

COVENANTS, CONDITIONS AND RESTRICTIONS
AND ROAD MAINTENANCE AGREEMENT

WHEREAS, PHIL SCHNUERLE, a married man as his sole and separate property and
MAX O. SCHNUERLE, a married man as his sole and separate property, are the owners of the
following described real property:

A parcel of land located in a portion of the South Half of Section Nine (9), Township Sixty-one (61) North, Range One (1) East, B.M., containing Parcels A through R with their respective acreage's for a total acreage of 106.54 acres more or less and more particularly described as follows:

Beginning at a 4 inch square concrete post with a brass cap marking the east quarter corner of Section Nine (9), Township Sixty-one (61) North, Range One (1) East, B.M.; thence along the east line of said Section Nine (9), S 00 degrees 06'14" W, 1058.97 feet to a computed point located on the centerline of a 60.00 foot access easement; thence along said centerline, N 86 degrees 28'10" W, 220.31 feet to a computed point; thence on the arc of a curve to the right, a distance of 30.93 feet, turning through a delta angle of 17 degrees 43'27", and having a radius of 100.00 feet, to a computed point; thence N 68 degrees 44'43" W, 66.19 feet to a computed point; thence, N 68 degrees 44'43" W, 160.86 feet to a computed point; thence, on the arc of a curve to the left, a distance of 195.51 feet, turning through a delta angle of 43 degrees 05'04", and having a radius of 260.00 feet, to a computed point; thence, S 68 degrees 10'13" W, 78.79 feet to a computed point; thence on the arc of a curve to the left, a distance of 113.29 feet, turning through a delta angle of 21 degrees 38'10", and having a radius of 300.00 feet, to a computed point; thence, S 46 degrees 32'03" W, 113.40 feet to a computed point; thence, S 46 degrees 32'03" W, 64.19 feet to a computed point; thence on the arc of a curve to the left, a distance of 26.16 feet, turning through a delta angle of 07 degrees 29'41", and having a radius of 200.00 feet, to a computed point; thence continuing on the arc of a curve to the left, a distance of 30.40 feet, turning through a delta angle of 08 degrees 42'37", and having a radius of 200.00 feet, to a computed point; thence, S 30 degrees 19'45" W, 368.46 feet to a computed point; thence, S 23 degrees 00'40" W, 90.09 feet to a computed point; thence on the arc of a curve to the right, a distance of 175.60 feet, turning through a delta angle 43 degrees 44'39", and having a radius of 230.00 feet, to a computed point; thence, S 66 degrees 45'18" W, 97.68 feet to a computed point; thence, S 66 degrees 45'18" W, 131.42 feet to a computed point; thence on the arc of a curve to the left, a distance of 80.11 feet, turning through a delta angle of 15 degrees 17'59", and

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having a radius of 300.00 feet to a computed point; thence, S 51 degrees 27'19" W, 106.64 feet to a computed point, thence on the arc of a curve to the right, a distance of 113.07 feet, turning through a delta angle of 21 degrees 35'41", and having a radius of 300.00 feet to a computed point; thence, S 73 degrees 03'00" W, 141.71 feet to a computed point; thence leaving said centerline, S 03 degrees 31'54" E, 86.38 feet to a 5/8 inch dia. rebar capped K.E.D. 3980S; thence, S 37 degrees 18'33" E, 194.91 feet to a 5/8 inch dia. rebar capped K.E.D. 3980S; thence, S 20 degrees 00'45" E, 44.95 feet to a 5/8 inch dia. rebar capped K.E.D. 3980S; thence, S 20 degrees 00'45" E, 311.73 feet to a 5/8 inch dia. rebar capped K.E.D. 3980S located on the south line of said Section Nine (9); thence along said south section line, N 89 degrees 22'25" W, 835.33 feet to a computed point located on the centerline of a 60.00 foot access easement; thence along said centerline, N 08 degrees 58'39" W, 286.28 feet to a computed point; thence, N 08 degrees 58'39" W, 75.94 feet to a computed point; thence on the arc of a curve to the left, a distance of 195.38 feet, turning through a delta angle of 50 degrees 53'06", and having a radius of 220.00 feet, to a computed point; thence, N 59 degrees 51'44" W, 197.63 feet to a computed point; thence on the arc of a curve to the right, a distance of 62.86 feet, turning through a delta angle of 18 degrees 00'29", and having a radius of 200.00 feet, to a computed point; thence, N 41 degrees 51'15" W, 281.98 feet to a computed point; thence on the arc of a curve to the left, a distance of 27.58 feet, turning through a delta angle of 07 degrees 54'08", and having a radius of 200.00 feet to a computed point; thence, N 49 degrees 45'23" W, 101.77 feet to a computed point; thence on the arc of a curve to the right, a distance of 34.36 feet, turning through a delta angle of 79 degrees 32'46", and having a radius of 24.75 feet to a computed point; thence, S 82 degrees 04'54" W, 415.26 feet to a 5/8 inch dia. rebar capped K.E.D. 3980S; thence, N 24 degrees 35'27" E, 178.44 feet to a 5/8 inch dia. rebar capped K.E.D. 3980S; thence, N 24 degrees 35'27" E, 18.45 feet to a 5/8 inch dia. rebar capped K.E.D. 3980S; thence, N 32 degrees 06'21" E, 211.67 feet to a computed point; thence N 32 degrees 06'21" E, 129.55 feet to a computed point; thence, N 54 degrees 45'17" E, 259.09 feet to a computed point; thence, N 34 degrees 34'01" E, 34.26 feet to a 5/8 inch dia. rebar capped K.E.D. 3980S; thence, N 34 degrees 34'01" E, 150.84 feet to a computed point; thence, N 66 degrees 24'36" E, 278.32 feet to a computed point; thence, N 77 degrees 59'59" E, 44.37 feet to a 5/8 inch dia. rebar capped K.E.D. 3980S; thence, N 77 degrees 59'59" E, 114.18 feet to a 5/8 inch dia. rebar capped K.E.D. 3980S; thence, S 84 degrees 36'58" E, 84.58 feet to a 5/8 inch dia. rebar capped K.E.D. 3980S; thence, S 75 degrees 31'20" E, 122.05 feet to a 5/8 inch dia. rebar capped K.E.D. 3980S; thence, N 58 degrees 48'40" E, 118.73 feet to a computed point; thence, N 83 degrees 44'23" E, 169.50 feet to a computed point; thence, N 50 degrees 31'25" E, 103.23 feet to a computed point; thence N 25 degrees 53'35" E, 157.84 feet to a computed point; thence, N 45 degrees 57'10" E, 102.26 feet to a 5/8 inch dia. rebar capped K.E.D. 3980S; thence, N 45 degrees 57'10" E, 43.09 feet to a 5/8 inch dia. rebar capped K.E.D. 3980S; thence, N 60 degrees 18'34" E, 64.43 feet to a 5/8 inch dia. rebar capped K.E.D. 3980S; thence, N 78 degrees 46'23" E, 100.63 feet to a 5/8 inch dia. rebar capped K.E.D. 3980S; thence, N 71 degrees 20'42" E, 252.80 feet to a 5/8 inch dia. rebar capped K.E.D. 3980S and located on the east-west centerline of said Section Nine (9); thence along said east-west centerline, S 89 degrees 24'04" E a total distance of 1491.50 feet to the point of beginning.

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The aforescribed Wild Horse Canyon contains Parcels A through R, for a total acreage of 106.54 acres more or less and is subject to a 60.00 foot access easement, and all other appurtenant easements of record.

WHEREAS, said owners desire to place certain restrictions on the use of the real property described above for the benefit of the owners and their grantees, successors or assigns, in order to establish and maintain the character and value of the real property and quality of life on the property described above,

NOW THEREFORE, the owners do hereby impose, establish, publish and acknowledge the following protective covenants, conditions and restrictions upon the real property described above, and upon all present and future owners of said real property, as follows:

COVENANTS, CONDITIONS AND RESTRICTIONS

1. **BUILDING AND LANDSCAPE LOCATION:**
Lot line set back for buildings. The set back from the public road frontage on all lots shall be at least 30 feet. The set back from property lines on all lots shall be at least 10 feet. No trees on hillside shall block the view for any other lot.
2. **NUISANCES:**
No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may become an annoyance to the neighborhood.
3. **LIVESTOCK:**
Two large animals per lot, excluding pigs and goats.
4. **GARBAGE AND REFUSE DISPOSAL:**
No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. The burning of trash in outside incinerators, barbecue pits and the such is prohibited (except at times and in containers approved by the State of Idaho) it being intended that all refuse, trash, garbage and the shall be hauled from the subdivision.
5. **MOBILE HOMES AND MODULAR HOMES:**
No structures commonly referred to as "mobile homes", "manufactured homes" and "double wide homes" shall be placed upon any lot.

6. **REFUSE:**
Refuse piles or other unsightly objects or material, including logging debris, shall not be allowed to be placed or remain upon the premises or easements.
7. **BUILDING MATERIALS:**
All materials used in the construction, alteration, or remodeling of any building, wall, fence or other structure shall be new and of good quality and design. Used materials of good quality may be used in exceptional circumstances.
8. **FUTURE SUBDIVISION:**
Any future subdivision of any lot, parcel, or tract of the aforementioned property is prohibited.
9. **PARKING:**
No inoperable vehicles shall remain on any lot longer than 30 days. Once removed, no inoperable vehicle shall again be placed on the property for 90 days.
10. **DWELLING QUALITY AND SIZE:**
No dwelling shall be permitted on any lot containing less than 1500 square feet, exclusive of open porches and garages. One single family dwelling per lot.
11. **TERM:**
These covenants are to run with the land and shall be binding on all parties and all persons claiming under them, unless an instrument signed by a majority of the then owners of the lot has been recorded agreeing to change said covenants in whole or in part, or terminate the covenants in whole or in part.

ROAD MAINTENANCE AGREEMENT

WHEREAS, PHIL SCHNUERLE and MAX O. SCHNUERLE are respectively the owners of the above described property,

WHEREAS, the parties desire to and do now enter into a road maintenance agreement; and,

NOW, THEREFORE, the parties agree as that each time all parties agree, the following shall apply:

1. **COSTS:** Each purchaser shall deposit the amount of Two Hundred Dollars (\$200.00) for maintenance and repairs into the Wild Horse Canyon, Road Maintenance Account, at Panhandle Bank, Bonners Ferry, Idaho by December 31 each and every year. Each subsequent purchaser within sixty (60) days of closing shall deposit the same into the Wild Horse Canyon, Road Maintenance Account, at Mountain West Bank, Bonners Ferry, Idaho and every December 31 thereafter.

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2. EXPENSES TO BE SHARED: The parties and the above described property agree to share equally the costs and expenses of maintaining the above described road.

3. MAINTENANCE AND REPAIRS DEFINED: The repairs and maintenance to be undertaken and performed under this agreement shall include the following and only the following: grading, filling chuckholes, resurfacing, and snow removal.

4. PERSONAL INJURY AND PROPERTY DAMAGE LIABILITY: Any liability of the parties for personal injury to any worker employed to make repairs under this agreement, or to third persons, as well as any liability of the parties for damage to the property of the agent, or any such worker, or of any third person, as a result of or arising out of repairs and maintenance under this agreement, shall be borne equally between the parties.

5. INDEMNITY: Each of the parties agrees to indemnify and to hold the other harmless from and against any and all liability for personal injury or property damage when such injury or damage shall result from, arise out of, or be attributable to any maintenance or repair undertaken under or pursuant to this agreement.

6. GOVERNING LAW: It is agreed that this agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Idaho.

7. ENTIRE AGREEMENT: This agreement shall constitute the entire agreement between the parties and any prior understanding or representation of any kind preceding the date of this agreement shall not be binding upon either party except to the extent incorporated in this agreement.

8. MODIFICATION OF AGREEMENT: Any modification of this agreement or additional obligation assumed by either party in connection with this agreement shall be binding only if evidenced in writing signed by each party or an authorized representative of each party.

9. ATTORNEY FEES: In the event that any action is filed in relation to this agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all the sums that either party may be called on to pay, a reasonable sum for the successful party's attorney's fees.

10. COMMON EASEMENT NOT TO BE OBSTRUCTED: The above-named parties shall use the rights granted by this instrument with due regard to the rights of others and their use of such road and easement, and shall not use the vehicle and utility access in any way that will impair the rights of others to use such road and easement, and shall not obstruct passage thereon.

IN WITNESS WHEREOF, PHIL SCHNUERLE and MAX O. SCHNUERLE, have

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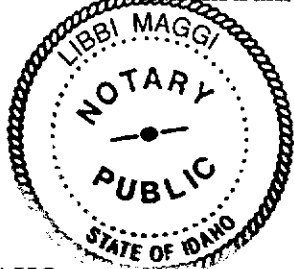
executed this document this 25th day of July, 2006.

Phil Schnuerle
PHIL SCHNUERLE

Max O. Schnuerle
MAX O. SCHNUERLE

STATE OF IDAHO :
 SS
County of Boundary :

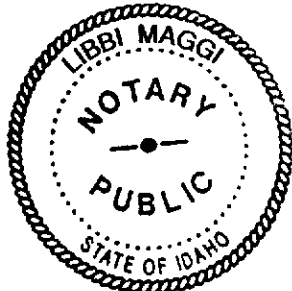
On this 25th day of July, 2006, before me, the undersigned Notary Public for the State of Idaho, personally appeared, PHIL SCHNUERLE, known/or identified to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.



Libbi Maggi
Notary Public for Idaho
Residing in Bonners Ferry
My Comm. Exp.: 07/31/2009

STATE OF IDAHO :
 SS
County of Boundary :

On this 25th day of July, 2006, before me, the undersigned Notary Public for the State of Idaho, personally appeared, MAX O. SCHNUERLE, known/or identified to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.



Libbi Maggi
Notary Public for Idaho
Residing in Bonners Ferry
My Comm. Exp.: 07/31/2009

6. COVENANTS, CONDITIONS AND RESTRICTIONS AND ROAD MAINTENANCE AGREEMENT

STATE OF IDAHO }
County of Boundary } SS.
Filed by: Jim Wilson
on 7-25-06 at 9:25
Glenda Poston
County Recorder Christie
By Deputy
Fee \$ 18.00 chg
Mail to Jim Wilson