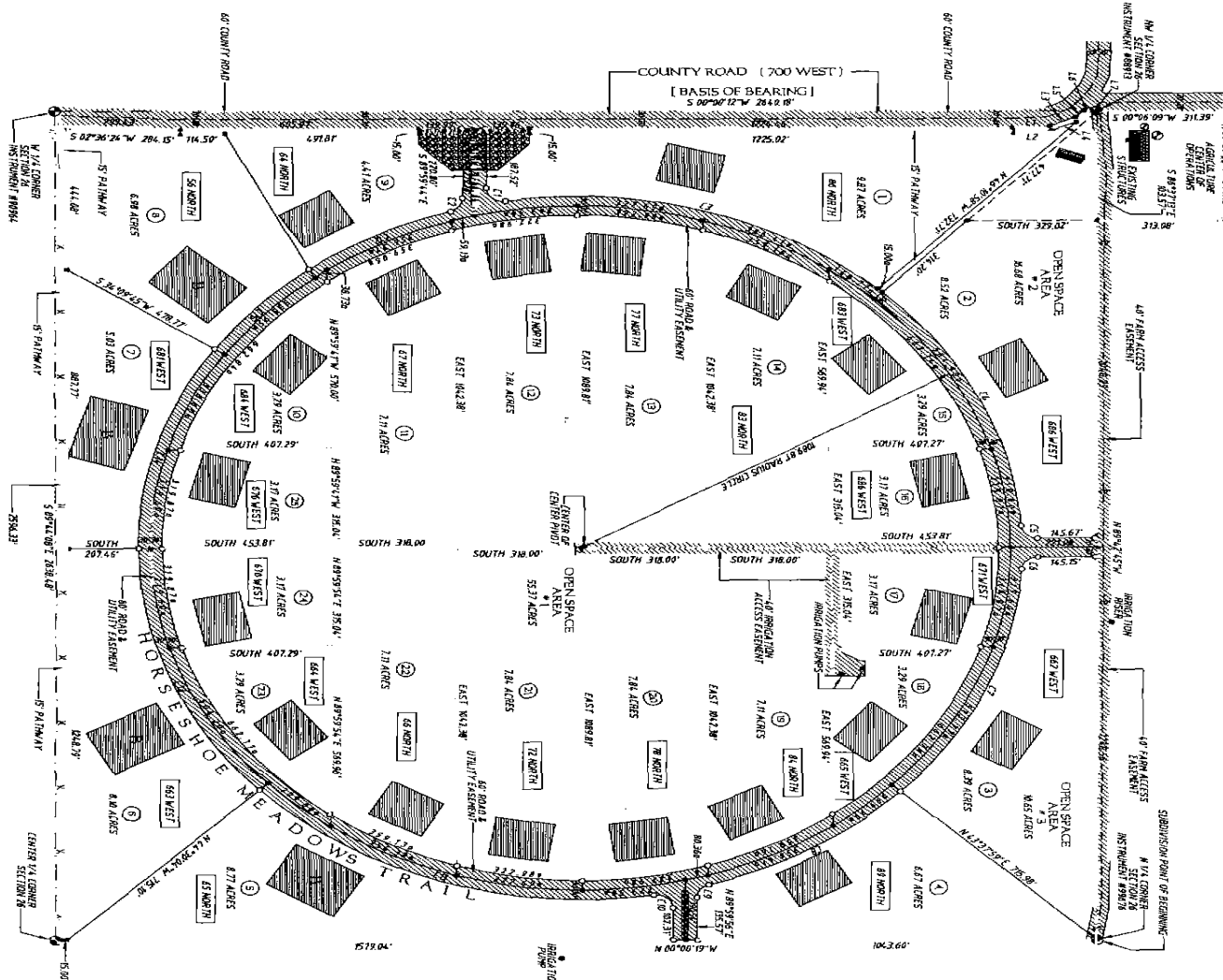
**HORSESHOE MEADOWS
PLANNED UNIT DEVELOPMENT
- EXHIBIT A -
PROPERTY DESCRIPTION**

THE NW 1/4 OF SECTION 26, AND A 2 1/2 ACRE PARCEL
IN THE SW CORNER OF SECTION 23, TWP. 5N., RNG. 44E.,
B.M, TETON COUNTY, IDAHO, BEING FURTHER DESCRIBED AS:
COMMENCING AT THE N 1/4 CORNER OF SAID SECTION 26;
THENCE S 00°00'19"E, 2639.11 FEET TO THE
CENTER 1/4 CORNER OF SAID SECTION 26;
THENCE N 89°44'08"W, 2638.48 FEET TO
THE W 1/4 CORNER OF SAID SECTION 26;
THENCE N 00°00'12"E, 2640.18 FEET ALONG THE
WESTERN BOUNDARY OF SAID SECTION 26,
TO THE NW CORNER OF SAID SECTION 26;
THENCE S 89°40'38"E, 4.60 FEET TO A POINT;
THENCE N 00°06'09"E, 311.39 FEET TO A POINT;
THENCE S 89°59'38"E, 344.13 FEET TO A POINT;
THENCE SOUTH, 313.08 FEET TO A POINT ON THE
NORTHERN BOUNDARY OF SAID SECTION 26;
THENCE S 89°42'45"E, 2288.79 FEET ALONG
THE NORTHERN BOUNDARY OF SAID SECTION 26,
TO THE POINT OF BEGINNING.

CONTAINS 162.34 ACRES MORE OR LESS.

SUBJECT TO A 60 FOOT COUNTY ROAD AND UTILITY EASEMENT
ALONG THE WESTERN PROPERTY BOUNDARY. ALSO SUBJECT TO
A 20 FOOT FARM ACCESS EASEMENT ALONG THE NORTHERN
PROPERTY BOUNDARY.

177869



DRAWING NO. 0177705
 PREPARED BY: RAINIER B.M. JOURNAL
 FINAL PLATING
 REVISION BY: RAINIER B.M. 05/26/06
 PROJECT NUMBER: 2005-167

ILCHOLDINGS LLC
 P.O. BOX 4880
 KENTON, KY 40320
 (606) 825-1453
 PROJECT NUMBER: 2005-167

AV Engineering
 375 South Main, P.O. Box 139
 West Paducah, KY 40355
 (202) 371-2752
 avengr@aol.com

BUILDING ENVELOPE PLAT
EXHIBIT B -
HORSESHOE MEADOWS
PLANNED UNIT DEVELOPMENT
 THE NW 1/4 OF SECTION 26, T47N, R1E, PNC. 14E,
 DIST. 1ST JEFFERSON COUNTY, KY.

LEGEND

- BUILDING ENVELOPE - 100' X 100'
- BUILDING ENVELOPE - 150' X 150' / 150' X 150'



177869

