

SAPPHIRE SKIES

COVENANTS, CONDITIONS & RESTRICTIONS ~* CONDENSED SUMMARY * ~

ARTICLE I ASSOCIATION, ADMINISTRATION, MEMBERSHIP AND VOTING RIGHTS

- 1.1 Easement Owners Association (insert Name).
- 1.2 The primary function is maintenance, operation and repair of the private road easement and collection of assessments.
- 1.3 The owner of any lot automatically becomes a member and remains a member as long as they have ownership.
- 1.4 Membership in the Association can only be changed by transfer of ownership.
- 1.5 Each Lot owner shall have one vote per lot.
- 1.6 There will be one regular meeting of all members once a year.
- 1.7 The Board of Trustees is of three members, elected annually by a majority vote of the quorum. Members representing fifty percent (50%) of Lot ownership constitutes a quorum.
- 1.8 The Board of Trustees may contract with a professional agency for maintenance, repair or other activities on behalf of the Association.

ARTICLE 2 RESIDENCE AND USE RESTRICITONS

- 2.1 The goal is to maintain quality appearance, compatible development of land and structures, and protect real estate values.
 - a. Minimum dwelling size will be 1,500 square feet (not including basement, garage, patio, breezeways and detached rooms). No mobile or manufactured homes are allowed.
 - b. Roofs, following governmental standards, shall be: metal, tile, slate, or fire-retardant, dimensional shake shingles, composition (Elk Prestique Plus 30-year or comparable) shingles and comparable. Untreated cedar shakes or shingles are not permitted. At least 80% of roof, minimum roof pitch is 6/12.
 - c. Construction shall consist of new materials, except for décor items such as used brick, weathered planking and similar items. Siding will be cement fiber board, logs or cedar. Accent material must be a minimum of 20% of exterior visible from private roads serving the Property. Where accent material abuts corners, accent must wrap around corner for minimum of 24" inches. Trim around windows and doors must be minimum of 3 ½" of trim.

^{*} See entire recorded CC&R's for detail.

- d. No antenna, satellite dish or other transmission device (except "mini dishes") shall be visible from community roads or primary building sites.
- e. All fences fronting community roads shall be primarily of wood or wood grain composite, and of wood rail variety. NO barbed wire and maximum height of 8 feet.
- f. Outbuildings must complement the dwelling in material and color. They must be set back or even with the front of the house. This may be waived by a majority vote of Members.
- g. Exterior colors shall be moderate hues and/or earth tones.
- 2.2 Recreational vehicles, boats, trailers, campers, etc. shall not be parked on Easements for more than 18 hours, or on a daily basis. Guests staying more than 24 hours must park on private property.
- 2.3 No vegetation, other than existing vegetation in excess of 72" high as of March 2003 shall be allowed to restrict the view from other Lots. Mature timber and trees may be removed only for access roads, clear building sites, or remove dangerous trees (certified by professional).
- 2.4 Motorcycles and ATV's are permitted for ingress and egress along easement roads and on Owner's lot if size is 20+ acres.
- 2.5 Inoperable vehicles and equipment must be inside enclosed building. Recreational vehicles must be stored behind house and screened from view.
- A motor home or vacation trailer may be parked on property no more that 12 weeks in any calendar year.
- 2.7 Only a professional business conducted from an office inside the home, and does not generate excessive customer traffic is allowed. Any other goods, equipment, or supplies must be stored within a structure permitted by the CC&R's.
- 2.8 No noxious, illegal, nuisance or offensive activities that interfere with the quiet enjoyment or in any way interfere with rates of insurance for each Owner shall be allowed.
- 2.9 No temporary structure shall be used as a residence except during the course of evident construction of the primary dwelling. The duration will not be longer than 14 months. No mobile homes are permitted.
- 2.10 Any dwelling or structure erected or placed on Lot must be completed to exterior appearance, including painting within 14 months of commencement of construction.
- 2.11 No overhead utilities shall be allowed.
- 2.12 Animals permitted are: horses, dogs, cats, caged birds, fish and other small household pets. Dogs shall be on leash and waste scooped, whenever off their property. Horses, livestock and poultry may be kept for personal use (not commercial), and pigs are **not** allowed. Animal enclosures must be clean, neat and odor free at all times.
- 2.13 Professional appearing signs displayed on the appropriate Lot shall not exceed five (5) square feet.
- 2.14 No property shall be used or maintained as a dumping ground. After initial construction of the residence, all garbage and trash must be in covered containers. Cans are allowed to be visible only on designated refuse pick up day.
- 2.15 Mailboxes will be at group locations, as specified by the US Postal Service.
- 2.16 Any Owner acquiring a Lot in the Property in reliance on one or more of the restrictive covenants contained in Article 2 or elsewhere in this Declaration shall assume all risks of validity and enforceability and agrees to hold Declarant harmless.

^{*} See entire recorded CC&R's for detail.

ARTICLE 3 REPAIR AND MAINTENANCE

- 3.1 Each owner shall be responsible for maintaining the exterior of their residence and all other buildings and improvements on their Lot.
- 3.2 The Association shall maintain or repair the Easements to assure they remain in good condition.
- 3.3 The Association shall have an irrevocable easement over and onto all portions of the Easement Property for the purpose of maintenance or repairs or emergencies.

ARTICLE 4 ASSOCIATON MAINTENANCE FUNDS AND ASSESSMENTS

- 4.1 Each owner shall pay regular assessments and extraordinary assessments as assigned by the Board of Trustees. Each assessment shall be a continuing lien against the Lot, subordinate to the lien of any first mortgage or construction loan.
- 4.2 The purpose of assessments is exclusively for normal maintenance, operation, insurance and repair of the Easements. The Lot owner is responsible for snowplowing their own driveway.
- 4.3 The Board may establish Regular Assessments, initially in the amount of \$30 per month. The Board may determine a fixed amount of Regular Assessment at least 60 days prior to the start of each fiscal year. An increase may not be more than 10% of the preceding fiscal year without the vote of 2/3 of the Members.
- 4.4 The Board may levy an Extraordinary Assessment in any fiscal year for the purpose of covering the cost of reconstruction, repair or replacement of any Easement, or to defray any unanticipated or underestimated expense not covered in the Regular Assessment.
- 4.5 Each lot shall bear an equal share of each Assessment. The Declarant shall be exempt from the Assessment payment on a Lot that does not include a completed dwelling. The exception is in effect until a certificate of occupancy is issued for the dwelling or 180 days after the issuance of a building permit, whichever occurs first.
- 4.6 Regular Assessments shall start on first day of month following the completion of the roads or closing of the sale of the first Lot, whichever occurs later. Assessments are due the first day of every calendar month.
- 4.7 In the event any taxes are assessed against the Easements or personal property of the Association, not the Lots, said taxes will be included in the Regular Assessments. If needed, an Extraordinary Assessment may be levied against the Lots, payable in 2 semi-annual installments.
- 4.8 The sale or transfer of any Lot shall not affect any Assessment lien or relieve the Lot from any lien pertaining to payments becoming due prior or subsequent to sale or transfer.
- 4.9 In the case of any other 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 up to 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.
- 4.10 If any part of an Assessment is not paid and received by the Association or its agent within 30 days after due date, 18% interest will be charged along with a \$10 late processing fee until the Assessment is paid.

ARTICLE 5 EASEMENTS AND UTILITIES

- 5.1 Declarant reserves for the benefit of the Owners reciprocal, nonexclusive easements for access, ingress and egress, over and under all of the Easements.
- 5.2 The rights and duties of the Owners of Lots within the Property regarding utilities are as follows:
 - 5.2.1 Whenever sanitary sewer, water, electric, gas, telephone or television lines or connections are located or installed within the Easements.
 - 5.2.2 The Board shall decide any disputes between the Owners with respect to repairs, rebuilding or costs associated with connections. The Board's decision will be final and binding on the parties.

ARTICLE 6 INSURANCE

- 6.1 The Board shall be authorized to obtain and maintain the following policies of insurance:
 - a. Hazard Insurance: For improvements made to Easements which may be insured against casualty loss, or damage by fire and all other perils. Additional endorsements, provisions or exceptions may be added by the Board.
 - b. Liability Insurance: Comprehensive general liability insurance covering the Easements. The policy shall provide for bodily injury and property damage for any single occurrence.
- 6.2 The Association and the Owners waive and release all claims against one another and agree to limit their recovery to the extent of the Insurance proceeds available.
- 6.3 Insurance premiums for any blanket insurance coverage obtained by the Association will be included in the Regular Assessments and separately accounted for in a reserve fund used only for payment of insurance premiums.
- 6.4 The Association, acting through the Board of Trustees, shall be deemed trustee of the interests of all named insured's under policies purchased and maintained by the Association.

ARTICLE 7 DESTRUCTION; CONDEMNATION

- 7.1 If an Easement is damaged, the Association is responsible to restore or repair it promptly. Any proceeds from insurance will be used for that purpose. If funds are insufficient, the Board shall levy an Extraordinary Assessment for the deficiency.
- 7.2 If any dwelling is damaged, it shall be the Owners responsibility to repair the dwelling promptly to its former condition in accord with original plans and remove all debris from the property.
- 7.3 The Association shall have the right by a 2/3 vote to make alternate arrangements for repair, restoration or demolition of any damaged portion of the Easements using insurance proceeds or special allocations of any necessary Assessments. The plan must be adopted within 60 days of damage or destruction.
- 7.4 The taking or partial taking of any portion of the Easement by condemnation will be negotiated by the Owner of subject Property. Any award shall be that of the Owner

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unless such taking affects the only route of access of any other Owner. If that happens, the award will be deposited into a general fund for the purpose of securing alternate access for the landlocked Owner.

ARTICLE 8 DECLARANT'S RIGHTS AND RESERVATIONS

- 8.1 The Declarant will make certain improvements to the Property in order to establish a rural residential community. Nothing in this Declaration shall be understood or construed to:
 - (a) Prevent Declarant or their representatives from doing work on the Property that is necessary for completion of improvements to the Easements, or
 - (b) Prevent Declarant or their representatives from building structures needed to complete improvements to the Easements and disposing of them by sale or other disposition: or
 - (c) Prevent Declarant or their representatives from maintaining signs on Property for the sale or disposition thereof.
- 8.2 The Declarant or builders or their successors who own one or more of the Lots, are subject to the provisions of this Declaration, except where specifically provided herein.
- 8.3 If the Declarant gives up its rights, title and interest in the Property, it will be relived of any further duty and obligation.

ARTICLE 9 DURATION AND AMENDMENT

- 9.1 This Declaration shall be in effect for ten (10) years from starting date. It shall be automatically renewed successively for ten (10) years, unless a Declaration of Termination is recorded. All Lots shall be subject to terms of this agreement.
- 9.2 This Declaration may only be amended after written approval of two-thirds (2/3) of the Lot Owners.
- 9.3 The Owners may form a Home Owner's Association ("HOA") to enforce these CC&R's by written approval of fifty percent plus 1 of the Members. Any such Home Owner's Association shall replace the Association.

ARTICLE 10 GENERAL PROVISIONS

- 10.1 Enforcement: Any Owner and governmental agency having jurisdiction over the Property shall have the right to enforce by legal means these CC&R's. They shall also be entitled to recover costs ordered by the Court. The Board may enforce maintenance, insurance, repairs and operation of the Easements. Failure to enforce any provisions does not mean a waiver of rights.
- 10.2 Invalidity of Any Provision: Should any provision be in this Declaration be declared invalid or conflict with any law, the validity of all other provisions will remain unaffected.
- 10.3 Conflict of Property Documents: If there is any conflict between the Property Documents, the priority will be given in this order: Plat Map; this Declaration; Articles; bylaws; and rules and regulations of the Association. The protection of mortgages will have priority over any inconsistent provision.