

**DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS**

STATE SUBDIVISION – COVE REPLAT

VALLEY COUNTY, IDAHO

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**DECLARATION OF
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STATE SUBDIVISION – COVE REPLAT

VALLEY COUNTY, IDAHO

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS, is made this 24 day of OCTOBER, 2013, by the **STATE BOARD OF LAND COMMISSIONERS**, acting by and through the **IDAHO DEPARTMENT OF LANDS** (“**State Land Board**”), with reference to the following facts:

A. The State Land Board is the owner of 55 residential Lots located at Payette Lake, Valley County, Idaho, known as “**STATE SUBDIVISION – COVE REPLAT**” (which may hereinafter be referred to as the “**Cove Replat**”). The land encumbered by this Declaration is more particularly described as follows:

All land currently owned by the State Land Board, located within the Plat of “**STATE SUBDIVISION – COVE REPLAT**”, according to the Plat filed the 24 day of OCTOBER, 2013, in Book “13” of Plats, Pages 5, as Instrument No. 381368, records of Valley County, Idaho.

Said land is identified more specifically by subdivision name, block and lot in **Exhibit “A”**.

Hereafter, the term “**Owners**” shall refer to the owners of the Lots bound by this Declaration together with the owners of such Lots which may hereafter be made subject to this Declaration by the deeded owners (“**Pre-Existing Owners**”) of the Lots identified in **Exhibit “B”**, and depicted on the Plats for purposes of identification (“**Pre-Existing Lots**”). The **Pre-Existing Lots** identified in **Exhibit “B”** are not currently owned by the State Land Board, and the **Pre-Existing Owners** have not yet agreed that **Pre-Existing Lots** which they own shall be subject to this Declaration. However, the **Pre-Existing Owners** may at any time subject their **Pre-Existing Lots** to this Declaration as provided in Article 2, below.

B. In addition to ownership of individual Lots, the **Owners** will hold a membership in The Cove Association, an Idaho nonprofit corporation (“**Association**”), which will operate and maintain certain properties and facilities within the Cove Replat and assume maintenance obligations under certain easements over State land.

The State Land Board hereby declares that the Property, as defined below, shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold, and improved, subject to the following declarations, limitations, covenants, conditions, restrictions, and easements, all of which are for the purpose of enhancing and protecting the value and attractiveness of the Property, and every part thereof, in accordance with the plan for the aforementioned subdivisions and sale of the Property as a rural, lake front residential community. All of the limitations, covenants, conditions,

restrictions, and easements shall constitute covenants and encumbrances which shall run with the land and shall be perpetually binding upon Owners, the State's Lessees, as provided herein and in the Addendum hereto, their successors-in-interest and assigns, the Association, and all parties having or acquiring any right, title, or interest in or to any part of the Property subject to the rights reserved by the State Land Board in the Addendum, as defined below.

ARTICLE 1. DEFINITIONS

Unless otherwise expressly provided, the following words and phrases, when used in this Declaration and in the Project Documents, shall have the following meanings:

1.1 Addendum. Addendum shall mean the "Addendum to Declaration of Covenants, Conditions, and Restrictions" of equal date herewith or as may be amended from time to time, that provides additional definitions and covenants related to Cottage Site Leases between the State Land Board and its Lessees.

1.2 Affirmative Vote of the Membership. The Affirmative Vote of a Majority of the Membership shall be achieved on any particular matter upon the vote of at least fifty-one percent (51%) of the votes of the Members who are present, in person or by proxy, at a properly scheduled Membership meeting at which a quorum is established. The Affirmative Vote of sixty-seven percent (67%) of the Membership shall be achieved on any particular matter upon the vote of at least sixty-seven percent (67%) of the votes of the Members who are present, in person or by proxy, at a properly scheduled Membership meeting at which a quorum is established. The Board shall have the right to submit any matter requiring Membership approval to the Membership by mailed ballot, in which case the approval of the matter shall require the specified percentage (i.e., 51% or 67%) of the total votes of the Membership.

1.3 Articles. Articles shall mean the Articles of Incorporation of the Association, as amended from time to time.

1.4 Assessment. Assessment shall mean that portion of the cost of maintaining, improving, repairing, operating, insuring, and managing the Common Area, and meeting other obligations of the Association, which shall be paid by the Owners as determined by the Association under the Declaration and the Bylaws. Assessments may be designated as Common Assessments, Special Assessments, Local Improvement Assessments or Local Maintenance Assessments, as those terms are more specifically defined in the Bylaws.

1.5 Association. Association shall mean The Cove Association, an Idaho nonprofit corporation, the Members of which shall be Owners of Lots as provided herein, and any successor-in-interest thereto.

1.6 Association Documents. Association Documents shall mean the various governing documents of the Association, including: (a) the Articles of Incorporation; (b) the Bylaws; (c) this Declaration; (d) all Rules and Regulations promulgated by the

Board; and, (e) all amendments and supplements to any of the aforementioned documents.

1.7 Association Expenses. Association Expenses shall mean the actual and estimated expenses of maintenance, improvement, repair, operation, insurance, and management of the Common Area, expenses incurred by the Association in meeting its obligations and in the administration of the Association, and any reasonable reserve for such purposes as determined by the Board. Association expenses may be levied and collected by the Board as Common Assessments, Special Assessments, Local Improvement Assessments or Local Maintenance Assessments.

1.8 Association Facilities. Association Facilities shall mean all property owned or leased by the Association or otherwise held or used by the Association, or which is under the Association's management or control by, through or under contractual arrangements, licenses or other arrangements, including property furnished by Declarant (the State Land Board), real property or interests therein, improvements on real property, and personal property and equipment.

1.9 Board or Board of Directors. The Board or Board of Directors shall be the Board of Directors of the Association, as it shall be constituted from time to time.

1.10 Bylaws. Bylaws shall mean the Bylaws of the Association as restated or amended from time to time.

1.11 City. City shall mean the City of McCall.

1.12 City Code. City Code shall mean the McCall City Code.

1.13 Common Area. Common Area shall mean the property identified on the Plats as Common Area. Absent such designation, the term "Common Area" as used herein shall include but not necessarily be limited to all roads, easements, rights-of-way, and lake access lots which are shown on the Plats. Common Area shall also include additional property or property rights obtained by the Association in the future.

1.14 County. County shall mean Valley County, Idaho.

1.15 County Code. County Code shall mean the Valley County Land Use and Development Ordinance, as amended, superseded or repealed.

1.16 Declaration. Declaration shall mean this Declaration of Covenants, Conditions, and Restrictions, as it may be amended from time to time.

1.17 Lot. Lot shall include a platted parcel of land that is part of the Plats, other than Common Area, as well as all Pre-existing Lots which may become subject to this Declaration as provided in Article 2.

1.18 Member. Member shall mean a member of the Association, as further defined in Article 2. Every Owner of a Lot subject to this Declaration now or at a later time shall automatically be a Member of the Association, except where said Lot Owner is the State Land Board, in which case the Member shall be the Lessee of the Lot, if

any, as provided in that certain Addendum being filed of record with this Declaration. Notwithstanding the foregoing, Pre-Existing Owners are not automatically Members, but may join voluntarily and may thereupon become a Member, as set forth in Article 2. Regardless of the number of owners of a lot, each lot gets one (1) vote in the Association.

1.19 Mortgage. Mortgage shall mean a recorded mortgage, deed of trust, real estate contract, or other instrument creating a voluntary security interest in any Lot.

1.20 Mortgagee. Mortgagee shall mean a mortgagee, beneficiary or holder of a deed of trust, real estate contract vendor, leasehold, or other holder of a perfected voluntary security interest in any Lot.

1.21 Owner or Owners. Owner or Owners shall include the record holder or holders of title to a Lot within the Property, except that the State Land Board shall not be considered an Owner for purposes of this Declaration. The term "Owner" or "Owners" shall exclude Mortgagees and any other persons or entities having any interest merely as security for the performance of any obligation. Further, if a Lot is sold under a recorded contract of sale to a purchaser, the purchaser, rather than the fee owner, shall be considered the "Owner."

1.22 Person. Person shall mean any natural person, corporation, partnership, association, trustee, or other legal entity, but shall not include the State Land Board.

1.23 Plats. Plats shall refer to the recorded plats for "STATE SUBDIVISION – COVE REPLAT", and any amendments thereto.

1.24 Pre-Existing Owner or Pre-Existing Owners. Pre-Existing Owner or Pre-Existing Owners shall mean owners of Pre-Existing Lots.

1.25 Pre-Existing Lots. Pre-Existing Lots shall mean the Lots identified in attached Exhibit "B".

1.26 Project Documents. Project Documents shall mean the Plats and the Association Documents.

1.27 Property or Project. Property or Project shall mean all Lots subject to this Declaration as described in Exhibit A to this Declaration, and all common areas, easements and other Lots depicted on the Plats, together with all buildings, improvements and structures thereon.

1.28 State Land Board. The State Land Board shall mean the State Board of Land Commissioners, acting by and through the Idaho Department of Lands, collectively.

ARTICLE 2.
ASSOCIATION MEMBERSHIP

2.1 Organization of Association. The Association is incorporated under the name of The Cove Association, a nonprofit corporation under the Idaho Nonprofit Corporation Act.

2.2 Duties and Powers. The duties and powers of the Association are those set forth in the Articles and Bylaws, together with its general and implied powers as a nonprofit corporation, generally to do any and all things that a nonprofit corporation organized under the laws of the State of Idaho may lawfully do, including, but not limited to, the performance of, and compliance with, all duties, responsibilities, terms and conditions set forth herein.

2.3 Membership.

(a) Classes. There shall be two classes of membership in the Association, which shall consist of the following:

(i) Current Owners. The owners of the Lots which are depicted in the Plats, excluding Common Areas and Lessees of Lots as provided in the attached Addendum; and

(ii) Pre-existing Owners-Permanent Memberships. Pre-existing Owners who elect to join the Association and subject their Lots to this Declaration and the Association Documents.

(iii) Pre-Existing Owners-Provisional Membership. Pre-Existing Owners who elect to join the Association as provided below.

(b) Automatic Membership. The Owner of a Lot, except a Pre-Existing Owner, shall automatically, upon becoming the Owner of a Lot, be a Member of the Association, and shall remain a Member thereof until such time as its ownership ceases for any reason, at which time its membership in the Association shall automatically cease and its successor-in-interest shall become a Member. Membership shall be in accordance with the Articles and the Bylaws of the Association. The Lessees of Lots shall be considered Owners as provided in the Addendum.

(c) Voluntary Membership.

(i) Pre-existing Owners-Permanent Memberships. A Pre-Existing Owner may voluntarily become a Permanent Member of the Association provided that it must contemporaneously subject its Pre-Existing Lot to this Declaration by the recordation of a statement signed by any and all then current owners of said Pre-Existing Lot(s), sworn to, notarized, and recorded in the office of the Valley

County recorder, legally describing the Pre-Existing Lot(s), and stating and agreeing that said Lot(s) shall forever thereafter be subject to all terms and conditions of this Declaration, and that such action is in the interest of their Pre-Existing Lot(s), and that they do so of their own free will. Once a Pre-Existing Owner submits its Pre-Existing Lot(s) to this Declaration, then the Pre-Existing Owner shall, for all purposes herein, thereafter be referred to, and treated as, an "Owner" and Member. A Pre-Existing Owner who becomes a Member shall remain a Member thereof until such time as its ownership ceases for any reason, at which time its membership in the Association shall automatically cease and its successor-in-interest shall become a Member. Membership shall be in accordance with the Articles and the Bylaws of the Association.

(ii) Pre-existing Owners-Provisional Memberships.

A Pre-existing Owner may voluntarily become a Provisional Member of the Association provided that it must contemporaneously subject its Pre-Existing Lot to this Declaration by the recordation of a statement (the "Statement") signed by any and all then current owners of said Pre-Existing Lot(s), sworn to, notarized, and recorded in the office of the Valley County recorder, legally describing the Pre-Existing Lot(s), and stating and agreeing that said Lot(s) shall forever thereafter be subject to all terms and conditions of this Declaration, subject to an option to withdraw as a Member, as described below, and that such action is in the interest of their Pre-Existing Lot(s), and that they do so of their own free will. The Association shall provide the Statement for the Pre-existing Owner's use as aforesaid. A Pre-existing Owner desiring to utilize this Provisional Membership shall notify the Association of such election not later than one (1) year after the date on which the Declaration is filed of record with Valley County, Idaho. The failure to timely do so shall result in a waiver of the right to utilize the Provisional Membership. Once a Provisional Member submits its Pre-Existing Lot(s) to this Declaration, then the Provisional Member shall, for all purposes herein, thereafter be referred to, and treated as, an "Owner" and Member. The option to withdraw as a Member may be exercised at any time within five (5) years of the date of the Statement upon delivery of written notice to the Association in form provided for this purpose by the Association (the "Notice") of the exercise of the option to withdraw. Such Notice shall be delivered not less than one hundred eighty (180) days prior to the date of withdrawal. The Association shall then execute the Notice and cause it to be filed of

record with Valley County. In the event the Provisional Member does not elect to exercise its option to withdraw as provided herein, then it shall be deemed a Permanent Member. The aforesaid option to withdraw shall be personal to the Provisional Member, and may not be exercised by any other person, entity, assignee or successor-in-interest. A Pre-Existing Owner who becomes a Member shall remain a Member thereof until such time as its ownership ceases for any reason, at which time its membership in the Association shall automatically cease and its successor-in-interest shall become a Member. Membership shall be in accordance with the Articles and the Bylaws of the Association.

(d) Rights and Duties of Membership. The two above-described classes of Memberships shall equally enjoy the rights and privileges and be subject to the duties and obligations afforded by this Declaration and the Association Documents.

ARTICLE 3. CONSTRUCTION STANDARDS AND USE RESTRICTIONS.

In addition to all of the covenants contained herein, the use of the Property and each Lot therein is subject to the following:

3.1 Single-Family Residential Use. No Lot shall be occupied or used except for single-family residential purposes by the Owner, its family, and its guests and invitees, or by a single-family tenant. No more than one (1) Single-Family Dwelling and such associated accessory structures as are allowed by the applicable County Code or City Code shall be allowed on any Lot. All docks placed on or appurtenant to a Lot shall be in accordance with applicable laws. An Owner may not assign or convey a right of use of a dock to anyone other than the dock's permitted owners of record.

3.2 Mobile Homes. Mobile homes shall not be placed on the Property.

3.3 Manufactured or Modular Homes. Manufactured or modular homes that comply with all applicable building codes and the applicable County Code or City Code, meet applicable snow load requirements for Property (i.e., under the applicable County Code, City Code or building codes), and are installed on a permanent foundation shall be allowed.

3.4 Permits; Construction Standards. Each Owner shall comply with all applicable federal, state, and local laws, rules, codes and regulations, and procure at its own expense all licenses and permits required by such laws, rules, and regulations related to the use of the Lots. Construction standards and setbacks shall be in accordance with the County Code or City Code which is applicable to the Lot. Notwithstanding the foregoing, any structures or land uses which exist at the time of the recordation of this Declaration and which were approved by the State Land Board or which were in compliance with all applicable codes when constructed are permitted to

continue and shall be subject to the applicable code provisions for non-conforming uses or non-conforming structures.

3.5 Fire Hazards. Lots shall be maintained to reduce fire hazards by the elimination of fine fuels and dead material on the Lot to provide a natural but managed appearance in conformity with the International Urban-Wildlands Interface Fire Code.

3.6 Protection of Forest Resources. Other forest resources shall be protected as required by applicable federal, state, and local laws, rules, codes and regulations.

3.7 Fences. Fences on Lots shall comply with the provisions of the applicable County Code or City Code.

3.8 No Noxious or Offensive Activity. No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done or placed on any Lot which is or may become a nuisance, as defined by Idaho law. Without waiving an Owner's rights to seek relief under Idaho law, for purposes of a demand that the Association take action, the Association shall have sole discretion to determine whether the subject activity constitutes a nuisance under the terms of this Section.

3.9 Household Pets. No animals, of any kind, except for household pets shall be raised, bred, or kept on any portion of the Property. The Board may create such additional Rules and Regulations with regard to household pets as it deems reasonable appropriate.

ARTICLE 4. **ASSOCIATION MAINTENANCE FUNDS AND ASSESSMENTS**

4.1 Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot by acceptance of a deed therefore, whether so expressed in such deed, is deemed to covenant and agree to pay to the Association Assessments as provided for herein or in the Bylaws. All Assessments, together with interest, costs, penalties, and reasonable attorney fees, shall be a charge and a continuing lien upon the Lot against which each Assessment is made, the lien to become effective upon recordation of a Notice of Assessment Lien by the Board as required by law (and limited in duration as provided by law). Each such Assessment, together with interest, costs, penalties, and reasonable attorney fees, shall also be the personal obligation of the Person who was the Owner of such Lot at the time when the Assessment fell due and such Assessment may be recovered by suit for a money judgment by the Association without foreclosing or waiving any lien securing the same. No Owner of a Lot may exempt himself or herself from liability for Assessments by waiver of the use or enjoyment of any of the Common Area or any other part of the Property, or by the abandonment of his or her Lot.

4.2 Transfer of Lot by Sale or Foreclosure. The sale or transfer of any Lot shall not affect any Assessment lien, or relieve the Lot from any liability therefore, whether the lien pertains to payments becoming due prior or subsequent to such sale or transfer. Notwithstanding the foregoing, the sale or transfer of any Lot pursuant to foreclosure or by deed in lieu of foreclosure of a recorded bona fide first mortgage given

in good faith and for value shall extinguish the lien of all such Assessments as to payments which became due prior to such sale or transfer. However, neither sale nor transfer pursuant to mortgage foreclosure or by deed in lieu of foreclosure nor extinguishment, as aforesaid, shall affect or extinguish the personal liability of the Owner for unpaid Assessments.

In a voluntary conveyance of a Lot, the grantee of the same shall be jointly and severally liable with the grantor for all unpaid Assessments by the Association against the latter which are unpaid at the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantee shall be entitled to a statement from the Board, setting forth the amount of the unpaid Assessments which are then owing to the Association, and such grantee shall not be liable for, nor shall the Lot conveyed be subject to a lien for, any unpaid Assessments made by the Association against the grantor in excess of the amount set forth in the statement. The grantee shall be liable for any such Assessment becoming due after the date of any such statement.

ARTICLE 5.

RIGHTS OF MORTGAGEES

In order to induce various lenders and lending agencies to participate in the financing of any sale of Lots within the Property or construction of improvements thereon, this Article 5 is included in this Declaration. To the extent these added provisions pertaining to the rights of such lenders and lending agencies conflict with any other provisions of this Declaration or any other of the Project Documents EXCEPT THE ADDENDUM, these added restrictions shall control.

5.1 No Impairment. The following rights of a Mortgagee shall not be impaired:

- (a) To foreclose or take title to a Lot pursuant to the remedies provided in the Mortgage;
- (b) To accept a deed (or assignment) in lieu of foreclosure in the event of default by a mortgagor; or
- (c) To sell or lease a Lot so acquired by the Mortgagee without interference.

5.2 Subordination. Any lien created or claimed in the provisions of this Declaration is expressly made subject and subordinate to the rights of any first Mortgage which encumbers all or any interest in a Lot and is made in good faith and for value; and no such lien shall in any way defeat, invalidate, or impair the obligation or priority of such Mortgage unless the Mortgagee expressly subordinates its interest, in writing, to such lien. If any Lot and/or interest therein is encumbered by a first Mortgage made in good faith and for value, the foreclosure of any lien created by any provision set forth in this Declaration for Assessments, or installments of Assessments, shall not operate to affect or impair the lien of the Mortgage. On foreclosure of the Mortgage, the lien for Assessments or the installments that have accrued up to the time of foreclosure shall be subordinate to the lien of the Mortgage, with the foreclosure-purchaser taking title to the Lot or interest therein free of the lien for Assessments or installments that

have accrued up to the time of the foreclosure sale. On taking title to the Lot and/or interest therein, the foreclosure-purchaser shall be obligated to pay only Assessments or other charges levied or assessed by the Association that become due or payable on or after the foreclosure-purchaser acquired title to the Lot and/or interest therein. The subsequently levied assessment or other charges may include previously unpaid Assessments, provided all Lot Owners, including the foreclosure-purchaser and its successors and assigns, are required to pay their proportionate share of such assessment as provided herein. As used herein, the term "foreclosure" shall include both judicial and non-judicial (i.e., trustee's sales), and a deed (or assignment) in lieu of foreclosure.

5.3 Amendment of Declaration. No amendment to this Declaration shall affect the rights of the holder of any first Mortgage recorded prior to recordation of such amendment who does not join in or consent in writing to the execution thereof.

5.4 Mortgagee Protection Clause. No breach of any covenants, conditions and restrictions in this Declaration, nor the enforcement of any of the lien provisions herein, shall defeat or render invalid the rights under any Mortgage on any Lot made in good faith and for value, but all of the covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or otherwise.

ARTICLE 6.

COMMON AREA AND OWNERS' RIGHTS

6.1 Common Area: The Common Area is reserved for the use of the Owners and Pre-Existing Owners and every Owner shall have a right and nonexclusive easement of use, access, and enjoyment in and to the Common Area, subject to:

(a) The Association Documents and any other applicable covenants;

(b) Any restrictions or limitations contained in any deed conveying such property to the Association;

(c) Subject to the vested property rights of Pre-existing Owners, the right of the Board to adopt rules regulating the use and enjoyment of the Common Area, including rules restricting use of any recreational facilities which may be located within the Common Area; and,

(d) Subject to the vested property rights of Pre-existing Owners, the right of the Board to suspend the right of an Owner to use any Common Area or any recreational facilities located within the Common Area:

(i) for any period during which any Assessment charged against such Owners Lot remains delinquent; and,

(ii) for a period not to exceed thirty (30) days for a single violation, or for a longer period in the case of any continuing violation, of the Declaration, any applicable

Supplemental Declaration, the Bylaws, or rules of the Association Documents, after thirty (30) days written notice and a hearing, or upon such notice and hearing provision as may otherwise be provided in the Bylaws.

6.2 Use by Others. Any Owner may extend his or her right of use and enjoyment to the members of his or her family, lessees, and social invitees ("Sub-owners"), subject to reasonable Board regulation. All such Sub-Owners shall be subject to the provisions of Article 3 of this Declaration and to all applicable Rules and Regulations which are promulgated by the Board. An Owner who leases his or her Lot shall be deemed to have assigned all such rights to the lessee of such Lot, unless provided to the contrary in the Lease. An Owner shall be responsible and liable for the actions of its Sub-owners and for any violations by such Sub-owners of the terms of this Declaration and the Rules and Regulations which are promulgated by the Board.

6.3 Owners' Rights and Obligations Appurtenant. All rights, easements and obligations of an Owner under this Declaration and all rights of an Owner with respect to membership in the Association under this Declaration are hereby declared to be exempt from levy or other judicial or non-judicial proceedings to satisfy any judgment or claim against the Association and shall be appurtenant to the title to the Lot owned by such Owner and may not be transferred, conveyed, devised, bequeathed, encumbered or otherwise disposed of separate or apart from fee simple title to such Owner's Lot. Every transfer, conveyance, grant, devise, bequest, encumbrance or other disposition of a Lot shall be deemed to constitute a conveyance, grant, devise, bequest, encumbrance or transfer or disposition of such rights and obligations.

6.4 Limitation on Rights and Claims. Neither the Association nor any Owner shall have the right to grant any rights of use of the Common Areas to the owners of property located outside of the Property or to members of the general public or pledge it or encumber it as security for the repayment of any debt. Real property taxes and assessments for roads and Common Areas shall continue to be allocated to those lots which have rights to and benefit from the roads and Common Areas.

ARTICLE 7. DURATION AND AMENDMENT

7.1 Duration. This Declaration shall continue in full force for a term of fifty (50) years from the date hereof, after which time the same shall be automatically extended for successive periods of ten (10) years, unless a Declaration of Termination is recorded, meeting the requirements of an amendment to this Declaration as set forth in Paragraph 7.2.

7.2 Amendment. Amendments to this Declaration may be proposed by the Board. Notice of the subject matter of any proposed amendment to this Declaration in reasonably detailed form shall be included in the Notice of any meeting of the Association at which the proposed amendment is to be considered. The amendment shall be adopted upon the Affirmative Vote of no less than sixty-seven percent (67%) of the Members, unless a higher percentage is required in the Bylaws.

7.3 Approval of Land Board. Notwithstanding the foregoing, the following special voting provisions shall apply: the State Land Board must provide its written consent to any amendment so long as the State owns a Lot. If such written consent is not provided, the amendment shall fail.

7.4 Certificate. A certificate, signed and sworn to by two (2) officers of the Association, that the record Owners of the required number of Lots have either voted for or consented in writing to any amendment adopted as provided above, when recorded, shall be conclusive evidence of that fact. The written consent of the Director of the Department of Lands must separately be recorded as evidence of its consent to any Amendment. The Association shall maintain in its files the record of all such votes or written consents for a period of at least five (5) years.

ARTICLE 8.
ANNEXATION AND WITHDRAWAL OF PROPERTY

8.1 Annexation. The Association may subject additional property which is located within the exterior boundaries of the Plats to the provisions of this Declaration with the consent of the owner of such property and the Affirmative Vote of a Majority of the Membership. Such annexation shall be accomplished by recording a Supplemental Declaration with the Office of Recorder of the County, describing the property to be annexed and specifically subjecting it to the terms of this Declaration. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and by the owner of the annexed property. Any such annexation shall be effective upon recording unless otherwise provided therein.

8.2 Withdrawal. The Association may withdraw property from the provisions of this Declaration with the consent of the Owner of such property and the Affirmative Vote of a Majority of the Membership. Such withdrawal shall be accomplished by recording a Supplemental Declaration with the Office of Recorder of the County, describing the property being withdrawn.

ARTICLE 9.
GENERAL PROVISIONS

9.1 Invalidity of Any Provision. Should any provision of this Declaration be declared invalid or in conflict with any law of the jurisdiction where the Project is situated, the validity of all other provisions shall remain unaffected and in full force and effect.

9.2 Conflict of Project Documents. If there is any conflict among or between the Project Documents, priority shall be given to Project Documents in the following order: the Plat, the Addendum, this Declaration, the Articles, the Bylaws, and the Rules and Regulations of the Association.

9.3 Addendum. The State Land Board will record an Addendum to this Declaration that provides specific rights to Lessees of Lots under the Cottage Site Lease Program of the State Land Board by and through the Idaho Department of Lands. The Addendum shall terminate and have no further effect after the State no longer owns any Lot.

9.4 Effect of Provisions of Declaration. Each provision of this Declaration and the Bylaws, and any agreement, promise, covenant and undertaking to comply with each provision of this Declaration and the Bylaws, and any necessary exception or reservation or grant of title, estate, right or interest to effectuate any provision of this Declaration and the Bylaws:

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

(b) shall, by virtue of acceptance of any right, title or interest in any real property within the Property by an Owner be deemed accepted, ratified, adopted and declared as a personal covenant of such Owner;

(c) shall, as a personal covenant, be binding on such Owner and such Owner's respective heirs, personal representatives, successors and assigns; and,

(d) shall be deemed an equitable servitude, running, in each case, as a burden with and upon the title to all Lots within the Property.

9.5 Enforcement and Remedies.

(a) In General. Each provision of this Declaration shall be enforceable by any Owner who has made written demand on the Association to enforce such provision and thirty (30) days have lapsed without appropriate action having been taken, by a proceeding for a prohibitive or mandatory injunction. In addition to any other remedy available at law or in any of the Association Documents, each provision of this Declaration with respect to an Owner or property of an Owner shall be enforceable by the Association by a proceeding for a prohibitive or mandatory injunction and/or by a suit or action to recover damages, and/or, in the discretion of the Association, for so long as any Owner fails to comply with any such provisions, by exclusion of such Owner and such Owner's Lessees, Sub-owners and Guests from use of any Common Area or Association facility. If court proceedings are instituted in connection with the rights of enforcement and remedies provided in this Declaration, the prevailing party shall be entitled to recover its costs and expenses in connection therewith, including injunction bond premiums, and its attorneys' fees incurred, including fees incurred on appeal. Subject to the mortgagee rights set forth in Article 5, nothing herein shall limit or infringe on the right of the Association to recover from the Owner of a lot, including a Pre-Existing Owner, sums based on equitable principles or quantum meruit for maintenance of roads and Common Areas who

are provided benefits by the Association, provided such sum shall not exceed any assessment charged to other Owners and provided further that such sum shall not be owed by the State Land Board or lots it owns.

(b) Fines. In addition to the provisions of Section 9.5(a), the Board shall be entitled to impose fines and penalties for violations of this Declaration in amounts to be provided in the Rules and Regulations. Fines and penalties may be assessed only against a Member of Association, and only if the violator is the Member or a member of the Member's family or a Sub-owner, guest, invitee, lessee, contractor, subcontractor, employee or agent of the Member. Fines and penalties may be increased in the case of a continuing violation, where the Member has failed to abate the violation within the time allowed therefor by the Board in written notice to the Member. In the case of a single incident, the fine or penalty may not be assessed unless the Member has received at least one prior written notice from the Board that the violation may subject the Member to fine(s). Fines and penalties imposed pursuant to this Section may be collected as an assessment as provided in the Bylaws and this Declaration. Non-payment of assessments shall not subject a Member to fines; rather, the remedy therefore shall be as provided in the Bylaws and as may otherwise be provided in this Declaration.

9.6 Limited Liability. Neither the Board, nor any member, agent or employee of the Board, nor the Association, nor State Land Board, Director, agent or employee of the Idaho Department of Lands, shall be liable to any party for any action or for any failure to act with respect to any matter if the action taken or failure to act was in good faith and without malice.

9.7 Successors and Assigns. Except as otherwise provided herein, this Declaration shall be binding upon and shall inure to the benefit of the Association, and each Owner and their respective heirs, personal representatives, successors and assigns.

9.8 Waiver. Failure by the Association to enforce any provisions of the Association Documents shall not operate as a waiver of any such provision or of the Association's right to enforce such provision or any other provision of this Declaration or the Association Documents.

9.9 Notice of Sale. Any Owner, with the exception of Lessees, desiring to sell or otherwise transfer title to his or her Lot shall give the Association at least seven (7) days' prior written notice of the name and address of the purchaser or transferee, the name of the closing agent for such transfer and the closing date of such transfer.

IN WITNESS WHEREOF, the State Board of Land Commissioners has caused this Declaration to be executed by its President, the Governor of the State of Idaho, and countersigned by the Secretary of State and the Director, Idaho Department of Lands.

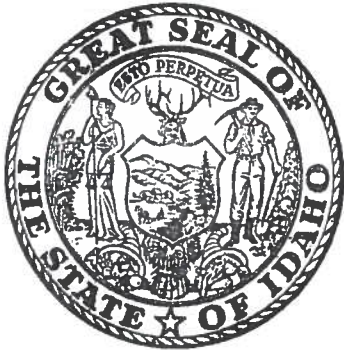
STATE BOARD OF LAND COMMISSIONERS


Governor of the State of Idaho and President
of the State Board of Land Commissioners

Countersigned:


Secretary of State


Director, Idaho Department of Lands



THE STATE OF IDAHO)
) ss.
COUNTY OF ADA)

On this 10th day of October, 2013, before me, a Notary Public in and for said The State, personally appeared **C.L. "BUTCH" OTTER**, known to me to be the Governor of the State of Idaho and President of the State Board of Land Commissioners; **BEN YSURSA**, known to me to be the Secretary of State for the State of Idaho; and **THOMAS M. SCHULTZ, JR.**, known to me to be the Director of Department of Lands of the State of Idaho, that executed the same instrument and acknowledged to me that such The State of Idaho and The State Board of Land Commissioners executed same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year written above.



Tamara Armstrong
NOTARY PUBLIC FOR STATE OF IDAHO
Residing at ADA, BOISE, Idaho
My Commission expires: 12/26/18

EXHIBIT A

(Listing of replatted Endowment lands)

Address #	Street Name	Subdivision Name	Block	Lot
2109	Water Lily LN	Cove Replat	1	1
2107	Water Lily LN	Cove Replat	1	2
2103	Water Lily LN	Cove Replat	2	1
	John Alden RD	Cove Replat	3	1
2097	John Alden RD	Cove Replat	3	2
	John Alden RD	Cove Replat	4	1
2093	John Alden RD	Cove Replat	4	2
	John Alden RD	Cove Replat	4	3
2087	John Alden RD	Cove Replat	4	4
2081	John Alden RD	Cove Replat	5	1
	John Alden RD	Cove Replat	6	1
2063	John Alden RD	Cove Replat	6	2
2059	Plymouth RD	Cove Replat	7	1
	John Alden RD	Cove Replat	7	2
2055	Plymouth CT	Cove Replat	7	3
	John Alden RD	Cove Replat	7	4
2051	John Alden RD	Cove Replat	7	5
	John Alden RD	Cove Replat	7	6
2047	Plymouth CT	Cove Replat	7	7
	John Alden RD	Cove Replat	7	8
2043	Plymouth CT	Cove Replat	7	9
	John Alden RD	Cove Replat	7	10
2035	Plymouth CT	Cove Replat	7	11
2029	Plymouth RD	Cove Replat	7	12
1039	Plymouth CT	Cove Replat	8	1
1047	Plymouth RD	Cove Replat	9	1
1067	Plymouth RD	Cove Replat	10	1
1081	Plymouth RD	Cove Replat	11	1
1085	Plymouth RD	Cove Replat	11	2
1087	Plymouth RD	Cove Replat	11	3
1089	Plymouth RD	Cove Replat	11	4
1087	Mayflower LN	Cove Replat	11	5
1083	Mayflower LN	Cove Replat	11	6
1079	Mayflower LN	Cove Replat	11	7
1080	Plymouth RD	Cove Replat	12	1

Address #	Street Name	Subdivision Name	Block	Lot
1058	Plymouth RD	Cove Replat	13	1
1060	Plymouth RD	Cove Replat	13	2
1044	Plymouth RD	Cove Replat	14	1
2023	John Alden RD	Cove Replat	15	1
1026	Plymouth RD	Cove Replat	15	2
1030	Plymouth RD	Cove Replat	15	3
1032	Plymouth RD	Cove Replat	15	4
2009	John Alden RD	Cove Replat	16	1
2016	John Alden RD	Cove Replat	17	1
2012	John Alden RD	Cove Replat	17	2
2008	John Alden RD	Cove Replat	17	3
2044	John Alden RD	Cove Replat	18	1
	Common Area for Trail Access		18	2
2040	John Alden RD	Cove Replat		
2036	John Alden RD	Cove Replat	18	3
2068	John Alden RD	Cove Replat	19	1
2064	John Alden RD	Cove Replat	19	2
2060	John Alden RD	Cove Replat	19	3
2056	John Alden RD	Cove Replat	19	4
2084	John Alden RD	Cove Replat	20	1
2080	John Alden RD	Cove Replat	20	2
2076	John Alden RD	Cove Replat	20	3
	Road - Water Lilly Segment	Cove Replat	21	1
	Common Area	Cove Replat	22	1
	Common Area with access easement	Cove Replat	23	1
	Common Area/Fire Safety Easement	Cove Replat	24	1
	Common Area/Fire Safety Easement	Cove Replat	25	1
	Common Area and Beach with Fire Safety Easement	Cove Replat	26	1
	Road - John Alden/Plymouth/Mayflower	Cove Replat	27	1

EXHIBIT B

(Listing of Amended Pilgrim Cove deeded lots not included in replatting activity)

Subdivision Name	Block	Lot
Amended Pilgrim Cove	1	1
Amended Pilgrim Cove	1	2
Amended Pilgrim Cove	1	3
Amended Pilgrim Cove	1	4
Amended Pilgrim Cove	1	5
Amended Pilgrim Cove	1	11
Amended Pilgrim Cove	1	12
Amended Pilgrim Cove	1	14
Amended Pilgrim Cove	1	22
Amended Pilgrim Cove	1	24
Amended Pilgrim Cove	1	25
Amended Pilgrim Cove	1	26
Amended Pilgrim Cove	1	27
Amended Pilgrim Cove	1	29
Amended Pilgrim Cove	1	32
Amended Pilgrim Cove	1	34
Amended Pilgrim Cove	1	35
Amended Pilgrim Cove	1	37
Amended Pilgrim Cove	2	1A
Amended Pilgrim Cove	2	1
Amended Pilgrim Cove	2	2
Amended Pilgrim Cove	2	3
Amended Pilgrim Cove	2	4
Amended Pilgrim Cove	2	7
Amended Pilgrim Cove	2	8
Amended Pilgrim Cove	2	9
Amended Pilgrim Cove	2	10
Amended Pilgrim Cove	2	12
Amended Pilgrim Cove	2	13
Amended Pilgrim Cove	2	14
Amended Pilgrim Cove	2	15
Amended Pilgrim Cove	2	20
Amended Pilgrim Cove	3	2
Amended Pilgrim Cove	3	3
Amended Pilgrim Cove	3	4
Amended Pilgrim Cove	4	4
Amended Pilgrim Cove	4	5

Subdivision Name	Block	Lot
Amended Pilgrim Cove	4	6
Amended Pilgrim Cove	4	7
Amended Pilgrim Cove	4	11
Amended Pilgrim Cove	4	12
Amended Pilgrim Cove	4	17
Amended Pilgrim Cove	4	21