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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

THIS DECLARATION, made on the date hereinafter set forth by Gerald D. Eid hereinafter referred to as "Declarant".

WITNESSETH:

Whereas, Declarant is the owner of certain property in the County of Cass, State of North Dakota, which is more particularly described as:

All of Blocks 1 through 6, inclusive Legacy I Fourth Addition to the City of Fargo, Cass County, North Dakota.

NOW THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I DEFINITIONS

Section 1. "Association" shall mean and refer to Legacy Four Association, its successors and assigns.

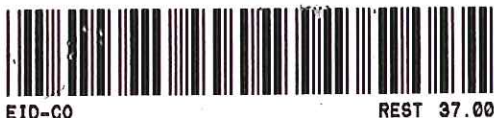
Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Lot" shall mean and refer to any buildable plot of land shown upon the recorded plat All of Blocks 1 through 6, inclusive Legacy I Fourth Addition to the City of Fargo, Cass County, North Dakota.

Section 5. "Declarant" shall mean and refer to Gerald D. Eid, his successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

ARTICLE II



MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A members shall be all 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. The vote of such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

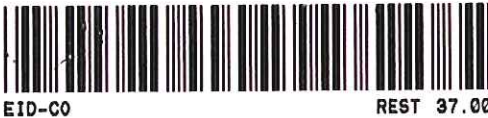
Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) on December 31, 2007.

ARTICLE III COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties.



Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Twenty-Five dollars (\$25) per lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than 5% above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above 5% by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 30 days or more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership 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. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the first lot. The



first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 10 percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE IV ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE V GENERAL RESTRICTIONS



SECTION 1. Signs. No sign of any kind shall be displayed to the public view without the approval of the Architectural committee; provided, however, that signs not more than three feet by two feet may be displayed on or from a residence advertising the residence for sale or lease. No flashing or moving signs shall be permitted in Legacy Four.

SECTION 2. Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate upon any property within Legacy Four and no odors shall be permitted to rise therefrom so as to render any such property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property or to its occupants. No noise or other nuisance shall be permitted to exist or operate upon any such property so as to be offensive or detrimental to any other property or to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes) shall be located, used or placed on any such property without the prior written approval of the Board.

SECTION 3. Repair of Buildings. No Improvements hereafter constructed upon any land within Legacy Four shall be permitted to fall into disrepair, and each such improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished by the Owner.

SECTION 4. Improvements and Alterations. There shall be no construction, other than repairs pursuant to Section 4 above, excavation or alteration which in any way alters the exterior appearance of any Improvement or results in the removal of any Improvement without the prior approval of the Architectural Committee.

SECTION 5. Violation of Legacy Four Rules. There shall be no violation of the Legacy Four rules once adopted by the Board and made available to the Persons affected thereby. If any Owner or his family or any guest, licensee, lessee or invitee of such Owner or his family violates the Legacy Four Rules, the Board may invoke any one or more of the following remedies: (a) impose a special charge upon such owner of not more than fifty dollars for each violation; (b) cause the violation to be cured and charge the cost thereof to such Owner; and (c) obtain injunctive relief against the continuance of such violation. Before invoking any such remedy, the board shall give such Owner Notice and Hearing. Any assessment or charge imposed under this Section 5 which remains unpaid for a period of ten days or more, shall become a lien upon the Owner's land upon its inclusion in a recorded notice thereof and may be collected as provided in Article IX below for the collection of other Assessments. The duties and powers of the Board pursuant to this section may be delegated to a committee of Members, Directors, or both.

SECTION 6. Drainage. There shall be no interference with the established drainage patterns over any property within Legacy Four Addition, except by



Declarant or a Principal Owner, unless adequate provision is made for proper drainage and approved by the Architectural Committee.

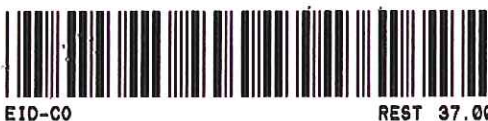
SECTION 7. No Hazardous Activities. No activities shall be conducted on any property and no Improvements constructed on any property which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any property; and no open fires shall be lighted or permitted on any property except in a contained barbecue unit while attended and in use for cooking purposes or within a safe and well-designed interior fireplace.

SECTION 8. No Temporary Structures. No tent or shack or other temporary building, improvement or structure shall be placed upon any property, except that, subject to the Rules, temporary structures, including but not limited to construction trailers, necessary for storage of tools and equipment and for office space for architects, builders and foremen during actual construction may be maintained with the prior approval of Declarant, such approval to include the nature, size and location of such structure.

SECTION 9. No Mining and Drilling. No property shall be used for the purpose of mining, quarrying, drilling, boring or other exploring for or removing water, oil, gas or other hydrocarbons, minerals or any kind, rocks, stones, sand, gravel, aggregate or earth, except that (a) Declarant or the Association may, by appropriate written permit, grant, license or easement, allow the drilling of wells and the installation of infiltration galleries and other improvements for the extraction of water and (b) the Association, with prior written consent of all of the votes entitled to be cast and during the Period of Declarant Control, with the prior written consent of declarant, may, by appropriate written permit, grant, license or easement, allow any of the foregoing activities referred to in (a) above to the extent permitted by applicable zoning and other ordinances, regulations and statutes, local, state or federal. Any of the activities permitted under paragraphs (a) and (b) of this Section 9 shall not be conducted in such a manner as to cause subsidence on adjacent portions of the Property or so as to interfere with any Improvements previously constructed on portions of the Property adjacent to such activities.

SECTION 10. VEHICLES. The use of all vehicles, including but not limited to helicopters, gliders, trucks, automobiles, graders, boats, personal watercraft, tractors, pickups, mobile homes, trailers, buses, campers, recreational vehicles, bicycles, motorcycles, motor scooters, wagons, sleighs and snowmobiles, shall be subject to the Legacy Four Rules, which may prohibit or limit the use thereof within specified parts of Legacy Four, and which may also provide parking regulations and adopt other rules regulation the same.

SECTION 11. Construction Activities. This Declaration shall not be construed so as to unreasonably interfere with or prevent normal construction activities during the construction of Improvements by any Owner (including Declarant or any



Major Developer or Principal Owner) upon property within Legacy Four, provided that when completed such Improvements shall in all ways conform to this Declaration. Specifically, no such construction activities shall be deemed to constitute a nuisance or a violation of this Declaration by reason of noise, dust, presence of vehicles or construction machinery. Posting of signs or similar activities, provided that such construction is pursued to completion with reasonable diligence, is in compliance with applicable federal, state and local laws and ordinances and any rules and regulation adopted pursuant thereto, and conforms to usual construction practices in the area. In the event of any dispute a temporary waiver of the applicable provision, including but not limited to any provision prohibiting temporary structures, may be granted by the Architectural Committee, provided that such waiver shall be only for the reasonable period of such construction. Such waiver may, but need not, be recorded or in recordable form. No construction activities shall be carried on in such a way as to create health hazard or unreasonable interfere with the use and enjoyment by any Owner or his family of any Residential lot. No portion of the Property may be stripped of natural vegetation unless in connection with construction of Improvements or installation of landscaping within such portion of the Property. If such construction or installation has not commenced within a reasonable time after the natural vegetation has been stripped, the Owner of such portion of the Property shall take appropriate steps to prevent the erosion or blowing of soil from the Property.

SECTION 12. Easements Granted by Declarant. Notwithstanding anything in this Declaration to the contrary, Declarant may grant easements over, under, in and across any part of Legacy Four for electric transmission lines, telephone lines, gas lines, water and sewer lines a facilities, cable television lines and facilities, drainage and all other utilities, provided that such easements which are granted after construction of permanent Improvements upon any Lot shall not unreasonably interfere with the use of such Improvements. If such easements are granted by Declarant, the costs of installing and maintaining any improvements pursuant to such easement shall be paid by either the Declarant or the grantee under the easement, as Declarant may determine, and the party responsible for such costs shall restore the ground disturbed by such improvements to its condition immediately prior to such construction or installation and shall be responsible for any other damages caused by such construction or installation.

SECTION 13. Assignment by Declarant. Any other provision of this Declaration to the contrary notwithstanding, Declarant may assign in whole or in part any of its privileges, exemptions, rights and duties under this Declaration to any other person and may permit the participation in whole or in part by any other person in any of its privileges, exemptions, rights and duties hereunder. Without in any way limiting the generality of the preceding sentence, Declarant may permit any Principal Owner, any Major Developer, or any assignee or successor in interest of all of substantially all of Declarant's or any Principal Owner's interests, rights,



and responsibilities in and to the Property, to exercise any or all powers and duties of the Architectural Committee.

SECTION 14. Alley. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, within ten (10) feet of an alley.

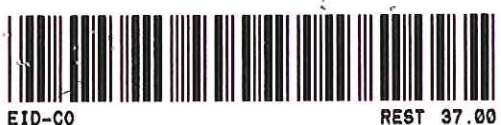
ARTICLE VI PERMITTED USES AND RESTRICTIONS – RESIDENTIAL AREAS

SECTION 1. Improvements and Use. No residential lot shall be improved or used except by a dwelling or structure designed to accommodate no more than a single family and its servants and occasional guests, plus a garage, fencing and such other improvements as are necessary or customarily incident to a single-family residents.

SECTION 2. Residential Use; Rentals No residence on any lot shall be used for any purpose other than residential purposes without the prior written approval of the Board. However, nothing in this Declaration shall prevent the rental of property by the Owner thereof for residential purposes, on either a short or long-term basis subject to all the provisions of the Legacy Four Restrictions. No commune or similar type living arrangement shall be permitted anywhere within Legacy Four.

SECTION 3. Animals. No kennel or other facility for raising or boarding dogs or other animals for commercial purposes shall be kept in any portion of the property. No animals of any kind shall be raised, bred or kept on any lot except dogs, cats or other ordinary household pets.

SECTION 4. Unsightly Articles. No unsightly articles shall be permitted to remain on any part of the property so as to be visible from adjoining property or public or private thoroughfares. Without limiting the generality of the foregoing, trailers, mobile homes, recreation vehicles, graders, trucks other than pickups, boats, tractors, campers, wagons, buses, sleighs, motorcycles, motor scooters, snowmobiles, snow removal equipment and garden and maintenance equipment shall be kept at all times, except when in actual use, in an enclosed structure or screened from view and no repair or maintenance work shall be done on any of the foregoing, or on any automobile or pickup truck other than minor emergency repairs, except in an enclosed garage or other structure; refuse, garbage and trash shall be kept at all times in a covered, noiseless container and any such container shall be kept within an enclosed structure or appropriately screened from view; service areas, storage areas, compost piles and facilities for hanging dry or airing clothing or household fabrics shall be appropriately screened from view; no lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials or scrap, refuse or trash shall be kept, stored or allowed to accumulate on any part of the Property except within an enclosed structure or appropriately



screened from view; and liquid propane gas, oil and other permanently screened from view.

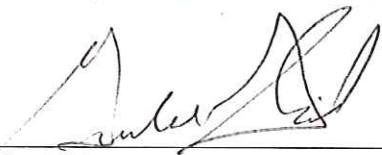
ARTICLE VII GENERAL PROVISIONS

Section 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 herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) years period by an instrument signed by not less than ninety percent (90%) of the lot owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the lot owners. Any amendment must be recorded.

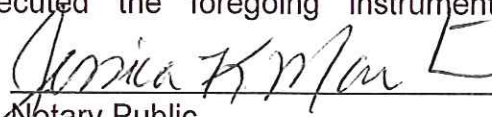
IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 28th day of October, 2005.



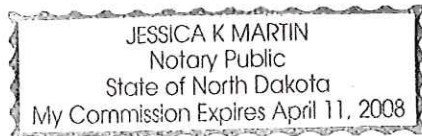
Gerald D. Eid

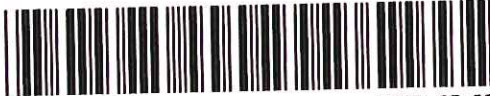
STATE OF NORTH DAKOTA)
) SS
COUNTY OF CASS)

On this 28th day of October, 2005, before me, a notary public in and for said county and state, personally appeared Gerald D. Eid known to me to be the person described in, and who executed the foregoing instrument and acknowledged that executed the same.



Notary Public





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RECORDER'S OFFICE, CASS COUNTY, ND 03/23/2006 08:00AM
I CERTIFY THAT THIS INSTRUMENT WAS FILED FOR RECORD THIS DATE.
DEANNA KENSrud, COUNTY RECORDER

by Terena A. Kirley, Dep

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